«Pre-Seed» Programme (PRE-SEED/0823) – Frequently Asked Questions (FAQs)

Q1. Who is eligible to participate in the Programme?

The Programme addresses Startups which are in the stage of developing their business idea and/or they are at the early stages of their product or service development. According to the RESTART 2016-2020 Work Programme, a startup, is considered as any small enterprise not listed in the stock exchange, up to five (5) years after its registration, which: (i) has not taken over the activity of another enterprise, (ii) has still not distributed profits, and (iii) has not been incorporated through a merger.

Q2. Which other organisations may participate in the Programme? Are there any limitations regarding their participation?

Research Organisations, Enterprises, or Other Private Sector Organisations may participate as Partner Organisations. Partner Organisations shall support the Startup (Host Organisation) in accomplishing the project's technological objectives and specifically only for the implementation of experimental development activities, relating to the prototype development, pilot operation, testing and validation of the company's product/service. The total costs of the Partner Organisations, should not exceed 20% of the total project budget.

Q3. Can foreign startups participate in the Programme?

All participating organisations should be legally established and active, or will be established and active (in case of under establishment enterprises) in territories under the control of the Republic of Cyprus. The activity of the entities is documented by the existence of facilities and other equipment in territories under the control of the Republic of Cyprus and, indicatively and not restrictively, by audited financial statements, the tax return of the entity in the Republic of Cyprus, etc. For the participating startups the activity must be confirmed during the implementation of the project, with the existence of facilities and other equipment in territories under the control of the Republic of Cyprus. RIF may also request additional information to justify the activity of the entities.

Q4. For how many Projects can an Enterprise receive funding as Host Organisation?

An enterprise may receive funding as Host Organisation (HO), only in one (1) Project. This condition applies to the present Call only.

Q5. How may proposals can an enterprise submit in the frame of the PRE-SEED/0823 Call?

An enterprise may submit more than one proposal in the frame of the Call. Each person acting as Project Coordinator may submit to each Call for Proposals a maximum of two (2) proposals.

Q6. Can natural persons submit proposals if the startup is not yet established?

A proposal may be submitted by a group of natural persons, however the registration of the company should be completed until the signing of the Contract with the RIF. For the submission phase, an «Enterprise Under Establishment» should be registered in the IRIS Portal.

Q7. Can a prototype/MVP be released to the market before contract signing with the RIF?

The Programme aims to support startups which are in the stage of developing their business idea and/or they are at the early stages of their product or service development. Startups with mature innovations and technologies which fall within a high technological readiness level, having already been validated in laboratory and relevant environment and are at least being demonstrated at relevant environment, are encouraged to participate in the RIF's «Seed» Programme.

Q8. Will RIF funding cover the full expenses of the beneficiaries?

RIF may cover up to 85% of the total eligible costs.

Q9. Is there a template to submit the Proposal?

Proposals are submitted through the RIF's IRIS Portal. Participants should fill in online the Part A of the Proposal and upload the Part B - Technical Annex, which is the main part of the Proposal and is available in the IRIS Portal. Furthermore, applicants should upload mandatory Annexes (CVs and Smart Specialisation Sectors Table) as defined in the Call for Proposals. Kindly note that, Project Coordinator and all participating organisations, should register in advance on the IRIS Portal. A person registered as an IRIS user, should complete its registration as a Researcher in order to be able to submit a Proposal as coordinator.

Q10. Can existing enterprises participate for the development of new ideas?

Only Startups as defined in Q1 may participate as Host Organisations in the present Programme. A Spinout enterprise undertaking part of the activities of an existing enterprise, is allowed to participate as HO in the RIF's «Innovate» Programme.

Q11. Should the team members be established/work in Cyprus? What applies for people working abroad and are relocating to Cyprus for the establishment of a startup?

*Personnel participating in the Project must be employed by the participating organisations **during their participation period in the Project**. According to the RESTART 2016-2020 Programmes, a person is considered an "employee" of an organisation, if: (i) the employee-employer relationship can be proven (employment contract, job control, supervision and work approval, provision of work-related materials and so forth), (ii) such person is included in the organisation's official payroll on a regular basis, and (iii) all the employer's obligations pursuant to the law are fulfilled.*

Q12. Does the team need to be defined in the proposal?

During the evaluation of the Proposals, the availability of appropriate and complementary technical, scientific and business knowledge and skills among team members, the existence of very good knowledge of the market, and the existence of leadership and management skills within the team, as well as the commitment shown by the team to implement the proposed project, are assessed. Therefore, in the Proposal Document (Part B-Technical Annex) the capabilities and experience of the Project Coordinator and other key team members should be included. The CVs of the Coordinator and the key personnel of the project team should also be submitted.

Q13. Are startups that are not based on scientific or academic research eligible for this Programme?

Any Startup fulfilling the requirements of the Programme is eligible to submit a Proposal. Please see Q1. The Programme addresses Startups with potential for high growth, from any technology/market area, which aim to develop innovative products/services that could penetrate into the international market. Applicants are strongly requested to read thoroughly the evaluation criteria.

Q14. Could you define what a company with «technological orientation» is?

Not every newly established company is a startup. Startups are companies aim to develop a product/service with a high level of innovation which have a scalable model and potential for high growth. Particularly desirable are high-risk / high-return ideas with a view to entering the international market. Please also see Q13 above.

Q15. What are the thematic areas covered by the Programme?

The Programme is open to startups with innovative ideas in any technological/market area.

Q16. Are there any consequences if the Project teams deviates from the original Project plan or the original budget?

Project Coordinators (PC) shall could proceed with minor project changes during the Project implementation, without prior approval from the RIF. These may be changes to the project team members (with the exception of the PC) and minor modifications that will not have major impact on the course of the Project. Major changes such as project extension, consortium composition, major project activity amendments require prion approval by the RIF. The main condition for the acceptance of request for a project change by the RIF is that it will not decrease the scientific quality of the project, affect the exploitation and dissemination capability of the results and cause significant deviation from the objectives of the Call of Proposals under which the project is being funded.

Regarding deviations from the original budget, the PC is entitled to revise the Budget without prior approval from the RIF, if this pertains to: (i) an amendment in the amount of a Cost category not exceeding the amount mentioned in the initial budget by more than ±40% with a maximum of €15,000, or (ii) a transfer to a Cost category with zero budget that does not exceed €2,000. In cases where the budget revision exceeds the limits mentioned above or there is a need to transfer funding from one consortium member to another, the PC must submit a relevant request and obtain approval from the RIF.

Q17. What and how many reports need to be submitted to IRIS and how often for the first two mandatory Work Packages «Project Management» and «Exploitation and Communication Activities»?

For each Project, a Final Progress Report, which is submitted up to thirty (30) calendar days after project implementation completion and a Payment Request, which is submitted up to sixty (60) calendar days after the project implementation completion and pertains to expenditures occurred throughout the project duration, are requested. The Final Progress Report should be included as deliverable under «Project Management» WP.

Under «Exploitation and Communication Activities» WP the following deliverables are mandatory: (i) Data Management Plan (a template will be provided by the RIF), (ii) Submission of Request for the acquisition of services by the Central Knowledge Transfer Office (KTO) of the RIF, and (iii) Agreement(s) ensuring that all relevant IPRs are correctly assigned or licensed to the company (if applicable). Other indicative non-mandatory deliverables/milestones such as an IPR Management & Exploitation Plan are listed in the Part B – Technical Annex.

Q18. How do you calculate Personnel Costs?

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. The standard scales of unit costs that apply for each type of employee, are available in the RESTART 2016-2020 Work Programme, Section 3, Chapter 5.4.1.

Q19. What expenses are included under Overheads?

Overheads are indirect operating costs arising either from the employment of personnel at the organisation's facilities (e.g. utility bills for power, water, telephone, administrative support, Financial Contact Point fees, auditing) or the maintenance of durable equipment. Overhead costs are defined at a rate of up to 20% of the direct costs, with the exception of costs for the external services.

Q20. What kind of equipment is covered under «Instruments and Equipment» cost category?

For Cost Category «Instruments and Equipment», purchase cost for instruments and specialised equipment, and computers and software (including standard office computer and software), is eligible. In general, durable equipment refers to state-of-the-art research instruments and specialised research equipment to be used in the experimental development. For any other type of equipment, applicants should demonstrate that the equipment is necessary for the Project implementation.

Q21. Are ideas that are innovative in some countries but not in others eligible for funding?

For the selection of the Projects to be funded, it is evaluated whether the idea refers to a product / service with a high degree of novelty and significantly different in comparison with existing or competing solutions and international practice, and is based on factors such as the quality / functionality of the product / service, the cost, the degree of ease of use, etc. Disruptive and breakthrough high-risk / high-return innovative ideas, with the potential to bring significant and transformational change in the market and the needs of end-users, are particularly sought after.

Q22. What is the success rate for this Programme? Is there a list of previously approved ideas?

According to the data for the first 3 Programme Calls, the success rate for the Pre-Seed Programme is close to 9% (Projects Selected for Funding/Proposals Submitted). A list including all funded Projects by the RIF, is available in the RIF's Website (www.research.org.cy). Furthermore, interested parties may find more information and testimonials from Project beneficiaries in the RIF's communication channels and social media.

Q23. Are costs for activities implemented before the start of the Projects eligible?

Eligible costs pertain to activities carried out during Project implementation.

Q24. Can business development partners be included in the Consortium?

Partner organisations may participate in the Consortium only for the implementation of experimental development activities. Please see answer in Q2. Other collaborators may participate as subcontractors under External Services or be employed by the Host Organisation.

Q25. How are different expenses recorded/submitted?

Applicants are requested to read thoroughly Chapter 5 «Project Management» – Section III in the RESTART 2016-2020 Work Programme document, available in the IRIS Portal, and more specifically Chapter 5.4. Supporting Evidence for Project expenditure.

Q26. When funding is awarded to beneficiaries?

Pre-Financing corresponds to 70% of the Requested Funding and is paid upon Contract signature. The Final Funding Payment, which may correspond to up to the balance of the Requested Funding, taking into consideration the eligible costs of the Project, is paid upon approval of the Final Progress Report by the RIF.

Q27. If revenues are generated during the Project implementation, will they be subtracted from the funding?

In the frame of PRE-SEED and SEED Programmes of the RIF, revenues generated by the Host Organisation during the Project implementation, will not affect its approved funding.

Q28. Is it mandatory receive consulting services by the RIF's Knowledge Transfer Office? Are these services free and beyond the Pre-Seed funding?

*Beneficiaries are **obliged** to contact the Central Knowledge Transfer Office (KTO), within two (2) months at the latest from the Contract signing date, for the preparation of a specialised Service Delivery Plan. It is noted that, the acceptance of the Service Delivery Plan by the Project Consortia and the utilization of the central KTO services **will be optional**. KTO offers free-of-charge consulting and technology transfer services as well as funding for the protection of IPR. Services and funding provided by the KTO, as well as the RIF's Innovation Factory initiative, are additional to the funding received for the funded Project.*