

*FIRST NATIONAL TENDERING PROCESS  
OF THE BASE FINANCING PROGRAM FOR  
EXCELLENCE SCIENTIFIC AND TECHNOLOGICAL CENTERS*

*TERMS AND CONDITIONS FOR TENDERS IN THE “DEVELOPMENT PLANS FOR EXCELLENCE  
SCIENTIFIC AND TECHNOLOGICAL CENTERS”  
2007 – 2011 PERIOD*

The National Commission of Scientific and Technological Research (CONICYT) calls to tenders for the submittal of Proposed Plans of Development for Excellence Scientific and Technological Centers.

## 1. OVERVIEW

### 1.1. OBJECTIVES

The main purpose of the Base Financing Program for Scientific and Technological Centers is principal the consolidation of research groups, the research activities of which contribute to increment the competitiveness of Chilean economy by way of scientific and technological innovation.

This tendering process is intended to support proposals in the form of Development Plans (see definition), leading to expand and consolidate the joint activities of renowned national Research Groups which have important complementary financing sources the origin of which is other than applicable Government-granted funds.

The proposed Development Plans must aim at the performance of:

- a) excellence scientific and technological research activities, with international scope and collaboration, and training activities of excellence human resources for the performance of said activities; and
- b) specific activities leading to apply and/or transfer the outcome of research into actions directly contributing to increment competitiveness of Chilean economy.

### 1.2. BENEFICIARIES

The First National Tendering Process of Program may be applied for by: a) Non-profit Excellence Scientific and Technological Centers with their own legal entity status, or b) Higher Education Institutions accredited under Law No. 20,129 (Sponsoring Entities) hosting organized or under-organization excellence Scientific and Technological Centers without a legal entity status, or c) Non-

profit legal entities, (Sponsoring Entities) with proven experience in scientific and/or technological research, sponsoring groups of researchers or research centers, which may choose to obtain their own non-profit legal entity status.

The applicable funds of the Base Financing Program for Excellence Scientific and Technological Centers are intended for groups of researchers, the scientific and/or technological research activities of which are clearly recognized for their excellence, and which may provide proof that, over the last three years and acting on a joint basis, have:

- a) Conducted advanced scientific and technological research, recognized on both a national and international basis.
- b) Trained advanced human resources for scientific research and technological transfer.
- c) Worked in cooperation networks with other national and international institutions.
- d) Received part of their funding from sources other than applicable Government-granted funds.

### **1.3. PERIODS OF TIME FOR EXECUTION AND FINANCING MODALITY**

The National Tendering process of “Development Plans de Excellence Scientific and Technological Centers” shall provide resources to contribute to the financing of Excellence Scientific and Technological Centers for 5-year periods which may be extended once for up to another 5-year period, after an in-depth evaluation of the use of the resources and the outcomes and achievements of the Center's Development Plan. The Centers that shall receive funds in this tendering process may re-apply for funds of the Basal Financing Process by way of the regular tendering processes once the execution period of the previous award has concluded, provided that their performance has been favorably evaluated by the Program.

The transfer of resources shall be made in domestic currency, in the number of installments set out in the agreements, directly made to the Beneficiaries pursuant to the fund use plan previously approved.

### **1.4. DEFINITIONS**

- a) Excellence Scientific and Technological Center (CCTE): A CCTE is a group of researchers working together under a clear leadership, a common and coherent project conducting its activities in accordance with the highest international standards. These Centers they may be independent, non-profit, with their own legal entity status, or they may be organized or underway of becoming organized hosted by Higher Education Institutions accredited under Law No. 20,129, or they may be already organized or underway of being organized hosted by a non-profit legal entity. In this last case they may choose to have their own legal entity status. The main purpose of a CCTE is the development of one or more lines of research projects leading to increase competitiveness of Chilean economy and/or the direct benefit of society.

Independent CCTEs shall be the recipients of the awarded resources and shall be responsible, for all legal purposes, before CONICYT during the entire period of delivery of the resources. For the case of the CCTEs that are already organized or as may be organized under the shelter of Higher Education Institutions accredited under Law No. 20,129 or of non-profit institutions with a

proven experience in scientific and/or technological research must be represented by this institution, which shall become to be denominated as Sponsoring Entity.

b) Sponsoring Entities: They are institutions, either public or private, organized as non-profit legal entities, sponsoring the research groups that are submitting the proposed development plan. The sponsoring entities must be legally existing for at least five years at the time of applying. Also, their goals must include the conduct of research and development activities and/or technological transfer, and they must be able to provide unequivocal evidence that they have conducted such activities, at least during the last five years. They may be, among others, universities, institutes and scientific-technological research academic centers which, in any case, must meet the above-stated requirements. For the case of centers already organized or underway of becoming organized under the shelter of non-profit legal entities, which choose to obtain their own legal entity status, the Sponsoring Entity must make the physical delivery to it, duly supported by documents, of all the resources and assets it may have received or acquired in the framework of this tendering process as well as of those unused resources.

c) Development Plan: It is any proposal of scientific-technological research and development, the execution of which enables the strengthening and consolidation of an already existing CCTE or the creation and establishment of a new CCTE. It must contemplate part of its funding by way of sources other than the applicable Government-granted funds and comply with the requirements set forth in these terms and conditions.

d) Director of the Excellence Scientific and Technological Center: The person who represents the CCTE being responsible for the execution of the Development Plan. He/she must have an outstanding background in scientific-technological research, supported by the recognition of the national and international scientific-technological community. He/she must also be recognized as a leader by the group of researchers and personnel comprising the Center and be devoted on a full time basis to the management of the Center, which includes teaching and other activities contributing to the objectives of the same. The Centers being organized must appoint beforehand a Director, who shall be identified as such in the Proposal.

e) Main Researchers: They are researchers with an outstanding background in scientific-technological research and development, supported by the recognition of the scientific and/or technological community on a national and international basis. They must be members of the Excellence Scientific and Technological Center and devote more than 60% of their working hours to work in activities related with the Proposed Development Plan.

f) Central Researcher Team: A team comprised of the Director of the CCTE and at least 5 Tenured Researchers. This team shall be responsible for carrying out the Development Plan. The Central Team coincides with the team of researchers with a greater scientific responsibility in the CCTEs. Any modification to the Central Researcher Team must be previously approved by Conicyt.

g) Research Group: Each CCTE must be comprised of one or more Research Groups. In turn, each one of them must be comprised of at least one Main Researcher, and a team of researchers, mostly residing in Chile, whose scientific and technological research activities are clearly

recognized for their excellence, and who have conducted, during the last five years the activities of: 1) Training of advanced human resources for scientific research and technological transfer; 2) Linkage and transfer of scientific and technological research towards social and productive sectors of Chilean economy; and 3) Support to the scientific and technological research activities of other groups of researchers in Chile. These groups shall be complemented with postdocs, doctor's or master's degree students, undergraduate and technical students.

h) Base Financing: Funds intended to cover a substantial portion of the recurring operating costs of the CCTEs, in order that they have a substantial, stable and long-term financing ensuring an adequate level of activity and enabling the leveraging of additional resources from various sources. The maximum amount of base financing for a center may not exceed 50% of the total estimated budget. The base financing is comprised of the resources granted through this tendering process and those from other significant and stable sources that finance research groups such as: FONDAP Centers, ICM Institutes, Research Teams and Scientific Nuclei. The funds to be provided to the Base Financing, by way of this tendering process, are granted for a period of five years, renewable for another five years, in annual installments as may be determined in the agreement.

The rest of the funding for the Center must be obtained with smaller government-granted funds that are not stable in nature, such as FONDECYT, FONDEF (projects of R+D and technological transfer) or Programs of CORFO – INNOVA. From the funds of the aforementioned tendering processes only the funds from the tendering process itself and third party contributions shall be imputable as counterpart. Also, monetary resources and valuations of the private and/or international productive sector shall be regarded as counterparty contributions. However, at least 20% of the total budget of the Development Plan for the five years must be in cash and come from the productive, private and international sectors. Additionally, it shall be acceptable that up to 5% of Development Plan's total be in (1) monetary contributions from the sponsoring entities, the source of which is public funds awarded by means other than tendering processes; (2) appraised contributions from the sponsoring entities, the source of which is public funds conferred via tendering processes and/or otherwise. These last mentioned funds may not be accounted and charges subsequently as administrative expenses.

i) Investment Financing: They are funds intended for the acquisition of Major Equipment and minor infrastructure works, necessary for the success of the Proposed Development Plan for the CCTE. The maximum amount to be applied for in this tendering process for Investment Financing is 500 million pesos. The funds requested as Investment Financing shall not be considered as part of the Government-granted base financing associated to the maximum 50% specified in the previous letter.

j) Steering Committee: It is a Committee appointed through a CONICYT Resolution, presided over by the Chairwoman of Conicyt and comprised of individuals of an outstanding background and renowned prestige in the academic, business or public sectors, who shall act on an ad-honorem basis, and whose duties are:

1. To propose the strategic guidelines of the Program.
2. To propose the appointment of an International Advisory Board.

3. To propose to CONICYT the selection of the applications submitted to the tendering process that are going to be financed with the Program's funds.

k) International Advisory Board: It is a board appointed by the Steering Committee of the *Base Financing Program*, and comprised of individuals of a renowned background in the world of science and technological innovation on an international basis. This board's duties include, being responsible for the process of evaluation of the proposals and the recommendation to the Program's Steering Committee of those pre-selected.

## **2. ESSENTIAL ELEMENTS FOR THE PROPOSALS OF DEVELOPMENT PLANS OF EXCELLENCE SCIENTIFIC AND TECHNOLOGICAL CENTERS**

Any Development Plan proposal for an Excellence Scientific and Technological Center submitted to this tendering process must contemplate, among others, the following essential elements:

### **2.1 RESEARCHERS AND OTHER PERSONNEL**

#### **2.1.1 Central Researcher Team**

The axis of the Development Plan for an Excellence Scientific and Technological Center is the Central Researcher Team proposing same, comprised of the Director of the Center, that is, its leader, and at least 5 Main Researchers. This group shall be responsible for carrying out the proposal. The Development Plan proposals must, therefore, clearly state the excellence and complementarity of the team of researchers in those areas in which they have worked in activities of scientific research and technological transfer. It is expected that their activities have been clearly recognized internationally, by way of publications in high-impact scientific journals, or by means of the association with foreign research entities and researchers, and/or by the participation in technological development projects on an international basis. The Central Team must demonstrate a clear leadership on a national basis in the areas of interest of the Development Plan. The Team must set its residence in Chile during the period of execution of the proposal.

Each member of the Central Researcher Team must demonstrate their validity by means of productivity indicators for the last five years and productivity commitments for the next five years. Additionally, they must provide clear evidence of collaborative work among them for the last three years.

The proposed Development Plan must indicate the eventual incorporation of new Main Researchers for the next five years stating their approximate profiles.

#### **2.1.2 Other Research and Development Personnel**

The Development Plan must specify, in addition to the researchers who comprise the Central Team, other researchers, professionals, technologists, postdocs, postgraduate and undergraduate students,

technicians, support personnel and all those actors whose participation is considered necessary to carry out the Development Plan. The Proposal must indicate the personnel who is already confirmed and the profiles of the additional personnel estimated that shall be required.

### **2.1.3 Administration of the Excellence Scientific and Technological Center**

The CCTEs shall be managed by their respective Board of Directors. For the case of the Centers already organized or underway of becoming organized under the shelter of a Higher Education Institution accredited under Law No. 20,129, the Central Team of Researchers jointly with this institution must appoint a board of directors, the chairperson of which must be the legal representative of the institution or the person vested with such powers. For the case of the Centers already organized or underway of becoming organized under the shelter of a sponsoring entity, the Central Team of Researchers jointly with said entity must appoint a board of directors the chairperson of which must be the legal representative of the sponsoring entity the person vested with such powers.

In this last case, if the CCTE chooses to obtain its own legal entity status, the Board of Directors shall be provisional, and shall be replaced by the Board of Directors of the new legal entity so organized.

### **2.1.4. Restrictions and Incompatibilities of the Participants**

There are no incompatibilities in the application and participation of the researchers and personnel of the center with that of other instruments except for those imposed by them. However, the researchers comprising the Central Researcher Team may only participate in one proposal submitted to this tendering process. Failure to comply with this requirement shall imply the non-eligibility of the involved proposals.

Those researchers who are currently in default with rendering of accounts or with pending academic or technical reports with CONICYT, with the Millennium Scientific Initiative (ICM), with the Agricultural Innovation Fund (FIA), with the Corporación de Fomento a la Producción (CORFO) or with other entities who distribute governmental funds for scientific-technological research projects may not participate under any category in this tendering process.

## **2.2. AREAS OF DEVELOPMENT AND EXPECTED INCREMENTAL IMPACT**

The proposed Development Plan must specify the expected incremental impacts of its execution in the dimensions stated below, proposing a list of indicators of productivity and impact, relevant and verifiable in time. Additionally, the Proposal must specify the undertakings of the proposing group for these indicators in terms of quantity, quality and time period for the achievement of the same.

The specific listing of the impact indicators to be used for monitoring the approved Development Plans shall be incorporated within the proposal itself which shall be an integral part of the respective agreements.

In any case, the Proposal must feature base line figures and estimates of the expected impact

indicators for each year over a 5-year horizon and a projection for an additional 5-year period. These indicators shall serve as reference, together with other factors, for the mid-term evaluation to be carried out at the end of the first five-year period of the subsidy, or for any other interim evaluation as CONICYT may decide to conduct. These indicators must include, among other possible ones, those listed below in each dimension of expected impact, it being understood that not all of them must be different from zero in each calendar year.

### **2.2.1 Scientific Excellence**

The Proposal must indicate, in general terms, the areas in which the research and development efforts of the CCTE shall be focused and their relation with the work conducted at present by its team of researchers and professionals. In those cases where the members of the Central Researcher Team are receiving funds from other governmental tendering processes, the expected incremental impact in respect of the commitments previously undertaken, both in quantity and in quality, must be referred to in detail. The related impact indicators may include, among others, the following:

- Incremental quantity of ISI and non-ISI publications and quotations in ISI Journals.
- Average annual impact of the Journals that publish articles of researchers who are part of the CCTE.
- Existence of international exchange networks.
- Number of projects developed and jointly financed on an international basis.

### **2.2.2 Training of Human Resources**

The Proposal must include detailed information about the training of advanced human resources for scientific research and technological transfer. This may be by way of direct training of postgraduate dissertators and/or the participation in accredited doctorate programs, either directly or indirectly. The related incremental impact indicators may include, among others, the following:

- Number of completed Master's theses.
- Number of completed doctoral theses.
- Number of postdocs working in the CCTE.

### **2.2.3 Technological Transfer and Linkage with Other Sectors of Chilean Economy and Society**

It is essential for any Development Plan proposal of a CCTE to include specific activities leading to encourage the application of the results of the researches to activities that directly contribute to increment competitiveness of Chilean economy and/or to the direct benefit of society. Thus, the Proposal must present concrete plans for the establishment of active and significant links and/or of technological transfer with other actors of private or public institutions, productive sector or any one which results or projects as a result benefits of a permanent nature for Chilean economy and society. The related impact indicators may include, among others, the following:

- Incremental number of patent applied for and granted.
- Incremental number of licenses and/or material transfer agreements.
- Number of spin-offs derived from the CCTE.
- Number of doctorals and postdoctorals inserted in the industry.

- Activities of participation in instances of public policy definitions (consulting councils, advisory committees).
- Activities of participation in other relevant institutions.
- Amount and incremental percentage of the incomes of the CCTE financed by fund-raising companies (may be considered non-monetary contributions).
- Amount and incremental percentage of the incomes of the CCTE financed by other non-governmental sources (may be considered non-monetary contributions).

#### **2.2.4 Support to Other Research Groups**

The Proposal must contemplate a specific support plan to scientific and technological research activities of other national groups of researchers whose developments are lower in the selected disciplines or whose critical mass is insufficient to organize an independent center, specifying the agreement or instrument whereby said support shall be made official. Just as in the preceding case, the current commitments that the researchers have in these matters with other governmental tendering processes must be specified. The related impact indicators may include, among others, the following:

- Percentage of ISI publications co-authored with national researchers (from other institutions).
- Percentage of theses co-tutored with national researchers (of other institutions).
- Percentage of usage of the equipment available to researchers who are not part of the CCTE.

#### **2.2.5 Activities of Dissemination and Extension to Other Sectors of Chilean Society**

The Proposal must include activities involving the dissemination of its results, which shall be additional and complementary to the regular ones in the field of science, such as conferences, courses and others addressed to audiences that are non-academic or at least not involved in the same proposed discipline, publication of articles and news on web pages, newspapers and/or journals ensuring a projection towards the broadest and relevant media considering the nature of the Proposed Development Plan. In any public event of dissemination or in any other dissemination effort in the media, express reference to the CONICYT Program called “Base Financing for Excellence Scientific and Technological Centers” as a source of financing for the project must be made. The related impact indicators may include, among others, the following:

- Number and nature of the dissemination and/or extension initiatives.
- Number and type of projects of extension towards the community.

### **2.3. NEEDS AND FINANCING STRUCTURE**

#### **2.3.1 Financial Presentation**

##### **a) Base Financing**

The Proposal must include a detailed Financial Presentation for, at least, the first 5 years, which must include the projected and detailed financing needs and the financing sources undertaken. The Financial Presentation must state the necessary Total Annual Costs for the execution of the Development Plan and the projected Annual Income from other public and/or private, national and/or international funds. In other words, the Presentation must specify the costs of the activities already being conducted, as well as the estimated costs for the new proposed activities. Likewise, it must contain a specification of the current sources of financing, as well as those that are reasonably thought to be obtained in the future.

The total annual budget so estimated for the Excellence Scientific and Technological Center must exceed, excluding the investments in equipment and infrastructure, the approx 11.7 million American dollars (US\$ 11,700,000; 6,000 million Chilean pesos) for the 2007 – 2011 period. It is expected that the operating budget of the Center, by the fifth year (2011) shall be, at least, approx 2.9 million American dollars (US\$ 2,925,000; 1,500 million Chilean pesos).

The maximum amount to be applied for in this tendering process, under this concept, shall be such that the operating Financing of the Center from governmental applicable sources (including the funds requested in this tendering process plus any other stable governmental sources held, such as FONDAP, ICM, Teams and/or Nuclei, among others,) does not exceed 50% of its total operating budget for said period. The annual distribution of the requested amount shall depend on the financing needs for each year and on other available financing sources, therefore the annual disbursements shall not necessarily be identical among them. In other words, the Financial Presentation may contemplate a total governmental Financing including the funds of this tendering process in excess of 50% for the first years, provided that the Center undertakes to increment the funds obtained from other sources in time, in order to reach the average 50% in 5 years' time. The compliance with this undertaking in time shall be verified on a timely basis, it being understood that Conicyt may determine the suspension of the financing which is regulated by these terms and conditions in case that any Center fails to honor its joint-financing commitment.

As it was stated above, the Center's capability to obtain financing from sources other than those that may be applied for in governmental tendering processes in order to reduce the total governmental financing to a figure below the maximum accepted 50% shall be considered as an effective sign of the Proposal's the linkage with other sectors of Chilean economy.

Due to the foregoing, it is essential to provide in the Financial Presentation a clear specification of the sources of financing other than the Government-granted funds that may be applied for in tendering processes. It is required that Excellence Scientific and Technological Centers seek to increment, during the period of execution of the respective agreement, the amount of resources received for financing their activities, from financing sources other than those that may be applied for by way of governmental tendering processes or otherwise. These contributions may be in domestic currency, assets that may be translated into money (use of equipment, donation of input materials or others, depending on the nature of the project) and personnel required for the success of the Development Plan. Under no circumstances may the appraisal exceed the appropriate market value. Documentation evidencing the official commitment of the entities that will make financial contributions must be submitted, providing a detail of the assets and resources to be

offered for the success of the Center's Development Plan.

The transfer of resources shall be made on an annual basis in domestic currency in as many installments as determined by the respective agreement, directly to the Center or to the Sponsoring Entity, in accordance with the previously approved plan for using the funds. Additionally the delivery of resources shall be subject to the approval of annual reports of both technical and financial progress, and to the assignment to CONICYT's budget if the necessary funds in the Annual Law of the Public Sector's Budget. However, for the case of the first withdrawal, it shall be regarded as an advance payment. Consequently the appropriate reports shall not be required. Each annual contribution shall be delivered after the issuance of a bank bond, bank's sight note or insurance policy immediately executable for the total amount of the respective contribution, which shall be returned once CONICYT has approved the respective rendering of accounts.

#### **b) Investment Financing**

The Financial Presentation of the Development Plan may also include a request of Investment Financing (see definition) necessary to carry out the essential activities for the success of the Center's Scientific and Technological Development Plan according to number 1.4. The maximum amount that may be applied for is approx 970,000 American dollars (US\$ 975,000; 500 million Chilean pesos) for the period of five years, and should be spend during the first year of execution of the Development Plan as per the needs of investment. The requests of Investment Financing shall not be considered as part of the operating base financing.

#### **2.3.2 Destination of the Funds**

The funds obtained through this tendering process may be used in all those activities that contribute in substantial aspects to the success of the Proposed Development Plan for the Scientific and Technological Center. The compliance with this condition shall be assessed by means of annual financial audits conducted by an auditing firm retained by CONICYT and by means of periodical external technical evaluations.

1. Base Financing. The following recurrent expenses may be covered with the funds received:

- a) Human Resources: This concept includes remuneration of the CCTE's personnel, including fees for individuals directly related to the activities of the Development Plan, for instance dissertators, postdoctorals, support personnel (assistants, professionals of other disciplines, etc.), among others. This account excludes the expenses associated to administrative personnel. All fees are subject to paying taxes and their amounts must be in accordance with the market reference. It shall be the responsibility of every participant who receives fees to issue the respective invoices. In each case, in addition to the fees to be covered by this application, the fees provided by other sources and received by each researcher in connection with his/her scientific duty must be indicated.
- b) Assets, supplies and related services: It includes expenses in minor equipment and all of the materials o supplies required for the conduct of the proposed research work. It includes minor

equipment and instruments (micropipettes, sonicators, scales, portable field instruments, etc.), computer services, minor computer supplies, software, equipment lease, freight, transport, insurance and repair and maintenance expenses in connection with equipment and others.

- c) Expenses in technological transfer and/or results: They are expenses intended to finance the preparation and implementation of technological transfer, such as the arrangements for patenting and/or the results of the Development Plan and other activities performed by the Center, in order to enhance the function of transfer to the social, productive or other fields.
  - d) Training: They are training activities considered evidently necessary for the Center's personnel in the fields of the lines of activity presented in the Development Plan.
  - e) Travel tickets and per diem expenses: Tickets for transportation within the national territory and abroad while attending seminars, conferences or others which serve for the development of the Plan shall be financed. Only tickets in tourist class will be financed, and the assigned per diem expenses must be specified using as a reference those used for FONDECYT projects.
  - f) Expenses for dissemination and/or extension: They are expenses intended to finance the preparation and implementation of a strategy for the dissemination and/or extension. The expenses associated to the organization seminars, congresses, exhibits, publications of books and others may be included in this account, as well as any services retained in connection with dissemination and transfer of the results and activities of the Center.
  - g) Operating expenses: They are general expenses associated to the execution of the project, such as input materials, fungibles, material and lab analysis, publication expenses (office supplies, sending, photography), subscription to journals, financial expenses for the issuance of collateral, leases, subcontracting of administration and support services and unexpected expenses, among others.
  - h) Expenses of organization of the Center as a legal entity: They are the expenses associated to the processing of the Center's registration as a legal entity, in case the CCTE chooses to obtain it.
  - i) Administrative expenses: This account may include, in detail, the general expenses such as utilities, expenses and administrative personnel and lease of spaces, among others. The maximum amount that CONICYT will finance under this item may not exceed 20% of the Development Plan's operating costs, excluding the amounts corresponding to personnel (fees), or those amounts corresponding to the investment financing indicated in number 2.3.1.b. These expenses must be duly justified.
2. Investment Financing. The Proposal must also include information regarding the equipment and infrastructure available for the conduct of the scientific and technological research activities proposed in the Development Plan, as well as the additional investments expected to be made in connection therewith. For both cases the need must be clearly specified as well as the use intended for the requested equipment and infrastructure. These expenses must be justified in connection with their relationship with the lines of work defined in the project, and shall be

classified as follows:

- a) Major Equipment: It includes the acquisition of major equipment, its accessories and maintenance. The costs shall include those of import, duties, warehousing, customs, transportation and installation at the final destination place. All pieces of equipment must be duly insured with the resources del project. For the case of donations, all of the additional expenses as may be necessary for their use at the place of destination are contemplated. The acquisition of vehicles for personal use shall not be financed.

In case of evident under-usage of the equipment and instruments acquired in the context of this tendering process, CONICYT may require the Center to share the use of such equipment.

- b) Infrastructure: It only includes the costs to be incurred into in the materialization of minor infrastructure works, tales such as constructions, reconditioning of physical spaces, facilities for the installation of new equipment and for the maintenance of infrastructure and others.

The assets acquired with resources awarded to a Center shall become part of the equity of the respective beneficiary entity, and they must be returned to CONICYT in good condition, or their cost must be reimbursed on an updated basis in the form stated in the agreement in case of early termination due to causes imputable to the awardee.

Only the items referred to above may be financed with the resources awarded in this tendering process.

#### **2.4. Economic Assessment**

A private and social assessment of the Proposed Development Plan must be included, describing the target market and/or population where the expected results and products of said Plan or of one or several of its research lines have a possible application and/or commercial use.

The assessment must specify to the extent possible aspects such as the prospective demand for the services of the CCTE and the externalities derived from the implementation of the Proposed Development Plan.

### **3. COMPLIANCE WITH AND INTERPRETATION OF THE TERMS AND CONDITIONS**

The Base Financing Program for Excellence Scientific and Technological Centers shall review the compliance with the formal requirements set forth in these Terms and Conditions. Those proposals that fail to comply with all of the specifications set forth in the Terms and Conditions or in their respective clarifications and which are not presented in the pre-established forms shall be separated from the Terms and Conditions therefore they shall not proceed to the following stage.

In case of doubt or conflict as may rise regarding the application of these terms and conditions, CONICYT, in consultation with the Program's Steering Committee reserves the right to interpret the sense and extent of the same.

#### **4. QUALIFICATION AND EVALUATION OF THE PROPOSALS**

##### **4.1 PERTINENCE:**

Prior to the evaluation, the Steering Committee of the Base Financing Program shall analyze the pertinence of the Proposal, that is, the degree of convergence of the goals of the Proposed Development Plan with the strategic guidelines of the National Council of Innovation for Competitiveness, especially with regard to the specific activities leading to encourage the application of the results of the research in activities that directly contribute to increment competitiveness of economy and the development of Chilean society.

Based on the recommendations of the Steering Committee, CONICYT shall submit for evaluation only those proposals which in its sole opinion have met the formal and pertinence requirements set forth in these Terms and Conditions.

##### **4.2. EVALUATION:**

The Development Plan proposals for Excellence Scientific and Technological Centers shall be evaluated in accordance with the following:

###### **4.2.1 Technical Evaluation**

At least two international evaluations of the Proposal shall be made, which must weight suitability of human resources and the generation of new capabilities, as well as aspects regarding the Center's strategy and its organization. The international evaluators shall be appointed by an International Advisory Board nominated by the Program's Steering Committee.

The criteria for evaluation of the proposals submitted to the tendering process shall include, at least:

- a) The quality of the Proposal and the consistency of its Development Plan.
- b) The excellence of the proposed research.
- c) The quality and experience of the Research Groups supporting same.
- d) The training of advanced human resources for scientific research and technological transfer.
- e) The relevance for the economic development in Chile and the competitiveness of the research activities and technological transfer of the Center.

- f) The support to other groups of researchers for the conduct of scientific and technological research activities in Chile.
- g) The amount of additional resources, other than from governmental funds that may be applied for, undertaken by the Center for the financing of its activities.

#### **4.2.2 Financial and Economic Evaluation**

Likewise, the proposals shall be submitted to a Financial Evaluation that will analyze the coherence of the Development Plan's Financial Presentation and will review the allocation of expenses and the proposed funding sources.

The Economic Evaluation submitted in the context of the linkage programs proposed in the Development Plan shall be analyzed to determine the Proposal's potential economic impact. It shall be considered essential to realistically identify private and social impacts on Chilean economy, as well as a clear strategy of dissemination and transfer of the results obtained.

The economic evaluators shall be appointed by the Program's Steering Committee.

#### **4.3. QUALIFICATION OF THE DEVELOPMENT PLANS:**

The International Advisory Board shall hand to the Program's Steering Committee a prioritized list of pre-selected proposals, on the basis of the technical evaluation and the financial and economic evaluation. The Board shall then fundament the recommendation for award before the Steering Committee, including an evaluation and recommendation in writing containing pertinent technical comments for the appropriate implementation of the respective agreements. This list shall be prepared on the basis of the results of the evaluations.

#### **4.4. AWARD**

The Steering Committee of the Base Financing Program may introduce duly supported modifications, as deemed appropriate, to the list of Development Plans pre-selected by the International Advisory Board. Incase it is deemed necessary, the Steering Committee may, additionally, request, a strategic evaluation contemplating other criteria related with the strategic guidelines of the National Council of Innovation for Competitiveness. The Steering Committee shall propose a final list including if necessary, conditions for award, and the maximum amount of the subsidy to be granted in each case. It shall be CONICYT's Chairperson's power to award the proposals by way of the appropriate administrative act.

#### **4.5. COMPLAINTS**

Any complaint regarding the award of the First National Tendering process of the Base Financing Program for Excellence Scientific and Technological Centers must sent to the Chairwoman of CONICYT, who shall resolve, with the advice of the Steering Committee of the Base Financing Program.

## **5. EXECUTION OF THE AGREEMENTS AND TRANSFER OF RESOURCES**

### **5.1. EXECUTION OF THE AGREEMENTS**

Once the tendering process has been completed in the award stage, the respective Subsidy Agreements between CONICYT, the beneficiary and the Director of the Center shall be entered into. This contract shall expressly provide the parties' rights and obligations, the timeline and all those clauses regarding the compliance with the purpose of Program. Likewise, it must include any possible recommendations and additional requirements set in place by CONICYT during the evaluation and selection process.

The agreement shall provide, among other matters, the Beneficiary's obligation to keep a separate accounting, to maintain the information and documentation enabling to verify any aspect of the project, and to keep a separate bank account for the funds of the Center.

CONICYT may retain independent external audits to review, among others, the use of the total funds of the Center. These audits shall be charged against the resources awarded by the Program. Additionally, the agreements shall specify CONICYT's right to perform inspections, whenever it deems necessary, on the progress of the Development Plans.

### **5.2. GUARANTIES**

Prior to any disbursement of CONICYT's contributions, the beneficiary must lodge guaranties for the proper compliance with the undertaken commitments, in the form of a bank bond, bank deposit on a time basis or insurance policy for immediate execution for 100% of the amount of the respective disbursement, which shall be returned/refunded once CONICYT has approved the respective rendering of accounts.

### **5.3. DISBURSEMENTS**

CONICYT's contributions shall be handed in domestic currency, in the installments set out in the agreements after the lodging of the guaranty documents. Notwithstanding the foregoing, from the second installment on any contribution shall be subject to CONICYT's approval of the annual technical and financial progress reports or other reports as Conicyt may deem necessary, and to the fact that CONICYT's budget contained in the Annual Law of the Public Sector's Budget contemplates the necessary funds. The payment in due time of the respective taxes shall be the responsibility of the beneficiary.

### **5.4. ACQUISITION AND MAINTENANCE OF WORKS, EQUIPMENT AND CAPITAL ASSETS**

The contracting of works, as well as the acquisition of equipment, materials and furniture charged against the resources transferred by CONICYT shall be made directly by the beneficiary in accordance with procedures accepted by CONICYT. The works and equipment financed with these resources

must be operated and maintained in accordance with the generally accepted technical standards and shall have adequate personnel and the necessary materials for their efficient operation. In the event that the beneficiary fails to comply with the proposed development plan, it must return to CONICYT in perfect condition all of the pieces of equipment and infrastructure acquired charged against resources of CONICYT.

## **6. OBLIGATIONS**

The beneficiaries must allow all facilities for the supervision and follow-up of their activities, and submit progress reports of the Development Plan both in its scientific-technological aspects and financially and on an operating basis, as it may be provided in the agreement. The follow-up and control of the project's execution shall be carried out by way of the analysis and evaluation of annual progress reports and visits to the Excellence Scientific and Technological Centers, among others. The *beneficiaries* must strictly comply with the dates provided in the respective agreements with respect to the issuance of progress reports in the scientific-technological, management and financial respects. As a result of the function of follow-up and control, CONICYT reserves the right to temporarily suspend the subsidy due to reasons of partial failure to comply with the contractual obligations, presumptive loss of relevance or unsatisfactory development of project. Likewise, it may decide the early termination of the project, in case that the causes for the aforementioned suspension are not overcome within the time periods decided to that effect. In such event, the received subsidy shall be refunded either totally or partially, depending on the fact whether or not the cause for early termination of the project is imputable or to the beneficiary.

## **7. DISSEMINATION, TRANSFER AND UTILIZATION OF RESULTS**

The CCTEs must apply all their possible efforts to adequately disseminate its activities in the Chilean Society.

The ownership of the inventions, technological innovations or procedures resulting from works, projects or studies financed within the scope of the Subsidy Agreements generated in this tendering process, shall correspond to the beneficiary, which may be shared with the personnel of that has actually participated in the respective findings.

It shall be the *beneficiary's* sole responsibility, either directly or by way of third parties, if applicable, to make all filings before the competent entities as may be necessary to adequately protect the intellectual and industrial property resulting from the execution of the project's activities, considering that it shall not be CONICYT's responsibility to perform any actions to that effect.

In any case, CONICYT may freely and unrestrictedly disseminate any non-confidential information about the Center and activities as it may receive by way of the progress reports, provided that reference is made to the authoring as appropriate.

## **8. SUBMITTALS**

### **8.1. Timing and Place**

The Proposals must be submitted by the date and time stated in the respective notice of call to tender at the Mailroom of CONICYT, at Bernarda Morín No. 551, Providencia, under the label “PRIMER CONCURSO NACIONAL DEL PROGRAMA DE FINANCIAMIENTO BASAL PARA CENTROS CIENTÍFICOS Y TECNOLÓGICOS DE EXCELENCIA, 2007”. In case that the Proposal originates in a city other than Santiago, the postal seal evidencing the receipt of the submittal shall suffice to determine that the submittal has been made before the deadline.

The proposals filed in printed form must contain the following:

- a) One original counterpart of the Form of Eligibility Information, identified as such, filled-out and signed by the Director of the Center (for the case of established CCTEs) or by the legal representative of the Sponsoring Entity and by the Director of the Center being organized. In all cases, the Form must be signed by each one of the Main Researchers. Each one of the documents requested in said Form must be included, in one original and six full copies of the aforementioned documentation. All of them in Spanish and in ring-binding.
- b) Four counterparts of the Form of Submittal, including the proposed Development Plan, one of these counterparts must be in English, in accordance with the standing Application Form available in both languages.
- c) CD-ROM containing separate versions in both Spanish and English of the Forms of Background and Submittal in MS Word-compatible files; The budget, the economic evaluation and its assumptions must be attached in MS Excel compatible files in an independent file.

The proposals submitted via the online platform must be made by the date and time stated in the respective call to the tendering process and present at CONICYT the certificate obtained once the application has concluded, within 5 business days from that date.

### **8.2. Forms and Terms and Conditions**

The official documents of the tendering process are these Terms and Conditions and the Forms of Information on Eligibility and Submittal which may be found online at [www.conicyt.cl/finaciamientobasal](http://www.conicyt.cl/finaciamientobasal) . These documents shall be available from the first business day following the publication of the call to this tendering process.

### **8.3. Questions and Clarification**

Questions may be addressed to the Executive Management of the Base Financing Program for Excellence Scientific and Technological Centers, at Bernarda Morín 551, District of Providencia,

Santiago; Fax (56-2)-435-4313 or to the following e-mail address: [psegure@conicyt.cl](mailto:psegure@conicyt.cl).