

INDIA – SPAIN PROGRAMME OF COOPERATION ON INDUSTRIAL RESEARCH AND DEVELOPMENT

A Bilateral Framework providing financial support for collaborative R&D ventures between Indian and Spanish Industry and Academia

Request for Proposals – Terms, Conditions & Guidelines for Applications

<p>Indian Implementing Agency</p>  <p>GLOBAL INNOVATION & TECHNOLOGY ALLIANCE</p>	<p>Indian Funding Ministry/Department</p>  <p>Department of Science & Technology Government of India</p>  <p>Department of Electronics & Information Technology Government of India</p>	<p>Spanish Funding Ministry/Department - Spanish Implementing Agency</p>   <p>CDTI Centre for the Development of Industrial Technology</p>
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Joint Request for Proposals (RFP) 2015

– Terms, Conditions and Guidelines for Applications –

1. INTRODUCTION TO THE INDIA - SPAIN PROGRAMME OF CO-OPERATION ON INDUSTRIAL R&D

On June 12th, 2007 a Memorandum of Understanding (MoU) for co-operation in the field of Science and Technology was signed between the Ministry of Education and Science (MEC) and the Ministry of Industry, Tourism and Trade (MITyC) of Spain, with the Department of Science and Technology (DST) of India, whereby the Parties committed themselves respectively to promote direct scientific and technological co-operation between Government agencies, universities, public research bodies, academies of science, research institutions, institutes of higher education, enterprises and scientific societies.

Within the frame of the India-Spain S&T Agreement, the Department of Science and Technology (Ministry of Science and Technology, India) and the Centre for the Development of Industrial Technology (Secretariat of State for Research, Development and Innovation, Ministry of Economy and Competitiveness, Spain) signed on January 30th 2013, a Programme of Cooperation in order to develop a joint mechanism to promote and fund innovation-driven research and technology development between S&T stakeholders of both countries as well as to encourage partnerships and business-led R&D&I projects in areas of mutual interest. Companies and other R&D-performing organisations may seek support for joint India-Spain R&D projects and other activities intended to generate new or expanded research and technology-based partnerships between the two countries.

For India, funding and other services will be provided through the Global Innovation & Technology Alliance (GITA), a not-for-profit company, promoted by the Confederation of Indian Industry (CII) and Technology Development Board of the Department of Science & Technology, Govt. of India engaged by the Department of Science and Technology (DST) and Department of Electronics & Information Technology (DeitY), Government of India for this purpose. For Spain, funding and other services will be provided through the Centre for the Development of Industrial Technology (CDTI) under the Secretariat of State for Research, Development and Innovation, Ministry of Economy and Competitiveness, Government of Spain. CDTI, Spain's National Innovation Agency is a public entity charged to promote business R&D and foster the technological level and innovation capacity of Spanish companies. CDTI is the Spanish public entity that channels and supports applications for national and international R&D&I projects of Spanish companies.

This India-Spain program aims to foster and support the development of collaborative Industrial R&D projects consisting in the joint development of innovative products, processes and services, bringing together companies, research organisations, academic institutions and other collaborators from both countries. The referred R&D projects (engaging small-to-medium-sized companies and/or larger, well established companies) must address specific market needs or socio-economic challenges; demonstrate high industrial relevance and commercial potential and be of mutual interest to all the

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participants, and broadly, to both nations. Participation in such industry-driven and market-oriented collaborative R&D projects strive to enhance global competitiveness and increase market access of Spanish and Indian companies.

Applicants are strongly encouraged to review the complete application guidelines before developing and submitting an Expression of Interest or a complete proposal.

The referred information and guidelines are specific to the India-Spain Industrial R&D Proposals to be submitted under this Request for Proposals. GITA and CDTI invite Indian and Spanish participants to submit collaborative R&D proposals as per the conditions and terms laid down herewith.

Please note that the proposal preparation guidelines should be regarded as suggestions. Applicants may choose to address while developing the proposals the points that they believe strengthen the proposal and collaboration.

2. SCOPE OF THE REQUEST FOR PROPOSALS: ELIGIBLE TECHNOLOGY SECTORS - THEMATIC AREAS IN WHICH PROPOSALS ARE INVITED

Any collaborative Research & Development project, based on merit that include science and technology (S&T) development leading to commercial success, social good and benefit to both countries. There is however a specific focus on the following technology areas:

- Electronic System Design & Manufacturing (ESDM) * technologies** focusing on:
 - Large Area Flexible Electronics
 - Internet of Things (IOT)
 - Devices for Internal Security

- Smart Cities (Sustainable Cities and Transport Networks)**
 - Smart energy systems
 - Building and space sustainability
 - Intelligent transport and mobility
 - Societal challenges: inclusion, education, health, tourism, etc.
 - Electronic, open and participatory government

- Clean Technologies (Renewable Energies and Environment)** “economically competitive production processes and products that uses less or substitutes harmful or critical materials and/or energy, reduce, replace and reuse resources”.
 - Clean Energy
 - Energy Storage
 - Energy Efficiency
 - Transportation

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- Air & Environment
- Clean Industry
- Water and Agriculture
- Application of Remote sensing and GIS for accurate inventory of natural resources and environmental planning

Advanced Materials, Advanced Manufacturing & Processing

* IMPORTANT NOTE FOR INDIAN APPLICANTS: ESDM projects will be supported by DeitY in India.

Specific funding criteria for ESDM projects:

- **Additional Eligibility Conditions:** One Indian Industry applicant (at least) and one academic institution applicant can jointly apply for one (joint) R&D project along with Spanish partners (same conditions as above for the Spanish partners).
- Please refer the following links for understanding of ESDM, under DeitY program:
 - Large Area Flexible Electronics:** Click the link for detail information: <http://deity.gov.in/content/centres-excellence-support-esdm>
 - **Internet of Things (IoT):** IoT is a seamless connected network of embedded objects/devices, with identifiers, in which M2M communication without any human intervention is possible using standard and interoperable communication protocols.” - Phones, Tablets and PCs are not included as part of IoT. Click the link for detail information [http://deity.gov.in/sites/upload_files/dit/files/Draft-IoT-Policy%20\(1\).pdf](http://deity.gov.in/sites/upload_files/dit/files/Draft-IoT-Policy%20(1).pdf)
 - **Technology for Internal Security (NCETIS):** Click the link for detail information <http://deity.gov.in/content/centres-excellence-support-esdm>

3. ELIGIBILITY CRITERIA: WHO IS ELIGIBLE TO APPLY?

Eligible projects under the present RFP are R&D projects falling under the thematic areas described above in section 2, to be performed by an international consortium of independent companies from India and Spain. This international consortium shall be formed at least by one qualified partner from each country (1 Indian company + 1 Spanish company), meeting the eligibility criteria for Indian Applicants and Spanish Applicants laid down below.

R&D project proposals will be strengthened by the participation of research centres, academic entities or other R&D performing organisations as a component of the R&D.

Indian Applicants

Eligible Indian applicants must be researchers or managers of for-profit companies that operate and are headquartered in India. Academic institutions, research centres, hospitals (including not-for-profit

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research institutes recognized by DST/DeitY/GITA) that are headquartered and operate in India are strongly encouraged to participate in the project as co-investigators.

Specific criteria for eligible applicants are as follows:

- The Indian Project Lead (IPL) company applying for the project must be incorporated in India under the Companies Act 1956/2013.
- The company must be at least 51% owned by Indian citizens over the total duration of the project.
- The IPL should have the required expertise and team capacity to manage the proposed project.
- Applicants already possesses basic infrastructures/test beds and developed basic Proof of Concept (PoC)

Please note for Indian applicants:

- Sole proprietors and partnership firms are not eligible for support under this programme.
- Companies headquartered and owned outside India and their subsidiaries in India, or vice versa, are not eligible to receive funding from DST/DeitY/GITA under this programme.

Preferences will be given to:

- Indian companies having partnership with government-funded Indian academic and R&D institutions.
- Indian companies having in-house R&D Centre which is recognised by the Department of Scientific and Industrial Research (DSIR), Government of India. For details, please refer to <http://www.dsir.gov.in/forms/irdpp/Application%20for%20R&D.pdf>.
- Companies that fall under the Micro, Small and Medium Enterprise (MSME) category, as defined by the Government of India. For definition of MSME, please refer to http://www.dcmsme.gov.in/ssiindia/defination_msme.htm.

In the case in India where business entities are participants in a project, but with no initial involvement in R&D activities, the project must show a plan of how capabilities are going to be developed in the business entity in the following years in order to:

- perform future R&D projects
- develop the human resource capability within the business
- take technologies that are being developed to market
- develop new intellectual property, and
- enhance the Indian technology based companies ecosystem.
- Note that applicants must already possess basic infrastructure/test beds and developed basic Proof of Concept (PoC)

Spanish Applicants

Eligible Spanish applicants must be individual Spanish companies or an Economic Interest Grouping (EIG) or a consortium made up of at least two independent companies. The applicant companies must be either private or public, operating and registered in Spain, and holding a valid Spanish company tax code (NIF). No minimum Spanish capital percentage ownership is required. Spanish subsidiaries of companies headquartered outside of Spain may also be eligible for support.

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Should the Spanish applicant be a consortium of companies, this Spanish consortium should be led by a Spanish company.

Collaboration with other entities such as research centres, technological centres, universities, hospitals and other R&D-performing organisations is permitted under CDTI's regulations, CDTI will not fund them directly, but may finance them indirectly as external collaborations of the Spanish companies involved in the projects.

According to the applicable EU state aid rules, companies in difficulty are not eligible for CDTI's funding, neither are companies subject to a pending recovery order following a prior decision of the European Commission declaring the aid illegal and incompatible with the common market.

4. REQUIREMENTS – SELECTION CRITERIA

Indo-Spanish joint proposals under the present RFP shall fulfill the following criteria:

- Identify an eligible Project Lead from India and Spain responsible for leading the Indo-Spanish consortium, developing the R&D joint project in each jurisdiction, and officially submitting the application for funding in their country to the respective implementing agency (CDTI in Spain and GITA in India). Indian and Spanish co-applicants must elaborate a joint and single project proposal application. **Joint R&D&I proposals must be submitted in English to both of the nodal agencies (GITA in India and CDTI in Spain), by May 13, 2016. Unilaterally submitted proposals shall not be considered.**
- **Indian Project Lead (IPL) and Spanish Project Lead (SPL) must be "for-profit companies".** IPL Company must be registered in India under the Indian Companies Act (1956/2013) and with a minimum of 51% Indian ownership. SPL companies, either public or private, should be operating and registered in Spain, holding a valid Spanish company tax code (NIF); no minimum Spanish capital percentage ownership is required. Spanish subsidiaries of MNCs headquartered outside of Spain may also be eligible for support.
- **CDTI will only consider proposals of Spanish Companies for participating in Indo-Spanish R&D projects with a minimum budget of 175,000 euros. Minimum budget requirement will be of 500,000 euros in case the Spanish participants are forming consortium or an Economic Interest Group.**
- Although **not mandatory, participation (as partner) of other R&D-performing organisations, such as research centres, universities, hospitals or others is strongly encouraged.** Projects involving industry and other R&D-performing organisations must prove active participation of industrial partners from India and Spain.
- Proposed R&D Project's **duration must be from 1 year (12 months) to a maximum of 3 Years (36 Months). Duration for ESDM projects would be for a maximum duration of 2 years (24 months).**
- Proposals should be **industry-driven and market oriented and must consist in the joint development or substantial improvement of a product, process or service.** Proposals should be in mutual interest of the parties involved, leading to commercialisation and aimed at generating **economic and social benefits.**

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- **Indo-Spanish proposals should emphasise how the proposed collaboration adds value, its main technology highlights and innovations, the activities to be developed by the Parties involved underlining the collaborative work carried out on each side and their expertise.** Indo-Spanish consortium and team's technical capacity and resources required to manage and develop the R&D proposal should be proved and demonstrated in the application. Similarly, the added value of developing the R&D proposal in collaboration mode India-Spain should be emphasised. Proposals should emphasise main technology highlights and innovations, progress beyond the state of the art and main differences of the proposed technology with the already existing in the market, if that is the case. Contribution of each of the partners of the consortium to the project (R&D tasks, technical capacity and expertise, committed resources) should be proved and demonstrated.
- **Indo-Spanish proposals must have equivalence of effort of R&D activities and resources both in India and in Spain.** Based on the principles of a true bilateral partnership, all proposals should demonstrate equivalence in efforts from the Indian and Spanish side of the consortium.
- **Proposals should articulate clear commercial goals, and associated commercialization strategies** of the product, process or service to be developed through the joint R&D proposal. It is essential to highlight the commercial impact that the R&D proposal is projected to have.
- **Indo-Spanish proposals shall include, along with the application form, a Consortium Agreement duly sealed (stamped) and signed by all Indo-Spanish co-applicants. This Consortium Agreement must regulate ownership, access rights and exploitation of the intellectual property rights generated during the co-operation (no prescribed format, optional draft template provided in Annexure).**

Any Indo-Spanish team fulfilling the above referred criteria is eligible to apply under this RFP in accordance with the national laws, rules, regulations and procedures of their jurisdiction as well as respective implementing agencies.

5. **R&D PROJECT FUNDING - FINANCIAL SUPPORT TO SUCCESSFUL APPLICANTS**

GITA and CDTI will, after exchanging results of the technical and economic evaluations of the submitted proposals by qualified evaluators, form their mutual understanding on the projects to be funded under the present RFP and make their funding decisions according to their normal practices. GITA and CDTI will inform their respective beneficiaries about their funding decisions according to their normal practices.

Funding support will be given to each partner by its own Implementing Organisation (GITA in India, CDTI in Spain) in accordance with their internal regulations (Decentralized System of Financing), on a non-exchange of funds basis and subject to budgetary availability in each country.

Although the individual type and value of individual contributions allocated to Indo-Spanish projects may vary, each bilateral project must highlight the **equivalent total contribution from each participating country.** Total contribution may be defined as the combined value of cash, human resource effort, services/and or equipment that each country invests in an R&D project.

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▪ In India

- Applications received under ESDM sector would be funded by the Department of Electronics & Information Technology (DeitY), Govt of India. DeitY provides GRANT up to 50% of the approved Indian budget with a limit of Rs 1.50 Crs to Indian companies.
- Applications received under other sectors (e.g. Smart Cities, Clean Technologies Advanced Materials, etc) would be funded by the Department of Science & Technology (DST), Govt of India. DST provides SOFT LOAN up to 50% of the approved Indian budget with a limit of Rs 1.50 Crs to Indian companies.

Applicants may choose their projects in specific areas to avail GRANT/SOFT LOAN as explained above.

GITA on behalf of the Department of Science & Technology (DST) and Department of Electronics & Information Technology (DeitY), Government of India, will fund the successful projects, with under-mentioned details:

- Total project funding as Grant (by DeitY) / Soft Loan (by DST) for Indian applicants is a maximum of INR 150 lakhs per project.
- Indian industry share can range from INR 100 lakhs minimum to INR 125 lakhs maximum, if partnering with Indian R&D organisation/academic institution.
- Indian R&D organisation/academic institution share can range from INR 25 lakhs minimum to INR 50 lakhs maximum.
- Indian industry may receive up to 50% of their part of the eligible cost in form of Grant / Soft Loan (as applicable)
- Indian R&D organisation/academic institution may receive up to 100% of their costs (within applicable range specified above and as per proposal)
- DST/DeitY funding support for the project must be matched equally (1:1) by Indian Industry and R&D organisation/academic institution.
- The exact amount of funding will be approved by the Indian Project Evaluation Committee based on merit and the contribution of industry, R&D organisation and academic partners respectively.
- Funding from other public sector sources will be taken into account when awarding grant/soft loan, and applicants will be asked to declare funding from other sources in the application.
- **Royalty** will be collected @ 2% per annum on Net Sales generated from the funded project from Indian industry Project partners (applicable for Grant funding under DeitY).
- **Soft Loan** will be repaid @3% Simple Interest per annum and repayable in 10 annual installments

▪ In Spain

CDTI will fund the Spanish Companies, Consortia or EIG's participation in the awarded joint projects. CDTI can only provide funding to Spanish companies subject to budget availability and as per the financing conditions valid at the time of signature of the financing commitment between CDTI and the awarded companies.

Collaboration with other entities such as research centres, technological centres, universities, hospitals and other R&D-performing organisations is permitted under CDTI regulations. Although

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CDTI will not fund these entities directly, it may finance them indirectly as external collaborations of the Spanish Companies involved in the project.

CDTI financing conditions shall abide by the Commission Regulation (EU) No 651/2014, of 17 June 2014, declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (“GBER”).

In particular, the amount of the aid, in terms of gross subsidy equivalent, shall, in all cases, adhere to the maximum intensity limits laid down in the GBER. CDTI's financing conditions valid on the date of the official launch of the Call are as follow:

Eligible expenditure:

- Personnel expenses (researchers, technicians and other ancillary personnel, provided that they are engaged exclusively in the research project).
- Instrument and material costs, to the extent and during the period in which they are used for the research project, including amortisations where appropriate.
- Contractual research costs, technical knowledge and patents bought or licensed from outside sources at market prices, and costs for consulting and equivalent services intended exclusively for the research activity.
- Additional general expenses resulting directly from the research project.
- Other operating expenses, including costs for material, supplies and similar products, which result directly from the research project.

Funding method and amount

- Soft loan of up to 75% (exceptionally up to 85%) of the eligible costs of the Spanish Companies participating in the awarded project at an annual fixed interest rate equivalent to Euribor (Euro Interbank Offered Rate). Soft loan must be paid back to CDTI in 10 years with initial moratorium from 2 to 3 years.
- Out of the 75% of the soft loan granted to the awarded Spanish Companies, up to 30% may be considered a grant in aid, and therefore non reimbursable.
- Project applicants which might have already benefited from any other Government funding agency support for the same project, might not be entitled to either all the benefits of the financing conditions granted by CDTI, or request further funding support for the same project.

6. APPLICATION PROCESS: HOW TO APPLY?

To ensure the effective delivery of the RFP and reinforce the principles of bilateral partnership, GITA and CDTI will follow a joint application process for this RFP. The Bilateral Application Form, Guidelines and other relevant documents and information regarding the RFP are made available on GITA's and CDTI's websites for Indian and Spanish applicants respectively from the date of official launch of the Indo-Spanish Call for Industrial R&D Proposals until the last date of submission of the

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application. During this period Indian applicants can register on GITA's website (www.gita.org.in), access, download and submit the on line application form. Similarly, Spanish applicants can register on CDTI's website (www.cdti.es), access templates and relevant information regarding the RFP, and submit electronically the R&D proposals.

Spanish and Indian Co-Applicants must develop a unique project proposal application that shall be submitted in English using the bilateral application form (attached as Annex 1) agreed by both institutions, GITA and CDTI, simultaneously within the deadline of the RFP.

HOW TO APPLY?

- **Joint R&D proposals must be submitted to both of the nodal agencies (GITA in India, CDTI in Spain), by May 13, 2016.** Unilaterally submitted proposals shall not be considered.
- **Indian and Spanish Co-Applicants must elaborate a single project proposal application (Annex 1 - Bilateral Co-operation Form).** Project proposals that are not in the prescribed template or are handwritten shall not be accepted. The Bilateral Co-operation Form must emphasise how the proposed collaboration adds value, main technology highlights and innovations, activities to be developed by the Parties involved underlining the collaborative R&D work being carried out on each side, their expertise, etc.

Please note that this Bilateral Co-operation Form must be sealed (stamped) and signed by all co-applicants at the end of the document, expressly indicating name and designation of the authorized signatory in the organisation. Any other relevant information not expressly mentioned on the form and that the applicants consider relevant may be included as Annexes.

- **In addition to the Bilateral Co-operation Form,** co-applicants must submit the following documents as relevant appendices:
 - **Consortium Agreement in English** whereby co-applicants should agree upon the ownership, access rights and exploitation of intellectual property generated during the co-operation, **to be submitted to GITA and CDTI.** No prescribed format is provided in Annexes. **Similarly, the Consortium Agreement needs to be sealed (stamped) and signed by all co-applicants.**
 - **Funding organisation-specific documents to be submitted to GITA and CDTI respectively, as per their guidelines.**

- **INDIA - GITA**

Registration and Online application submission process

- The Indian Project Lead need to visits **India-Spain Program of Cooperation on Industrial R&D 2015** (http://gita.org.in/bilateral_funding_India-Spain.html).
- Registration for online application submission is mandatory.

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- **Registration Process at GITA website:**
 - Registration is two stage process
 - Stage I - Registrant needs to provide basic information.
 - Stage II – The system will send a Login ID and Password to the email ID provided, and ask for completion of registration.
 - Upon completion of registration, registrants will receive an auto-generated email/SMS acknowledgement shortly after, confirming the registration along with registration number.
- Post registration, registrants will be able to access and download RFP forms and common guidelines to apply for funding under the India-Spain Programme 2015.
- **Application Submission Process:**
 - Indian Project Lead needs to submit the Application online (no other mode of submission will be accepted) by April 29, 2016.
 - Login with the same ID and password, created/used during registration.
 - Complete and submit the desired Application Form by the deadline.
 - Upon Application submission, the system will send auto-generated SMS/email acknowledgement to IPL, along with application reference number.
 - Please upload the necessary documents as per deadlines as per requirements.
 - For multiple applications, IPL needs to contact GITA Programme Managers (contact details given below).
- The Indian project lead must ensure that the content of the application form is identical to the one being submitted to CDTI by the Spanish project lead.
- The application must reflect a combined effort from both the SPL and IPL, be written in English, and submitted using the prescribed process by the stated application submission.
- **Only online mode of submission will be accepted.**
- **Appendix D & E are mandatory for Indian applicant at the time of application submission**

Additional supporting documents required

In addition to submitting the Online Application Form and its appendices, the Indian Project Lead (IPL) will also be required to submit/upload the following:

- Where the IPL/Partners are recognised by the Department of Scientific and Industrial Research (DSIR), Government of India or any other competent authority as an in-house R&D unit, supporting document for the same.
- Know Your Customer (KYC) documents of IPL/Partners.
- Copy of the Company Registration Certificate of IPL/Partners.

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- Audited Annual Reports (including Balance Sheet, Profit & Loss Account & Auditor's Reports) of IPL/Partners for the last three Financial Years. Annual Report can be exempted in case of institutions managed by a Government Agency.

The above list is indicative and GITA, in India, may seek additional documents/information from individual project applicants.

○ **SPAIN - CDTI**

- "*Informe Preliminar*" of the project proposal in Spanish (prescribed format). Applicant's declaration stating that no financial support or benefit in connection to the same R&D proposals has been granted by any other Government funding agency.
- Applicant's declaration stating that no financial support or benefit in connection to the same R&D proposal has been granted by any other Government funding agency.
- Applicant's statement on the type and category of enterprise ("*Declaración sobre tipo y categoría de empresa*")

Spanish applicants will submit their applications following CDTI's normal guidelines and using CDTI's electronic services. Further information on CDTI's funding is available in Spanish. For details visit CDTI's website <http://www.cdti.es/>

The complete details of the Call are available on GITA's and CDTI's websites: <http://www.gita.org.in/> and <http://www.cdti.es>

Indian Project Lead (IPL) and Spanish Project Lead (SPL) will receive confirmation from GITA and CDTI respectively upon successful receipt of their applications.

Applicants should follow their local guidelines and contact the nodal persons at their national funding organisations, if any further clarification regarding the application process or proposal submission is required. Contact details are given below:

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Indian side (GITA)

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Email: vimal.kumar@gita.org.in

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Spanish side (CDTI)

Foreign Technology Action Department
Directorate of International Programmes
Centre for the Development of Industrial
Technology

Address: C/Cid 4, 28001 - Madrid, Spain

Phone: +34 91 581 56 07

E-mail: india@cdti.es

Website: www.cdti.es

7. IMPORTANT DATES AND DEADLINES

Launch of Request for Proposals: **December 16, 2015**

Submission Date for Full Application Form / Proposal: **May 13, 2016**

Release of Request for Proposals Results: **October 2016 [Tentative]**

8. SCREENING OF APPLICATIONS

The eligibility of each application will be screened and completed by GITA and CDTI within one month from the closing date of the RFP. GITA and CDTI may contact the applicants requesting them to provide missing or additional information. All applicants will be notified of the results of the initial review of their projects by the respective Implementing Organisation.

Thereafter, GITA and CDTI will share information and produce a final list of complete project proposals officially submitted to both Implementing Organisations. This action may result in:

- Rejecting project proposals only submitted in Spain or India.
- Dismissing project proposals not meeting the basic eligibility criteria mentioned in the RFP guidelines; a separate communication will be sent by GITA and CDTI informing of this decision.

After producing and agreeing upon the final list of complete project proposals officially submitted under the RFP, GITA and CDTI will communicate the final decision to all the IPL and SPL applicants.

9. EVALUATION AND SELECTION OF R&D PROJECTS

GITA and CDTI will conduct a parallel but independent review of all applications followed by a joint review. Peer review evaluation will be based on the principles of excellence, progress beyond state of the art and market potential (detailed list of evaluation criteria indicated below under the title Assessment Criteria).

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After exchanging the evaluation results, GITA and CDTI will find consensus on the evaluation results and will take a joint decision on the projects to be funded, as per the budget allocated to the specific RFP.

All Indo-Spanish applications will be treated as strictly confidential. Each project proposal will be peer reviewed and evaluated either from the technical as well as from the financial point of view.

▪ INDIA

In the case of GITA, applications will be evaluated by an independent panel of experts, called the Project Evaluation Committee (PEC). The full proposal will be examined by sectorial and financial experts. PEC meeting will be convened by GITA, and IPLs will be invited for presentation and discussion. During the evaluation process, IPL/Partners will be required to present the project proposal to the PEC in a face-to-face meeting. Schedule/venue for the presentation will be communicated by GITA to the IPL/Partners in advance, along with a check-list of supporting documents to be produced. No travel/stay allowances will be paid to IPL/Partners for this purpose. IPL/Partners will be required to present self-attested copies of the documents referred to in section 6 regarding application process and organisation-specific documents to be submitted to GITA by Indian applicants.

GITA will not send applications for technical assessment to external Indian evaluators outside GITA without first having a confidentiality or non-disclosure agreement in place.

▪ SPAIN

In the case of CDTI, each project proposal will be reviewed and evaluated by qualified evaluators working as permanent employees of CDTI and as per its evaluation and review guidelines.

Evaluators of GITA and CDTI will use the agreed evaluation form (attached, CDTI-GITA Bilateral Application Form) to execute ex-ante assessment of Indo-Spanish R&D projects, before their endorsement. As per the results of the assessments, evaluators from CDTI and GITA will make recommendations to the Programme Management Committee. A joint review Committee composed by representatives of GITA and CDTI will find consensus on the evaluation results and make a joint decision on the projects to be funded, as per the budget allocated to the specific RFP.

▪ ASSESSMENT CRITERIA

The joint projects must meet the general requirements of the funding organisations. The projects to be funded are chosen by evaluating them as a whole.

Projects are reviewed and evaluated against the evaluation criteria outlined in the agreed evaluation form, mainly:

- Crucial Criteria
 - Financial Capacity of Partner
 - Formal Agreement between Partners

- Basic Assessment Criteria
 - Partnership and Partners
 - Well balanced partnership

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- Added value through co-operation
 - Technology Capacity of all Partners
 - Managerial Capacity of all Partners
- Project Structure
 - Methodology and Planning Approach
 - Milestones and deliverables
 - Cost and financing structure
 - Financing Commitment of each partner
- Technology and Innovation
 - Technology Advance
 - Degree of technological maturity and risk
 - Technological achievements
 - Innovation
 - Degree of innovation
 - Geographical/Sectorial Impact
- Market and Competitiveness
 - Market and profitability
 - Market size
 - Market access and risk
 - Return on investment
- Competitive advantages
 - Strategic importance of the project
 - Enhanced capabilities and visibility
- PUBLICATION OF RESULTS

Project leads will be informed by their respective implementing agency in their jurisdiction (GITA to Indian applicants and CDTI to Spanish applicants) of the outcome of the review process and the list of selected projects under the present RFP will be announced publicly.
- ADMINISTRATIVE AND LEGAL REQUIREMENTS TO BE ADDRESSED BY PROJECT LEADERS, PRIOR TO THE RELEASE OF FUNDS.

Following the award notification, GITA and CDTI, will advise project leaders in their jurisdiction of all administrative and legal requirements to be addressed prior to the release of funds.
- FUNDING SUPPORT DISBURSEMENT

INDIA–

For SOFT LOAN (under DST program):

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The Indian Project Lead (IPL), as an industry partner and its other industry co-investigators will be supported with soft loans as per the terms and agreement. For further information, please refer to section 5 of the present RFP titled "R&D Project Funding - Financial Support to Successful Applicants". The funding support is released to the Project Partners in Instalments. The first instalment is released immediately after the GITA Due-Diligence process and signing of the Agreement and could range between 30-50% of the total fund to be supported. The subsequent funding / instalments to the Indian project partners will be released as per the a) agreed milestones and deliverables laid down in the agreement between GITA and IPL and b) on-site periodic project review (bimonthly or quarterly) by Experts nominated by GITA. A Project Review cum Mentoring Committee, comprising of Technical and Financial Experts, shall be constituted by GITA for the purpose.

For GRANT (under DeitY program):

Post project approval, as per the recommendations and approval on the project, the Indian Project Lead (IPL), as an Industry lead and its other Indian partners will be supported with grant as per the terms and conditions of the agreement. Please read the document carefully for the exact funding support to the Indian Project Partners.

Grant will be in the form of reimbursement for costs already incurred. Project partners are expected to use their own funds for the project activity and seek quarterly reimbursement of GITA's committed fund on proportional basis.

Release of the first instalment will be subject to compliance with all terms and conditions, which include Due-Diligence, signing of the agreement, etc. The subsequent funding/instalments to the Indian project partners will be released as per the (a) agreed milestones and deliverables laid down in the agreement between GITA and IPL and (b) on-site periodic project review by Experts nominated by GITA.

A Project Review and Mentoring Committee, comprising of Technical and Financial Experts, shall be constituted by GITA for the purpose for providing advice/support towards achieving the defined objectives of the project within the time and costs projected.

SPAIN–

As per CDTI's financing conditions valid on the date of the official launch of the Call, the funding modality for the projects selected under this RFP will be a Partially Reimbursable Aid (soft loan), with financial cover of up to 75% of the total approved budget which, by way of exception, may amount to up to 85%.

CDTI's financial support may comprise a non-reimbursable tranche (NRT) which shall depend on the characteristics of the project and the beneficiary. CDTI financial support may be described as follow:

- A reimbursable tranche (RT) within a time period of 10 years, to be counted from the centre of gravity of the project, which is calculated in accordance with the project duration and the amount of the budget targets. The first reimbursement is made 3 years after the centre of gravity of the project and at least 2 years from its completion date. The interest rate of the aforementioned RT shall be fixed and equal to the one-year Euribor (Europe Interbank Interest Rate)

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- A non-reimbursable tranche (NRT) of up to 30% (out of the 75% soft loan) may be considered a grant in aid, and therefore non reimbursable.

CDTI Advance Funding

For R&D projects not co-funded by European Structural and Investment Funds, Spanish companies may opt for an advance payment of up to 25% of the financial support granted by CDTI with a maximum limit of euro 300,000, without additional guarantees.

For R&D projects co-funded by European Structural and Investment Funds, CDTI may grant advances of up to 75% of the funding awarded. These advances have to be underwritten by a bank entity.

10. APPLICATION GUIDELINES

The purpose of this document is to provide applicants with guidance on how to develop a strong application under the India-Spain Programme on Industrial Research and Development jointly managed by GITA, India and CDTI, Spain. This includes explanatory and relevant information, helping potential applicants to understand the various aspects to be considered when developing the proposal, procedures to be followed for its submission, further evaluation and finance. Applicants under the India-Spain Programme should consider the specificity of the Partner Countries as well as the targeted thematic sectors indicated in the scope of the RFP. GITA and CDTI R&D applications for funding are usually accepted through specific Request for Proposals' Announcements. Additional details such as minimum eligibility criteria, targeted sectors and participation of additional funding agencies, will be clearly indicated in each RFP Announcement. Applicants are encouraged to visit regularly GITA's and CDTI's website for further information on R&D funding programmes, joint Calls for international technological co-operation and RFPs' particulars.

▪ PROGRAMME OVERVIEW

Key objectives of the India-Spain Programme of Co-operation on Industrial R&D:

- Strengthen business-led R&D&I collaborative projects at bilateral level between Spain and India for the purpose of generating economic benefits for the members of Indo-Spanish consortia.
- Accelerate the development or adaptation of new products, processes and/or services based on the paradigm of open innovation, as a successful path to worldwide markets.
- Encourage S&T partnerships and collaborative R&D based on the principle of open innovation and with emphasis on industrial outcomes.
- Share and facilitate access to S&T capacities and technologies from Spain and India.
- Encourage the mobility of researchers and technologists between the 2 countries and promote Spain and India as a career destination for foreign researchers and highly qualified personnel.
- Strengthen overall bilateral S&T and business relations between Spain and India, bringing the dimensions of Science, Technology and Business under the same umbrella, and thus, conceiving generation and exploitation of knowledge part of a unique and same process.

Planned results of the Programme are as follow:

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- Encourage comparative advantage and competitiveness of the industrial sector via transfer of technology and knowledge resulting from international S&T partnerships.
- Raise the technological level of Spanish and Indian Companies, and through their synergies, complementarities and joint developments, positioning them effectively in target sectors and markets.
- Increase awareness and understanding of global innovation, scientific and business networks.
- Projection and promotion of Indian and Spanish S&T capabilities and strengths.
- Access and participation in global R&D networks in targeted markets and sectors.

Applicants are required to follow paragraph 6 "Application Process: How to Apply?", for submission of proposals under the current RFP. GITA and CDTI will carry out and integrated, merit-based project evaluation and selection process.

After exchange of evaluation results and selection of projects by CDTI and GITA, a final joint resolution will be issued indicating projects recommended for funding by the bilateral panel. All applicants will be notified of the results of the initial review of their projects by their respective Implementing Organisation. Projects meeting all eligibility criteria and recommended by CDTI and GITA for funding in joint resolution, will be invited to submit the National Funding Application based on the national procedures and according to national rules that apply to GITA and CDTI.

FINANCIAL SUPPORT TO SUCCESSFUL APPLICANTS

INDIA –

GITA on behalf of the Department of Science & Technology (DST) and Department of Electronics & Information Technology (DeitY), Government of India, will fund the successful projects, with under-mentioned details:

- Total project funding as Grant (by DeitY) / Soft Loan (by DST) for Indian applicants is a maximum of INR 150 lakhs per project.
- Indian industry share can range from INR 100 lakhs minimum to INR 125 lakhs maximum, if partnering with Indian R&D organisation/academic institution.
- Indian R&D organisation/academic institution share can range from INR 25 lakhs minimum to INR 50 lakhs maximum.
- Indian industry may receive up to 50% of their part of the eligible cost in form of Grant / Soft Loan (as applicable)
- Indian R&D organisation/academic institution may receive up to 100% of their costs (within applicable range specified above and as per proposal)
- DST/DeitY funding support for the project must be matched equally (1:1) by Indian Industry and R&D organisation/academic institution.
- The exact amount of funding will be approved by the Indian Project Evaluation Committee based on merit and the contribution of industry, R&D organisation and academic partners respectively.
- Funding from other public sector sources will be taken into account when awarding grant/soft loan, and applicants will be asked to declare funding from other sources in the application.
- **Royalty** will be collected @ 2% per annum on Net Sales generated from the funded project from Indian industry Project partners (applicable for Grant funding under DeitY).
- **Soft Loan** will be repaid @ 3% Simple Interest per annum and repayable in 10 annual installments

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SPAIN –

CDTI will consider eligible for funding the Spanish Companies participating in the awarded Indo-Spanish projects. CDTI can only provide funding to Spanish companies subject to budget availability and as per the financing conditions valid at the time of signature of the financing commitment between CDTI and the awarded companies. Collaboration with other entities such as research centres, technological centres, universities, hospitals and other R&D-performing organisations is permitted under CDTI regulations, but CDTI will not fund them directly, but may finance them indirectly as external collaborations of the Spanish Companies involved in the projects.

CDTI's financing conditions valid on the date of the official launch of the Call are as follow:

- Eligible costs will include personnel expenses (researchers, technicians and other ancillary personnel, provided that they are engaged exclusively in the research project); instrument and material costs, to the extent and during the period in which they are used for the research project, including amortisations where appropriate; contractual research costs, technical knowledge and patents bought or licensed from outside sources at market prices, and costs for consulting and equivalent services intended exclusively for the research activity; additional general expenses resulting directly from the research project; other operating expenses, including costs for material, supplies and similar products, which result directly from the research project.
- CDTI will only consider proposals of Spanish Companies for participating in Indo-Spanish R&D projects with a minimum budget of 175,000 euros. Minimum budget requirement will be of 500,000 euros in case the Spanish participants are forming a consortium or an Economic Interest Group
- Soft loan of up to 75% (exceptionally up to 85%) of the eligible costs of the Spanish Companies in the awarded project at an annual fixed interest rate equivalent to Euribor (Euro Interbank Offered Rate). Soft loan must be paid back to CDTI in 10 years with initial moratorium from 2 to 3 years.
- Up to 30% (out of the 75% soft loan) may be considered a grant in aid, and therefore non reimbursable.
- Project applicants which might have already benefited from any other Government funding agency support for the same project, might not be entitled to either all the benefits of the financing conditions granted by CDTI, or request further funding support for the same project.

APPLICATION PROCESS (FORMS AND SUBMISSION)

Applicants are required to follow paragraph 6 "Application Process: How to Apply", for submission of proposals under the current RFP.

▪ EVALUATION CRITERIA

The following criteria are considered of extreme relevance when evaluating Indo-Spanish consortia and submitted R&D proposals. Therefore, it is strongly encouraged to read carefully the following explanatory information and address all these aspects while conceiving and drafting the proposals:

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○ THE INNOVATION

- What is the current best practice?
- What are the current limitations of existing technologies? This is an opportunity to elaborate on shortcomings of existing technologies, as a prelude to the description of the technological development envisaged, progress beyond the state of the art and innovation highlights. Current limitations could include: sub-optimal performance, lack of attention to specific market opportunities, high cost, poor suitability to high or low end markets, size, compatibility, non-conformance to standards.
- What is the idea? Sketches, diagrams, tables could be included to help to describe the technology development envisaged. The description should clearly identify in what ways the technology solution proposed overcomes the limitations of existing technologies, already available.
- Cost and duration of the proposed R&D project. How long it will take to carry out the proposed R&D project to the commercialization stage.
- Patent situation, including background patents and the potential for new patents. Evaluate and describe if there are any existing obligations to other agencies which have supported any part of the development.
- Market standards in connection to the proposed development. Will the proposed product, process or service development meet current and/or emerging standards?

○ PROPOSED R&D PROJECT

This section of the proposal could be organized in two main parts: "Analysis of the Problem" and "Proposed Approach".

a) Analysis of the Problem

The purpose of this section is to establish a credible basis for the proposed R&D project, identifying specific problem areas or challenges to be overcome, by the proposed development. For example, at the beginning of the project participants are at Position A, which relates to the current limitations highlighted in the preceding section. At the end of the project, before the scale up and commercialisation stage, participants expect to have reached Position B. What specific problems must be solved or overcome by the participants to reach Position B, consistent with the project budget and timetable? Clearly, these problems and their solution should be clearly specified and addressed by participants while formulating their Proposed Approach and defining the Programme Plan.

The problems may focus on a variety of technical issues - for example how to achieve lower power consumption or higher circuit speed with supporting data indicating both the current situation and the target values for the innovation. Process challenges may include how to enhance measurement accuracy; improve manufacturing yield, make a software platform independent, automate a process, etc. Product targets may relate to issues such as the design of a more streamlined system with fewer parts, improved temperature performance, greater reliability, smaller footprint, greater flexibility, autonomy. In some cases, the problems may relate to the need for fundamental technological breakthroughs in order to develop a currently non-existent product. In others, for example, the technological problems may be

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relatively straightforward, with key issues relating to a substantial improvement of an existing product, process or service.

Additional issues that could be addressed in this section, may include:

Definition of the required properties and functions of the end-product that will be used in the service environment. Often, this is referred to as "the specifications sheet". This is the "Position B" referred to previously in this section. What market input has contributed to formulate the end-product characteristics.

Identification and description of problems associated with realising the required properties and functions. This is an in-depth discussion of the problems that should be solved, so as to reach the project objectives. The participants should indicate that any critical technologies required are firmly under control.

b) Proposed Approach

This section must be sufficiently detailed for expert reviewers to assess the approach being followed in the R&D proposal.

- A general plan of the proposed effort setting the stage for the more detailed task descriptions. This plan should include the list of achievements required and that that will make possible to attain the project proposal's overall objective.
- Identification of any technical or economic constraints.
- Identification and detailed description of each task and working package. This is the core of the technical part of the proposal, stating the objectives for each task, activities to be performed for the same, contribution of each of the partners to the tasks and member of the consortium with primary responsibility for each and single working package.
- Describe for each task the specific approach that will be followed, i.e., detail the techniques to be used to solve the previously identified problems. In this section, the participants demonstrate that they are aware of the current best practice, its limitations and the opportunities inherent to the proposed R&D project. Besides this, the proposal should make clear that the consortium understands the problems and risks derived from developing the product, process or service to the stage of commercialization.
- Discuss alternate approaches to solve the identified problem/s and explain why the consortium has preferred a certain approach in detriment of others. Even if a preferred approach is not yet selected at the time of submission of the proposal, the various alternatives should be reviewed along with their respective merits.
- The detailed description of the technical approach should provide evaluators with precise and sufficient information to perform a complete and integrated assessment of the proposal. For each task, it is strongly encouraged to

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provide additional and supporting information that justifies the specific approach, where appropriate.

- Since under this programme innovation-driven and market oriented R&D proposals are promoted, and the final objective is a product, process or service, tasks addressed should include compliance to standards (or why the product will not comply with applicable standards, prototyping, regulatory approvals, exhibitions, marketing activities, documentation, etc..). For tasks related to testing, for example, additional information such as what is to be tested, how many tests are required, tests' objectives, methodology and expected results are of importance.

▪ MILESTONES AND TIMELINE OF THE PROJECT

Should the project be approved, the Programme Plan Section of the proposal will be incorporated into the Project Funding Agreement and will be used by GITA and CDTI in monitoring the project progress. For projects with a duration of 18 months or less, the effort should be organized into one project phase or period. For longer projects, the effort should be organized into 2 periods of roughly equal duration. Note that for GITA, and regardless of the project duration, progress and financial reporting will be required every six months, if not earlier.

The Project Work Plan should be developed clearly identifying the milestones, its timeline and be illustrated by a Gantt Chart or diagram depicting the project schedule and work breakdown structure of the project into working packages. The Work Plan should include:

- A chronological schedule of activities presented in graphical form, clearly indicating the estimated time required for completion of each task in addition to the milestones. Specific participant assignments for each task should be identified in the Work Plan, even if the information was already provided elsewhere. Similarly tasks for sub-contractors and consultants should be delineated.
- A one page summary Gantt chart;
- A work breakdown structure (WBS) detailing the planned time commitment for each task, covering the same project duration (see example in Table 1);
- Encompass the entire duration of a multi-period programme, including all activities that must be performed until commercial readiness.

Table 1: Example Work Breakdown Structure and Estimated Effort

Task #	Title	Task Description	Start Date	End Date	Effort Days
1000	Phase 1				
1100	Project Management				
1110	Project Management and support	Plan and monitor project activities and progress Implement and monitor subcontracts Monthly and quarterly reports			70 Participant A
1120	Meetings	Kick-off meeting Quarterly review meetings			10 each
1200	High-Level System Requirements and Design				

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1210	System requirements and design	Overall system requirement specifications Overall system conceptual architecture and design System components definition			60 Participant A 20 Participant B
1300	Data Plan				
1310	Data planning, acquisition and preparation	Data planning Data acquisition Data preparation and processing			20 Participant A 20 Participant C
1320	Model data integration	Integrate data into models Test models and analyze outputs			40 Participant A 40 Participant C
1400	Model identification and definition				
1410	Application crop model implementation	Model identification, development and testing			60 Participant A 60 Participant C
1420	Integrated intelligent model implementation	Model identification, development and testing Establish and test system communication			80 Participant A 10 Participant B
1430	Product generation model implementation	Model identification, development and testing			40 Participant A 10 Participant B
1500	Hardware and Software Identification and Acquisition				
1510	Sensors	Identify and purchase sensors Install, test and maintain sensors			10 Participant A 40 Participant C
1520	Software acquisition	Software development and testing			10 Participant B
1600	Commercialization requirements				
Total Effort (Person Days)					XX Participant A YY Participant B ZZ Participant C AA Participant D

▪ MARKET POTENTIAL

Although there are uncertainties implicit in predictions of future markets and possible competition for any new product or process, it is important to demonstrate that the participants have made a thorough analysis of the market. Such analysis can typically include the following considerations:

- What market needs are served? Are one or more participants active in developing, manufacturing and selling similar types of products in this market? What is the basis for this market need?
- What is the total addressable market for the product? What is the current position of the participants in this market? What is the expected growth of this market over the effective sales window of the product being developed, and what is the basis for this projection? What events could significantly alter this projection? What market share is expected to be captured in the year of market entry and over the product sales lifetime?
- What barriers, e.g., regulatory, might be encountered and how will they be overcome?
- What competition exists or do you expect in the future? Provide an evaluation of the impact of competition on the commercialization of the proposed product.

This is not an exhaustive list. The underlying idea is that developing innovative concepts for commercial gain is an intrinsically risky, uncertain, but occasionally highly rewarding undertaking with success prospects that can be immeasurably improved by finely tuned, objective and early planning. The participants should present whatever additional information they consider relevant.

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▪ COMMERCIALISATION

It is obviously beneficial to those making investment decisions regarding new technology if a single index can be derived which provides a "figure of merit" for deciding on a particular investment, or for evaluating various alternatives.

A preliminary financial analysis which includes the potential gain from successful implementation of the proposed project should be made using a Cash Flow Analysis approach of your choice.

Should the project prospects be encouraging, the commercial programme needs to be planned and implemented. Some hints of the issues to be discussed are as follow:

- Will the participants be engaged in production? What are the existing manufacturing facilities and how can the proposed product manufacturing be incorporated into the existing infrastructure.
- Who will sell to which market regions? What is the current sales level of the participants in the primary target regions for the proposed product?
- Do any of the participants currently have a suitable sales and service network? If there is such a network, it should be described. Alternatively, does such a network need to be created from scratch? Describe the process by which the participants plan to establish such a network and the resources required.
- Considering the maximum cash requirements based on the cash flow analysis, to what extent are the necessary resources - financial or otherwise - available within the participating companies? If any additional resources will be required, how will they be mobilized? Describe all relevant potential sources.

▪ CO-OPERATION AND BENEFITS

The clear expectation of risk and benefit sharing by participants during the project development and commercialization is essential under this Programme. An important factor in evaluating the proposal, therefore, is the extent to which the participants will share in the research, product development and introduction to the marketplace, as well as the benefit to be derived by each participant during product commercialization. Also of importance are the expected socio-economic benefits for the participating countries in the form of new export markets, new employment opportunities, new capital formation, productivity improvements, etc.

All these issues should be tackled in the context of the agreement between the participants and in line with their agreed-upon roles during the various R&D project stages, including the commercialization process. If there are plans for exchange of researchers or technologists involved in the project, please indicate the duration foreseen for the exchanges and their role in the R&D activities of the project. Also elaborate the added value that these exchanges bring to the project goals.

▪ ORGANISATION AND MANAGEMENT PLAN

This section should contain a presentation of the proposed management procedures for the project, including the internal review procedures and overall management plan that will ensure, barring unforeseeable circumstances, the implementation of the project as per the designed specifications, within agreed deadlines and budget.

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Some issues that could be taken into account, while addressing the organization and management plan for the project proposal:

- Describe the procedures to be implemented to maintain timely communications between lead participants' project team in each country. Indicate the role, time and venue for review meetings during the project.
- Provide an organization chart for the project, identifying each participant's project leader and the overall project manager, and indicate the relationship of this ad hoc organization to the formal hierarchies in the participants' organizations. Identify the project's key personnel (CVs, experience) and responsibilities.
- Regarding personnel participating in the project, indicate positions to be filled by new employees and identify the status of these staff.
- Identify the role of key technical consultants and subcontractors and indicate if a relationship or previous collaborations with the referred subcontractors / consultants currently exists or has existed in the past.

▪ PARTICIPANTS AND PROJECT PERSONNEL

In the final analysis, the determining factors in the successful commercialization of new or substantially improved products, processes or services, are the people and the participating companies involved. Please provide information about each of the participants, including the following:

- In the case of company participants, please provide the year in which each company was established, company ownership and principal business of each company.
- Record of performance in similar/related undertaking (previous experience in R&D). Describe the extent to which products of similar or related nature to the proposed ones have been developed and commercialized by the same company. What is the track record or history of each participant that also substantiates a positive prognosis for this proposed product's successful commercialization?
- Degree to which the proposed project can be absorbed into the existing structure of each participant. To what extent are the staff, equipment, facilities, etc. available for the project? Identify the need to hire staff, obtain (purchase, lease or rent) capital equipment or expand manufacturing operations.
- Relationship of the proposed project to other participants' projects that may receive/have received totally/partially support for the same R&D project proposal from any other funding agency (national, international).
- In the case of company participants, the financial information validating that the companies cannot only contribute with their share of the project cost, but have the resources available for the commercialization phase. Public companies can submit annual and quarterly reports rather than specially prepared information. At a minimum, annual revenues expected during the current fiscal year and realized during each of the last two fiscal years should be given, in addition to an

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indication to an indication of the profitability of the company participating during this period. Number of employees at headquarters, at field locations and at subsidiaries may also be provided, along with indication of changes in the employment figures during the past 2 years.

- Description of relevant facilities, equipment, infrastructure, etc., which are expected to be utilized during the project and during product commercialization.
- Resumes of key personnel/researchers who will be working on the R&D project. The resumes should include each individual's role in the project, e.g., project manager, senior software engineer, field engineer, etc. Include the person's current affiliation with the participant's organization, job title, relevant job experience and significant accomplishments, starting from the current position. List of professional affiliations and committee memberships. Indicate higher education, degrees, and provide a listing of relevant publications authored or co-authored (maximum, one page), if applicable. Resumes of consultants should also be included. In general, evaluators need to verify that the experience, education and capabilities of the professional staff are commensurate with the R&D tasks to be performed.
- Additional pertinent information, such as product brochures, expressions of interest from potential customers in the products, processes or services to be developed, marketing agreements, etc., should be included.

▪ INTELLECTUAL PROPERTY MANAGEMENT

Most of the collaborative projects funded under this Programme are expected to produce new intellectual property (IP). This Programme also recognizes the value to the participants of any background IP they might bring into the project. In general, a participant's background IP will remain vested with the owner.

Please provide a detailed list of the background IP brought into the project by all participants. The proposal must describe, to the extent possible, the new IP which is expected to result from the project and must address the design the way in which the IPR issues should be handled. This would basically refer to the ownership and sharing of new IP amongst the participants. Any IP agreement amongst the participants must respect the IP laws of each country along with the IP policies of the academic and other research institutions involved in the project. A Consortium Agreement duly signed by all participants is required along with the rest of the documents at the time of submission (please see paragraph 6 related to the Application Process: How to Apply?).

▪ BUDGET

A separate budget should be presented for the project component in each country covering each participant's activities for each phase of the project, as proposed (please use appropriate budget sheets for each participant). Each participant should provide its budget detail in the prescribed budget sheet. Similarly, an overall budget for the project's national components should also be provided. Indo-Spanish Projects under this Programme should have equivalence of effort of R&D activities and resources both in Indian and Spain.

○ PROJECT AGREEMENT

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Lead participants of the projects are required to complete all necessary internal procedures for project implementation, and enter into an agreement or contract with their implementing organization (GITA, India and CDTI, Spain).

11. FUNDING SUPPORT DISBURSEMENT / TERMS AND CONDITIONS OF REPAYMENT OF FUND :

INDIA -The Indian Project Lead (IPL), as an industry partner and its other industry co-investigators will be supported with soft loans as per the terms and agreement. For further information, please refer to section 5 of the present RFP titled "R&D Project Funding - Financial Support to Successful Applicants". The funding support is released to the Project Partners in Instalments. The first instalment is released immediately after the GITA Due-Diligence process and signing of the Agreement and could range between 30-50% of the total fund to be supported. The subsequent funding / instalments to the Indian project partners will be released as per the a) agreed milestones and deliverables laid down in the agreement between GITA an IPL and b) on-site periodic project review (bimonthly or quarterly) by Experts nominated by GITA. A Project Review cum Mentoring Committee, comprising of Technical and Financial Experts, shall be constituted by GITA for the purpose.

- The Indian Project Lead (IPL) would be given a soft loan (with 3% interest rate and subject to change as per Gol norms and rules). The project period would be considered as the Moratorium Period. Once the project period is over, the repayment of the loan (if applicable) by IPL shall commence. The general terms and conditions of the loans would be:
 - The loan will be an unsecured loan carrying a simple interest of 3% per annum on the outstanding amount of the loan.
 - Interest will become due from the date of release of funds under the project to industrial partners.
 - Repayment of the loan will be in 10 annual equal instalments.
 - The project implementation period will be the moratorium period and therefore, beneficiary will not be liable for repayment of instalments or interest. However, the interest accrued during the implementation period will be amortized and will be payable in a maximum of 5 instalments.
 - The interest rate will be payable every year along with the loan instalment of repayment.
 - The IPL/Industrial Partner undertakes to ensure timely repayment of the loan along with instalment of interest as per the schedule notified. Any delays in repayment will entail payment of penal interest @ 12% p.a. compounded monthly for the period of delay. Successive 2 defaults will entail recall of the total outstanding amount immediately.
 - The IPL/Industrial Partner shall maintain a separate account for the expenditure from loan amount for the project.
 - The IPL/Industrial Partner shall have the first right to avail/utilize the IPR knowledge/technology/product/appliance developed in the project on the following terms and conditions, which shall be final and binding on the industry partner:
 - The industrial partner, shall pay to GITA a royalty of 0,5% of the ex-factory sale value of all products/equipment/appliances (arising out of the

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project) for a period of 10 years from the date of first sale of each product or till such time the patent rights are enjoyed, whichever is later.

- The industrial partner, assigns licenses of the marketing rights of the technology/products/equipment/appliances wholly or partly to a third party, the royalty due to and payable to GITA, as mentioned in above paragraph, shall be factored in the same agreement.
 - In case the industrial partner decides to further develop the technology for the products in association with or wholly through a third party, the royalty payable to GITA, as mentioned in above paragraph, shall be factored in such arrangement including a share in any milestones payments which shall not be less than 10% of that receivable by the industrial partner.
- The Industrial Partner shall utilize the loan only for the purpose of the project and not for any other purpose including civil constructions and renovation of the R&D and associated facilities. Diversion of funds to other purposes will entail cancellation of the loan and immediate repayment of the outstanding loan amount with a penal interest @ 12% compounded monthly.
 - The IPL/Industrial Partner will meet any expenditure incurred because of the project over and above the loan amount.
- The IPL/Industrial Partner must have an R&D centre, which has valid recognition from the Department of Scientific and Industrial Research (DSIR), Government of India; if not registered, the firm undertakes to get the R&D centre recognized as formal in-house unit by DSIR within 12 months. If this condition is not fulfilled, and if the period for obtaining the referred certification has not been extended, the firm may be asked to return the loan amount.
 - In case of reorganization of the IPL/Industrial Partner through merger, acquisition, termination, closure, etc. the IPL/Industrial Partner undertakes to settle the GITA loan prior to initiating such measures.
 - The provision of the grant to the academic or research institution and the loan to the IPL/Industrial Partner does not create any explicit or implicit liability on GITA for the manpower engaged in the project.
 - In case the IPL/Industrial Partner decides to abandon the project or for breach of any of the terms and conditions, the entire amount of the loan outstanding on that date shall become recoverable forthwith and it shall be open to GITA to effect the recovery, in any manner if thinks fit, from the firm.
 - In the event that IPL/Industrial Partner wishes to pay any amount ahead of schedule, there shall be no prepayment penalty levied.
 - Notwithstanding anything contrary to the agreement, the terms and conditions are subject to change as decided by the GoI from time to time, the Industrial Partner agrees to abide and honour such directions and decisions of the GoI.

SPAIN - Please note that conditions may vary. As per CDTI's financing conditions valid on the date of the official launch of the Call -

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CDTI will fund the Spanish Companies, Consortia or EIG's participation in the awarded joint projects. CDTI can only provide funding to Spanish companies subject to budget availability and as per the financing conditions valid at the time of signature of the financing commitment between CDTI and the awarded companies.

Collaboration with other entities such as research centres, technological centres, universities, hospitals and other R&D-performing organisations is permitted under CDTI regulations. Although CDTI will not fund these entities directly, it may finance them indirectly as external collaborations of the Spanish Companies involved in the project.

CDTI financing conditions shall abide by the Commission Regulation (EU) No 651/2014, of 17 June 2014, declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union. In particular, the amount of the aid, in terms of gross subsidy equivalent, shall, in all cases, adhere to the maximum intensity limits laid down in the said EU regulation. CDTI's financing conditions valid on the date of the official launch of the Call are as follow:

Eligible expenditure:

- Personnel expenses (researchers, technicians and other ancillary personnel, provided that they are engaged exclusively in the research project).
- Instrument and material costs, to the extent and during the period in which they are used for the research project, including amortisations where appropriate.
- Contractual research costs, technical knowledge and patents bought or licensed from outside sources at market prices, and costs for consulting and equivalent services intended exclusively for the research activity.
- Additional general expenses resulting directly from the research project.
- Other operating expenses, including costs for material, supplies and similar products, which result directly from the research project.

Funding method and amount:

- Soft loan of up to 75% (exceptionally up to 85%) of the eligible costs of the Spanish Companies participating in the awarded project at an annual fixed interest rate equivalent to Euribor (Euro Interbank Offered Rate) Soft loan must be paid back to CDTI in 10 years with initial moratorium from 2 to 3 years.
- Out of the 75% of the soft loan granted to the awarded Spanish Companies, up to 30% may be considered a grant in aid, and therefore non reimbursable.
- Project applicants which might have already benefited from any other Government funding agency support for the same project, might not be entitled to either all the benefits of the financing conditions granted by CDTI, or request further funding support for the same project.

CDTI Advance Funding - For R&D projects not co-funded by European Structural and Investment Funds, Spanish companies may opt for an advance payment of up to 25% of the financial support granted by CDTI to the company and with a maximum limit of euro 300,000, without need of providing

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additional guarantees to the existing conditions approved at the time of approval of the financing commitment between CDTI and the Spanish company.

Access to Bank Pre-funding - For R&D projects co-funded by European Structural and Investment Funds, CDTI may grant advances of up to 75% of the total funding awarded. The referred advances have to be underwritten by a bank entity.

12. KEY DOCUMENTS REQUIRED (Please see paragraph 6 related to Application Process: How to Apply?).

<p><u>1.- BILATERAL APPLICATION FORM - single project proposal common to Indian and Spanish Co-Applicants</u></p> <ul style="list-style-type: none"> - Prescribed format - In English - Duly Sealed (stamped) and Signed by all Co-Applicants (Spanish and Indian) 	<p style="text-align: center;"><u>TO BE SUBMITTED TO CDTI (SPAIN) AND GITA (INDIA)</u></p>
<p><u>2.- CONSORTIUM AGREEMENT - single document</u></p> <ul style="list-style-type: none"> - No Prescribed format (draft template provided, optional). - In English - Duly Sealed (stamped) and Signed by all Co-Applicants (Spanish and Indian) 	<p style="text-align: center;"><u>TO BE SUBMITTED TO CDTI (SPAIN) AND GITA (INDIA)</u></p>
<p><u>3.- CDTI SPECIFIC DOCUMENTS - APPLICABLE TO SPANISH COMPANIES</u></p> <p>a) "<i>Informe Preliminar</i>" of the project proposal in Spanish (prescribed format). In Spanish.</p> <p>b) Financial details of the Applicant (balance sheet, profit & loss account & auditor's report) to be fed in via CDTI electronic services. In Spanish.</p> <p>c) Applicant's declaration stating that no financial support or benefit in connection to the same R&D proposal has been granted by any other Government funding agency. In Spanish.</p>	<p style="text-align: center;"><u>TO BE SUBMITTED BY SPANISH APPLICANTS TO CDTI (SPAIN)</u></p>

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4.- GITA SPECIFIC DOCUMENTS -

APPLICABLE TO INDIAN APPLICANTS

- a) Copy of the Agreement (along with IP sharing agreement, if any) between all Indian Project Partners (as applicable), clearly specifying the roles/responsibilities, deliverables of each of the project partners.
- b) In case IPL/Partners are recognized by the DSIR, India or any other competent authority as in-house R&D unit, supporting document for the same.
- c) KYC documents of the IPL/Partners.
- d) Copy of the Company Registration Certificate of IPL/Partners.
- e) Audited Annual Reports (including balance sheet, profit & loss account & auditor's reports) of IPL/Partners for last 3 financial years. Annual report can be exempted in case of institution managed by Government Agency.

*Please note that the above list is indicative and GITA, in India, may seek additional information, documents from individual project partners as well.

TO BE SUBMITTED BY INDIAN APPLICANTS TO GITA (INDIA)

13. CONTACT INFORMATION

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