

# NEW CALL FOR PROPOSALS OF THE «DISRUPT» PROGRAMME

## 1. Introduction

The “DISRUPT” Programme aims to connect enterprises which develop cutting-edge innovations with the potential to create new or disrupt existing markets, with Venture Capitals who will support the further development and scale-up of these enterprises in international markets. Through the Programme, the RIF funding – grant will be combined with the VC investment, with the aim to support the successful penetration of beneficiaries in the international markets, and as result to enhance the competitiveness and resilience of the Cypriot economy.

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

## 2. Description

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

Cutting-edge innovations are:

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

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

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

In the frame of the RIF funded Projects, experimental development activities can be implemented which aim at the advancement of the technology readiness level of the innovation, the improvement/finalisation of the innovative product/service in a way to fully cover new functionalities/uses which the market seeks, and the completion of product/service development. The Programme also covers innovation activities, which may include the purchase of consulting services and innovation support services, which aim to further develop the innovative business idea towards a more commercial-ready product or service, as well as the costs of the beneficiaries' participation in exhibitions/trade fairs for the promotion of the products/services. Through the Programme, the project team's involvement in activities relevant to implementation of feasibility study of the project, as well as Marketing and Communication activities, are also supported. It is clarified that, the above refer to activities to be funded by the RIF.

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

### 3. Beneficiaries

#### Enterprises

##### 3.1 Specific restrictions for participation

- The **Host Organization (HO)** of a project must be a **Small, Medium or Large Sized enterprise (B1, B2, B3)**.
- Eligible organisations are **local enterprises**, regardless of their size or year of establishment, with **mature cutting-edge ideas**, which, at the proposal submission, have a **legally binding agreement with a VC Fund**, which foresees a direct investment in equity **of at least € 1M** in the company, to support its scale-up towards the international markets. **The investment should be made between the Call announcement date and until the end of the Project funded by the RIF.** Otherwise, the HO should return funding awarded back to the RIF. To justify the investment, the RIF will require relevant proofs for the transactions (e.g., documentation of issued share capital).

- The **investment fund** should be regulated in a competent **authority in Cyprus** or in another member state of the **European Economic Area**<sup>1</sup>.
- The participation of **Partner Organisations** and **Foreign Research Organisations** is **not permitted**.

### 3.2 Specific conditions for participation

- All beneficiaries that have **not previously participated in the RESTART 2026-2020** programmes, should make use of the simplified cost Method «**Standard Scales of Unit Costs**» for the calculation of **personnel costs**.
- Each **Enterprise** can receive **funding** from the RIF for **only one Project** in the frame of the Programme during the **2022-2027 period**.
- Funding of same **activities** that have **already** been **supported** by the RIF in the frame of previous funded projects, is **not allowed**.
- In the cases where the suggested project, requires undergoing a **bioethical assessment** by the Cyprus National Bioethics Committee, the relevant approval should be ensured as soon as possible and **prior to the 2<sup>nd</sup> Stage of the Evaluation**.

## 4. Project activities and duration

### 4.1 Project activities:

Eligible activities include:

- Experimental Development: Prototyping, demonstration, pilot operation, testing and validation of improved innovative products/services or new functionalities and uses for the minimum viable product. Experimental Development activities should fall within Technology Readiness Levels (TRL) 6-8 according to the definitions adopted by the EU2.
- Feasibility Study: Scientific / technical Feasibility Study for the innovative business idea, including the investigation of its commercial potential, and validation of the business model.
- Innovation Activities: The following Innovation Activities are allowed by the beneficiary:
  - Innovation advisory services, assistance and training in the use of standards and regulations embedding them. Innovation support services for: (a) Measurements, tests, certification and analyses, (b) Access to research infrastructures, libraries and databases, (c) Market Research (which may indicatively cover market size estimation and segmentation, estimation of purchase intention from potential

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<sup>1</sup> Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Iceland, Liechtenstein, Norway.

customers, pricing issues, involvement of key stakeholders and opinion leaders, competition analysis), and (d) Quality Labelling.

- Participation in Trade Fairs/Exhibitions: Participation of the beneficiary in trade fairs/exhibitions with private stand for the promotion of the product /service.
- Other Production, Communication, Investment Attraction and Market Penetration Activities:
  - Personnel Costs for activities that may include Branding/Marketing/Investment Readiness, meetings/users' involvement, product/service and packaging design, internationalisation, user manuals preparation etc.
  - Equipment.
  - Design and preparation of Communication Material (publications, audio-visual material, graphic design services) to be used for attracting investors/customers.
  - Support services and research for internationalisation/penetration in new markets.
  - Traveling abroad for meetings with potential investors/customers.

## 4.2 Project duration

The duration of the project implementation should be up to 18 months.

## 5. Budget

The **total** budget of the call amounts to **€ 10.000.000**

### 5.1 Funding per project

The maximum funding **per project** amounts up to **€ 1.500.000**.

The Aid Intensity of the Host Organisation for Experimental Development Activities and Feasibility Study is calculated according to the provisions **of Chapter 3.2 of the present Work Programme**. Aid Intensity for Innovation Activities and Participation in Trade Fair /Exhibitions is 50%, and for activities to be funded as De Minimis Aid is 100%. Furthermore, Aid Intensity for Large Enterprises, as Host Organisations, for Innovation Activities and Participation in Trade Fairs / Exhibitions which will be funded as De Minimis Aid will be 50%. The final Aid Intensity for the Host Organisation, taking into account all of its activities, cannot exceed 70%.

## 6. Eligible costs

The eligible costs per activity are the following:

- Experimental Development:
  - Personnel Cost
  - Costs for Instruments and Equipment (depreciation)
  - Costs for External Services
  - Costs for Travelling Abroad

- Consumables
- Other specific costs
- Overheads
  
- Feasibility Study:
  - Personnel Cost
  - Overheads
  
- Innovation Activities:
  - Costs for External Services.
  - For Large Enterprises, the funding for these costs will be provided on the basis of the De Minimis Aid Regulation.
  
- Participation in Trade Fairs/Exhibitions:
  - Renting and setting up stand (invoice from organisers, graphic designers cost etc), registration in the fair/exhibition, transportation of material to be used for the stand, insurance costs, and travelling abroad for the representatives of the company that will participate in the fair/exhibition abroad.
  - For Large Enterprises, the funding for these costs will be provided on the basis of the De Minimis Aid Regulation.
  
- Other Activities (De-Minimis):
  - Personnel Cost
  - Costs for Instruments and Equipment – Incl. industrial production equipment (full cost)
  - Costs for External Services
  - Costs for Travelling Abroad
  - Other specific costs

For «Other Activities» funding will be in the form of De Minimis Aid (Commission Regulation, No 1407/2013 of 18 December 2013). It is noted that, for Eligible Costs Categories, unless specified otherwise, the EU framework for State Aid applies, and specifically the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

## 7. Submission

- Proposals are **submitted** through the Research and Innovation Foundation's [IRIS Portal](#).  
**1st Deadline:** 23 March 2023, 13:00 - Call Budget €5 M.  
**2nd Deadline:** 1 June 2023, 13:00 - Call Budget €5 M plus any unused budget from the 1st Deadline, based on the announced results of the 2nd Evaluation Stage of the 1st Deadline.  
**3rd Deadline:** 1 December 2023, 13:00 - with any unused budget from the total €10 M based on the announced results of the 2nd Evaluation Stage of the 2nd Deadline. In case

of budget exhaustion in the 2nd Deadline, the RIF will consider the possibility to allocate additional budget for the 3rd Deadline.

- The Project Coordinator and all local participating organisations in the Project **Consortium**, should **register** in advance on the **IRIS Portal**. Potential applicants are advised to use the «Guide for Applicants», which contains guidelines and clarifications regarding the Submission procedure and the «IRIS Portal User Manual» which can be found on the [document library](#) of the IRIS Portal.
- The Research and Innovation Foundation encourages in all its Calls for Proposals:
  - the participation of women as Project Coordinators, and
  - the gender-balanced formation of projects.
- **The Project Proposal consists of the following parts:**
  - Part A – General Information & Budget (electronic form (fields) to be completed online through the IRIS Portal).
  - Part B – Technical Annex (document to be uploaded as an Annex on the IRIS Portal in PDF format).
  - Annex I – Curricula Vitae (document to be uploaded as an Annex on the IRIS Portal in PDF format and includes the CV's of the Project Coordinator and the key team members – Obligatory). It is recommended that, CVs are created according to the EUROPASS format and do not exceed 5 pages per person.
  - Annex II – Call Specific Information (documents to be uploaded as an Annexes on the IRIS Portal in PDF format): (a) Signed legally binding agreement, between the enterprises and the VC Fund, (b) Proof to justify that the investment fund is regulated in a competent authority in Cyprus or in another Member State of the European Economic Area, and (c) The company's Business Plan on the basis of which the investment was secured.

## 8. Evaluation procedure

Two Evaluation Stages:

- *1st Stage: Assessment by two experts, specializing in the subject of the proposal. Proposals with minimum score 12,00/15,00 will pass in the Evaluation Stage II.*
- *2nd Stage: Independent Evaluation Committee consisting of experts with business background (Go-No Go).*

## 9. More information

- For information regarding the RIF's open calls, as well as useful documents and guides, interested parties can visit the IRIS portal.
- For further information, interested parties may contact the RIF's Partner Support Center by phone on +357 22205000 or via email at [support@research.org.cy](mailto:support@research.org.cy).