

**Implementing Agreement  
to the  
Agreement  
between  
the Government of the Republic of Estonia  
and  
the Government of the State of South Carolina  
on  
Bilateral Cooperation in Industrial and Technological Research and  
Development  
  
Request for Proposals**

**Introduction**

This Request for Proposals (**RFP**) is the first call for proposals initiated within the framework of the Collaborative Industry Research and Development Program (**Program**) envisioned in the Agreement between the Government of the Republic of Estonia and the Government of the State of South Carolina on Bilateral Cooperation in Industrial and Technological Research and Development, which was signed on 15 April 2016 (the **Agreement**). This RFP will be executed by the Designated Cooperating Authorities: Enterprise Estonia (**EAS**) and the Global Alliance for South Carolina (**GASC**), respectively.

This RFP provides opportunities for conducting joint Defined Field Research and Development (**R&D**) projects between companies from Estonia and South Carolina. The projects awarded through the Program will be funded through funding mechanisms accessible already to the Parties through their Designated Cooperating Authorities respectively, in accordance with subsection 2 of Article I of the Agreement, and may be leveraged by other investments consistent with the policies, laws and procedures of each state.

The Designated Cooperating Authorities expect companies to seek collaboration partners independently, but will assist companies in identifying relevant partners.

**Defined Field Research and Development**

The main objective for this RFP is to stimulate “Defined Field R&D cooperation” and “exploitation of the results from Defined Field R&D projects,” as defined in the Agreement, leading to commercialization in the global market.

Within this scope, eligible Defined Field R&D projects for project proposals will include:

1. The horizontal application of Information and Communication Technologies (ICT), defined by the use of ICT in:
  - a. Industry (automation and robotics),
  - b. Cybersecurity,
  - c. Software development.
2. Health technologies and services, including:
  - a. Biotechnology,
  - b. E-health (use of ICT for the development of medical services and products).
3. Increased effectiveness of resources, including:
  - a. Materials science and industry,
  - b. Innovative construction (e.g., “smart house”),
  - c. Health promoting food,
  - d. Chemical industry (e.g., more effective use of oil shale).

## **Mode of Collaboration**

This RFP offers a parallel funding track for collaborations: companies from Estonia and South Carolina will be co-funded for their activities in the joint Defined Field R&D project by EAS and GASC, respectively. However, partners either from Estonia or South Carolina may choose to self-fund their part in the project without applying for a grant. In those cases, the partner wishing to self-fund its participation must notify the Designated Cooperating Authorities in advance.

The grant-based co-funding for companies from Estonia will be subject to the rules, procedures and mechanisms established within the framework of the regulations in effect for Enterprise Development Program and Product Development Grant (in Estonian: *Ettevõtte arenguprogramm ja Tootearenduse toetus*), both implemented by EAS. More detailed information on the programs and their respective terms and conditions for co-funding can be found from the website of EAS ([www.eas.ee](http://www.eas.ee)). However, companies from Estonia may also seek co-funding from national or international sources aimed at supporting collaborative R&D projects other than those two programs, keeping in mind that in those cases the rules, procedures and mechanisms of those programs will be applied. Companies may also choose to self-fund their part in the project without applying for a grant.

The joint Defined Field R&D projects are expected to be balanced in terms of budget, contribution and expected gain for both Estonian and South Carolina partners. Generally, projects where both parties have at least 30% of the budget and technical contribution will be considered as balanced for the purposes of this RFP, recognizing that the amount of funding available to the Estonian company may be limited based upon the size of the Estonian company according to EU state aid rules.

## Eligible Participants

The joint Defined Field R&D projects must involve at least one company from Estonia and one from South Carolina (**prime recipients**). The prime recipients may recruit additional team members from the private sector, academia, or both, consistent with the regulations in effect for the respective Designated Cooperating Authorities.

### For Estonian companies:

- a. Eligibility criteria for Estonian companies seeking co-funding are subject to the rules, procedures and mechanisms established within the framework of the regulations in effect for Enterprise Development Program and Product Development Grant (in Estonian: *Ettevõtte arenguprogramm ja Tootearenduse toetus*) implemented by EAS.
- b. Companies from Estonia may also seek co-funding from national or international sources aimed at supporting collaborative R&D projects other than those two programs, keeping in mind that in those cases the rules, procedures and mechanisms of those programs will be applied.
- c. Companies may also choose to self-fund their part in the project without applying for a grant. When companies choose to co-fund or self-fund their projects under those terms and conditions, it is generally expected that they:
  1. Be an advanced-technology or knowledge-based business in one of the technological fields listed above.
  2. Have a protected intellectual property position or a distinct competitive advantage.
  3. Have a high-impact business model that shows potential for the company to grow into sizable businesses in the state, creating high-wage jobs and revenues.

### For South Carolina companies:

South Carolina companies must meet the following eligibility criteria to apply for funding from this program:

- a. Be a South Carolina-based entity, located in SC, established and registered with the SC Secretary of State with at least 51% of payroll to employees within the state.
- b. Be an advanced-technology or knowledge-based business in one of the technological fields listed above.
- c. Have a protected intellectual property position or a distinct competitive advantage. The product should not be easy to replicate and should include intellectual property such as trade secrets, patents and/or trademarks.
- d. Have a high-impact business model that shows potential for the company to grow into sizable businesses in the state, creating high-wage jobs and revenues.

- e. Have money invested by the principals and/or founders, and/or have raised initial capital from others (sources include friends, family, banks, etc.).

**For both partner companies:**

For a joint Defined Field R&D project to be eligible for co-funding, the application must be submitted by an Estonian company and an **unrelated** South Carolina-based company. For the purposes of this RFP, companies are considered unrelated if they have separate legal identities and do not have a parent/wholly-owned or controlled subsidiary relationship. It is permissible that the Estonian and South Carolina companies may have a prior working relationship, but they may not apply for funding on any specific project where they have executed a collaborative R&D agreement for the same or similar work prior to the date this RFP was issued.

## **Funding Availability and Restrictions**

### **1. In Estonia:**

The co-funding for companies from Estonia will be subject to the availability of funds and the rules, procedures and mechanisms established within the framework of the regulations in effect for Enterprise Development Program and Product Development Grant (in Estonian: *Ettevõtte arenguprogramm ja Tootearenduse toetus*) implemented by EAS. Further details are available at EAS web site [www.eas.ee](http://www.eas.ee).

### **2. In South Carolina:**

GASC intends to make awards within the criteria identified below. Disbursements will be advanced to the recipient quarterly, consistent with the planned expenses for that quarter, up to the total value of the GASC share of the total project cost. Allowable expenses may include direct labor, subcontractors, consultants, equipment purchases directly tied to project goals, consumable materials and supplies, project-related travel, and indirect costs associated with these categories if not being proposed as part of the company's cost share contribution to the project. No pre-award cost recovery will be permitted.

Recipients of GASC funding will be required to submit quarterly technical and financial reports during the project execution phase, along with a final report at the completion of the project. Additionally, recipient companies will be required to submit annual reports for the five year period following project completion that describe the commercialization activities resulting from the project and the associated jobs created, and revenue achieved within the state of South Carolina.

**Project Duration:** at least 12, but not more than 36 months from the date of award.

**Maximum award from GASC:** not to exceed \$500,000 over the project duration.

**Minimum award from GASC:** normally not less than \$125,000 over the project duration unless the South Carolina company is self-funding its participation in the project.

**Cost share:** the South Carolina recipient company will contribute an equal or greater amount of funding toward the approved project than the amount of funding that will be provided by GASC. Criteria for qualifying cost share will be provided to applicants upon request. Cost share above the minimum required will be seen as a positive evaluation criteria.

## **Number of Awards Anticipated**

EAS and GASC envision making multiple co-funding awards under the Program, depending on the merit of the project proposals, the budgets associated with those proposals, and the overall availability of funds. EAS and GASC reserve the right to make no awards if the quality of proposals does not support funding any of the projects under review during the application and proposal cycle or where there are no available funds.

## **Request for Proposals – Process**

The submission and approval process will be executed in two phases, as follows:

### **Phase 1: Joint Submission of a “Bilateral Cooperation Form”**

Companies desiring to receive co-funding through this RFP are required to submit a “Bilateral Cooperation Form” specific to the project being proposed. Appendix A contains a copy of this form. This form will include a brief description of the proposed joint Defined Field R&D project, the expected outcomes from the project, and the respective roles of each party in executing the project. The form must be signed by an individual from each company authorized to bind that company legally.

**Note:** a company may submit more than one application to this RFP should a company in either country have multiple project opportunities with multiple partner companies in the other country.

**Note:** prior consultation with the respective designated Cooperating Authorities (EAS in Estonia and GASC in South Carolina) is strongly advised.

EAS and GASC will screen the Bilateral Cooperation Forms and decide whether applicants will be invited to submit a full proposal under the Phase 2 process.

**Note:** an invitation to submit a full proposal in Phase 2 does not imply approval of the full proposal.

### Summary of Phase 1 Requirements

| <b>Estonian Company</b>                 | <b>South Carolina Company</b>           |
|---|---|
| Bilateral Cooperation Form (Appendix A) | Bilateral Cooperation Form (Appendix A) |

### Phase 2: Submission of Full Proposal

This phase is open only to those companies who have received an invitation to submit a full proposal based upon review of the Phase 1 application.

Phase 2 will require each company to submit a funding application according to the guidelines and regulations of each Designated Cooperating Authority.

Participating companies must develop their own cooperation agreement(s) for IP sharing and terms of commercialization.

A template outlining the contents expected in the company-to-company cooperation agreement is provided at Appendix B.

Each Cooperating Authority will award funding to successful applicants based upon its own laws and procedures.

### Summary of Phase 2 Requirements

| <b>Estonian Company<sup>1</sup></b>   | <b>South Carolina Company</b>   |
|---|---|
| EAS website <a href="http://www.eas.ee">www.eas.ee</a><br>(to be provided with the invitation to propose) | Technical and Cost Proposal Forms<br>(to be provided with invitation to propose)        |
| Additional Proposal Forms, as applicable<br>(to be provided with invitation to propose)                   | Additional Proposal Forms, as applicable<br>(to be provided with invitation to propose) |

<sup>1</sup> The co-funding for companies from Estonia will be subject to the rules, procedures and mechanisms established within the framework of the regulations in effect for Enterprise Development Program and Product Development Grant (in Estonian: *Ettevõtte arenguprogramm ja Tootearenduse toetus*) implemented by EAS.

## Evaluation Criteria

### 1. In Estonia:

The co-funding for companies from Estonia will be subject to the rules, procedures and mechanisms, including evaluation methodology and criteria, established within the framework of the regulations in effect for Enterprise Development Program and Product Development Grant (in Estonian: *Ettevõtte arenguprogramm ja Tootearenduse toetus*) implemented by EAS.

### 2. In South Carolina:

Proposals submitted in response to this RFP will be evaluated using the following merit criteria:

1. Technical merit
  - a. Significance of the problem being solved / opportunity identified,
  - b. Degree of innovation in the proposed solution,
  - c. Technical feasibility.
2. Commercial merit
  - a. Size of the potential market,
  - b. Extent to which the need / demand for the product or process can be validated.
3. Ability to carry out the proposed research successfully
  - a. Soundness of approach and accompanying work plan,
  - b. Adequacy of management plan,
  - c. Qualifications of key members of the project team,
  - d. Strength of the partnership between the South Carolina and Estonian companies.
4. Ability of the companies to commercialize the resulting technology successfully
  - a. Current position in the target market,
  - b. Adequacy of commercialization plan,
  - c. Ability to secure necessary funding.
5. Potential economic benefit
6. Leverage on public investment
  - a. Appropriateness of the budget relative to the proposed work plan.

## Timeline for Submission and Review

The timeline and associated deadlines for this RFP are:

- 1. RFP Launch and first date for submitting Phase 1 applications: 29 November 2018**
- 2. Phase 1 application deadline: 25 January 2019**  
[Allows 8 weeks for the parties to identify one another, and develop and submit the joint application]
- 3. Invitation to submit Phase 2 proposal issued: 8 February 2019**  
[Allows 2 weeks for the sponsors to review the applications and issue a formal invitation to propose]
- 4. Phase 2 proposal submission deadline: 19 April 2019**  
[Allows 10 weeks for applicants to develop, coordinate and submit their proposals]
- 5. Proposal evaluation complete: 14 June 2019**  
[Allows 8 weeks for the EAS and GASC evaluators to complete their reviews and to make final award decisions]
- 6. Notification of award: 21 June 2019**
- 7. Fully executed company-to-company cooperative agreement due: 5 July 2019**  
[Pre-requisite for award; target 2 weeks after notification of selection for award]
- 8. Fully executed EAS/GASC funding award agreements in place: 19 July 2019**  
[2 weeks after receipt of fully executed cooperative agreements]

## Final remarks

This Implementing Agreement does not create rights and obligations under international law. In case of conflict, national and international law will take precedence over the terms of this Agreement, also in regard of, but not limited to Program requirements and evaluation criteria's.

**Contacts:**

**South Carolina**

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**Estonia**

**Mr. Viljar Lubi**  
Deputy Secretary General for Economic  
Development

Estonian Ministry of Economic Affairs and  
Communications

**Appendices and Attachments:**

- Appendix A: Bilateral Cooperation Form
- Appendix B: Partnership Agreement Skeleton

**Approved for Release:**

**Cooperating Authority, Republic of Estonia**

By: \_\_\_\_\_

Name: Viljar Lubi  
(printed/typed)

Title: Deputy Secretary General for Economic Development

Date: 29 November 2018

**Cooperating Authority, State of South Carolina**

By: \_\_\_\_\_

Name: James D. Melville  
(printed/typed)

Title: President and Chief Executive Officer, Global Alliance for South Carolina

Date: 29 November 2018

# APPENDIX A: BILATERAL COOPERATION FORM

**Instructions:** Both partners applying for the program should fill this form in together and submit it to the two counterpart agencies.

**Note:** This form also may be used for partner search / matchmaking requests.

## 1. General Information

### 1.1 Project Title

(Do not exceed 120 characters)

### 1.2 Defined Field Research and Development

Select from one of the following:

- Information and Communications Technologies
- Health Technologies and Services
- Increased Effectiveness of Resources

### 1.3 Submission Date

### 1.4 Summary

(Do not exceed 240 characters)

1.5 Project Start Date:

1.6 Project Stop Date:

### 1.7 Participants' Contributions

| Company Name  | Country | Role of Participant | Contribution (%) | Budget (\$US) | Duration (Months) |
|---------------|---------|---------------------|------------------|---------------|-------------------|
|               |         |                     |                  |               |                   |
|               |         |                     |                  |               |                   |
|               |         |                     |                  |               |                   |
|               |         |                     |                  |               |                   |
| <b>Total:</b> |         |                     |                  |               |                   |

## 2. Project Outline

### 2.1 Project Description including Level of Innovation

|  |
|--|
|  |
|--|

**2.2 Market Potential and Commercialization Plan**

**2.3 Cooperation between Participants (IP, synergies, advantages, complementarities, etc.)**

**2.4 Expected Outcome of Project**

**2.5 Short profile of the key staff who will be undertaking the work**

### 3. Project Participants – Partner 1

#### 3.1. Participant Profile

##### 3.1.1 General Profile

|                       |   |                                  |   |
|-----------------------|---|----------------------------------|---|
| Full Name of Company  |   | Registration #                   |   |
| Prior name of Company |   | Year Established                 |   |
| Company Maturity      | <input type="checkbox"/> Seed           | <input type="checkbox"/> R&D     | <input type="checkbox"/> Initial Revenues |
|                       | <input type="checkbox"/> Revenue Growth |                                  |   |
| Ownership             | <input type="checkbox"/> Public         | <input type="checkbox"/> Private | <input type="checkbox"/> Governmental     |
|                       | <input type="checkbox"/> Other          |                                  |   |
| No. Employees         |   | No. R&D Personnel                |   |

##### 3.1.2 Company Contact Info

|           |  |          |  |
|-----------|--|----------|--|
| Address   |  |          |  |
| Country   |  | Zip Code |  |
| Telephone |  | Fax      |  |
| Website   |  | E-mail   |  |

##### 3.1.3 Contact Person

|            |  |              |  |
|------------|--|--------------|--|
| First Name |  | Last Name    |  |
| Title      |  | Function     |  |
| Phone      |  | Mobile Phone |  |
| Email      |  |              |  |

##### 3.1.4 Organization Background

General Business Description & Area of Expertise

Technology Description (Main Products/Services) and IP

Targeted Customers

Sales (for last 3 years)

|                  |     |     |
|------------------|-----|-----|
| Current year (i) | i-1 | i-2 |
|------------------|-----|-----|

## 4. Project Participants – Partner 2

### 4.1. Participant Profile

#### 4.1.1 General Profile

|                       |                      |                  |                      |
|-----------------------|----------------------|------------------|----------------------|
| Full Name of Company  | <input type="text"/> | Registration #   | <input type="text"/> |
| Prior name of Company | <input type="text"/> | Year Established | <input type="text"/> |

|                  |                                 |                                  |   |   |
|------------------|---------------------------------|----------------------------------|---|---|
| Company Maturity | <input type="checkbox"/> Seed   | <input type="checkbox"/> R&D     | <input type="checkbox"/> Initial Revenues | <input type="checkbox"/> Revenue Growth |
| Ownership        | <input type="checkbox"/> Public | <input type="checkbox"/> Private | <input type="checkbox"/> Governmental     | <input type="checkbox"/> Other          |
| No. Employees    | <input type="text"/>            | No. R&D Personnel                | <input type="text"/>                      |   |

#### 4.1.2 Company Contact Info

|           |                      |          |                      |
|-----------|----------------------|----------|----------------------|
| Address   | <input type="text"/> |          |                      |
| Country   | <input type="text"/> | Zip Code | <input type="text"/> |
| Telephone | <input type="text"/> | Fax      | <input type="text"/> |
| Website   | <input type="text"/> | E-mail   | <input type="text"/> |

#### 4.1.3 Contact Person

|            |                      |              |                      |
|------------|----------------------|--------------|----------------------|
| First Name | <input type="text"/> | Last Name    | <input type="text"/> |
| Title      | <input type="text"/> | Function     | <input type="text"/> |
| Phone      | <input type="text"/> | Mobile Phone | <input type="text"/> |
| Email      | <input type="text"/> |              |                      |

#### 4.1.4 Organization Background

General Business Description & Area of Expertise

Technology Description (Main Products/Services) and IP

Targeted Customers

Sales (for last 3 years)

|                  |                      |     |                      |     |                      |
|------------------|----------------------|-----|----------------------|-----|----------------------|
| Current year (i) | <input type="text"/> | i-1 | <input type="text"/> | i-2 | <input type="text"/> |
|------------------|----------------------|-----|----------------------|-----|----------------------|

**5. Statement of Cooperation**

The participants signing this form intend to cooperate within the project as described in this form, with the aim of realizing the technical developments as set forth under paragraph 2. In addition, the participants have or intend to put in place, a formal cooperation agreement(s) for IP sharing and terms of commercialization. The participants hereby acknowledge that should their proposal be selected for award; no funds will be released for execution until the companies have provided documentation of the cooperation agreement(s) that will be in effect for performing the project work.

**Signature of Partner 1**

|              |  |           |  |
|--------------|--|-----------|--|
| Company Name |  |           |  |
| First Name   |  | Last Name |  |
| Title        |  |           |  |
| Signature    |  |           |  |

**Signature of Partner 2**

|              |  |           |  |
|--------------|--|-----------|--|
| Company Name |  |           |  |
| First Name   |  | Last Name |  |
| Title        |  |           |  |
| Signature    |  |           |  |

## **APPENDIX B: PARTNERSHIP AGREEMENT SKELETON**

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### **DESIGNATION OF THE PARTIES**

Identify all the participating parties and their official representatives.

### **PREAMBLE**

- Describe the context of the cooperation, its objectives and scope.
- Define the purposes of the agreement (i.e. to specify the relationship among the parties, in particular concerning the organization of the work between the parties, the management of the bi-lateral project and the rights and obligations of the parties, liability, intellectual property rights and dispute resolution).

### **ARTICLE 1 - DEFINITIONS**

Define the key legal and technical terminology in order to avoid misunderstanding.

### **ARTICLE 2 - IMPLEMENTATION OF THE BI-LATERAL PROJECT**

- Describe the project in general terms and refer to technical annex for details, including work packages, allocation of tasks, milestones and planning of the Bi-lateral project.
- Define the foreseen achievements in terms of deliverables.
- Describe the technical responsibility and contribution (personnel, facilities, equipment, materials, etc.) of each party in the implementation of the Bi-lateral project.
- Indicate how much and what kind of assistance parties are obliged to give to each other in order to secure the proper execution of the Bi-lateral project.
- Determine reports (financial, technical...) to be submitted and timetable.

### **ARTICLE 3 - PROJECT MANAGEMENT**

- Define the roles and responsibilities of each party from an administrative, legal, financial and technical point of view. Specify the additional duties of the leading party.
- Define the internal organization of the consortium (e.g., management bodies, committees and/or working groups; communication between the parties, prior notification, etc.).
- Describe the different bodies: role and internal rules (i.e., how are the members appointed? how decisions are taken? how many and when meeting will be organized?)
- Define the procedures set up to monitor and follow up the Bi-lateral project from a scientific, technical and financial point of views.
- Describe procedures in case of additional tasks or review of the initial work plan.

- Determine conditions under which existing parties may withdraw from the Bi-lateral project, or reduce or increase their contribution.
- Indicate to which extent subcontracting is possible.
- Define conditions under which additional parties may join the Bi-lateral project.

## **ARTICLE 4 - FINANCIAL ISSUES**

- Indicate the global budget of the Bi-lateral project and the planning of expenses for each participant.
- If the planning is not observed, how and to which extent the schedule and budget may be adjusted?
- Indicate any national requirements (e.g., financial reports).

## **ARTICLE 5 - INTELLECTUAL PROPERTY RIGHTS**

### **5.1 OWNERSHIP**

- Define how the property of the project's results will be allocated between the parties.
- Describe how joint ownership will be managed.
- Define conditions under which property of pre-existing know-how and project results may be transferred between the parties and towards third parties (notably affiliated entities).

### **5.2 PROTECTION OF THE PRE-EXISTING KNOW-HOW AND PROJECT RESULTS**

Indicate how the project's results will be protected (type of protection, duration, etc.).

### **5.3 ACCESS RIGHTS TO AND EXPLOITATION OF PRE-EXISTING KNOW-HOW AND**

#### **PROJECT RESULTS**

- Determine which and how pre-existing know-how (protected or not) has to be exchanged for the proper execution of the Bi-lateral project.
- Define the access rights (including financial conditions, if any) to be granted to use the pre-existing know-how and project results (protected or not) during the implementation of the Bi-lateral project.
- Define the access rights (including financial conditions, if any) to be granted for exploitation of project's results.
- Determine if and to which extent exclusive license may be granted between the parties and towards third parties.
- May sub-licenses be granted?
- Indicate whether access rights to third parties or affiliates are possible.
- Indicate how the parties will exploit the project results (i.e., jointly or separately).

- Indicate conditions for exploitation by third parties.
- Define potential royalties, or least principles for agreeing on potential royalties.

## **ARTICLE 6 - CONFIDENTIALITY**

- Indicate to what extent information disclosed during the Bi-lateral project has to be considered as confidential.
- Stipulate which type of documents should be stamped and treated as "confidential" and the eventual exceptions.

## **ARTICLE 7 - PUBLICATIONS**

Define to which extent publications of the project results are allowed and under which conditions.

## **ARTICLE 8 - LIABILITY**

- Indicate to what extent a party causing damages or injury to another party or to goods or persons will be held liable.
- Define possible actions and financial penalties in case of damage or injury, including in case of withdrawal, fault or dismissal from the consortium?
- Define actions, solutions, penalties in case of bankruptcy.
- Provide for actions and remedies in case of *force majeure*.

## **ARTICLE 9 - FINAL CLAUSES**

### **9.1 ENTRY INTO FORCE**

Define when the consortium agreement comes into force and ends. Indicate whether part or all of its provisions are concerned.

### **9.2 TERMINATION**

Determine the termination clauses and the consequences of the withdrawal of one or more parties, particularly in terms of communication, ownership and exploitation of the project's results.

### **9.3 LANGUAGE**

Define the language in which the consortium agreement is drafted, as well as worked in.

### **9.4 GOVERNING LAW AND COMPETENT COURT**

- Provide for a governing law of the consortium agreement

- Decide and organize which the dispute resolution methods in case of internal conflict: competent court or alternative dispute resolution systems, like mediation, conciliation or arbitration.