

Invitation to Apply to ESA BIC Estonia

Reference: ESA BIC Estonia Open Call – Issue A, 19/01/2021

Thank you for your interest in ESA BIC Estonia.

The European Space Agency (ESA) together with its Member States supports entrepreneurs with the ambition to exploit space technology or utilise space systems in non-space markets, or become suppliers to the space sector, e.g. by exploiting non-space technology in the space market.

Together with its local partners, ESA manages a network of Business Incubation Centres (ESA BICs) across Europe. In Estonia, the Tartu Science Park is responsible for managing ESA BIC Estonia.

ESA BIC Estonia offers a comprehensive package of support to start-ups selected for incubation, including office accommodation, incentive funding, technical support, business coaching, and legal/IPR advice to the start-ups selected for incubation.

ESA BIC Estonia hereby invites you to submit your application for business incubation. This document provides an introduction to the application and evaluation process and contains references to the templates that should be used when applying.

Please contact ESA BIC Estonia for any further questions.

Yours sincerely,
Sven Lilla
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Head of Operations
ESA BIC Estonia

Introduction

The purpose of this Open Call for ESA BIC Estonia is to inform about the opportunity for space-related start-ups to become incubated in ESA BIC Estonia and to provide the material and guidance needed to apply for incubation.

Selection and evaluation of applications are scheduled periodically, see www.esabic.ee for details.

The Call is permanently open, has no closing date for the submission of applications unless the ESA BIC Estonia has indicated otherwise.

Who can apply?

In general, any space-related start-ups in Estonia not older than five years, or natural persons with the intention to set up a space-related start-up, are welcome to apply for incubation.

However, some further criteria apply. These can be found in the Cover Letter Template of the application documents. In particular, note the following:

- The application needs to have a valid *space connection*. In general terms this means that it must be evident that “space” (space technology or a space-based service such as satellite communication, navigation or earth observation) is actually needed. Alternatively, it must be evident that the proposed technology or service can actually be used in a space context. In case of doubt, please contact the ESA BIC for further guidance.
- Applicants need to run their start-up at their own risk. In practice this means that more than half of the shares must be owned by the entrepreneur(s) that apply to the ESA BIC.
- In case the application is done by natural persons, these need a permanent working permit in Estonia. Also, the process of setting up a company must have been started. The application shall include details about the status, the intended legal structure, and the shares distribution. An incubation contract can only be signed with a legal entity.

How to apply

Please make sure you have received the following templates, which are part of the Open Call documentation:

- Cover Letter including Requirement Checklists
- Business Plan
- Incubation Proposal
- Draft Incubation Contract
- Draft Rental Agreements

Make sure to fill in all required sections and pay particular attention to the following:

- Instructions inside the documents ([highlighted in blue in each template](#)) shall be followed in order to fulfil all pre-conditions of the Open Call and for the application to be accepted.
- Please read the Draft Incubation Contract carefully. The Cover Letter must include a clear, explicit and unambiguous statement declaring that the applicant has read, understood and accepted the terms and conditions contained in the contractual documentation (this is part of the Cover Letter template). Modifications or amendments to the Incubation Contract may only be done in exceptional cases. Please contact the local ESA BIC Manager for guidance.
- Make sure the Cover Letter and the Requirement Checklists are signed by either the majority shareholder or by shareholders with a combined ownership in excess of 50%.
- The incubation proposal should include details on how the incentive funding is meant to be spent. Note that, as a general rule, the incentive funding has a ceiling of 50.000,00 EUR. It can only be spent in Estonia, may not be used for direct labour costs, and can only be used for product development and IPR. Please see the Draft Incubation Contract for details.
- Incubation in ESA BIC Estonia may be requested for a minimum of 12 and a maximum of 24 months.

Please submit the documents in electronic form (pdf, maximum three files, one for each required document) to the following e-mail address: sven.lilla@teaduspark.ee with subject “ESA BIC Estonia Open Call”.

ESA BIC Estonia will verify the identity of applicants. You are requested to send digital copies of a passport etc. in a separate file together with your application.

Any questions related to submission of proposals should be sent to the same e-mail address: sven.lilla@teaduspark.ee.

The evaluation procedure

The evaluation of all received applications is managed locally by ESA BIC Estonia and follows common ESA BIC procedures.

Once a published submission deadline has passed, ESA BIC Estonia first assess the formal aspects of applications received before the submission deadline. If a non-compliance of a minor nature is found, the applicant may be asked to address this in an updated proposal within 48 hours. If the proposal is found non-admissible, the applicant will be informed and the reason will be explained. In such a case an applicant is eligible to submit a revised proposal at a later date.

If the application is compliant with the formal requirements, applicants will be invited to hold a presentation to the ESA BIC Estonia evaluation board. The evaluation will typically take place a few weeks after the submission deadline. The evaluation board consists of representatives of ESA BIC Estonia, ESA, City of Tartu, City of Tallinn, Estonian Space Office, Ministry of Economic Affairs and Communications, EstBAN, Kredex and other experts. There will also be an opportunity for the evaluation board to ask questions to the applicant.

The application and the presentation will be marked against the criteria in Table 1, taking weighting factors into account.

Criteria	Weighting factor
Background and Experience <ul style="list-style-type: none"> • Experience and team composition • Support entities • Vision 	25%
Technology/Service <ul style="list-style-type: none"> • Space Connection • Technical feasibility of the product/service to be developed • Production development strategy • Intellectual Property strategy 	20%
Value proposition & Market <ul style="list-style-type: none"> • Value proposition • Market • Competition 	20%
Business Modelling and Risk <ul style="list-style-type: none"> • Revenue model • Finance • Risk 	15%
Activity proposal <ul style="list-style-type: none"> • Quality of the application • Milestones/Cost-planning • Work break-down • Management • ESA BIC investment opportunity 	20%

Table 1: ESA BIC evaluation criteria and weighting factors.

All applicants will be notified in writing about the outcome of the evaluation. The applicant may require, within 10 calendar days from the receipt of the notification, an oral debriefing explaining the reason why the application was successful or not.

ESA BIC Estonia will enter into contract negotiations with successful applicants, taking the comments of the evaluation board into account. ESA BIC Estonia has the right *not* to place a contract if, after three months after the notification to a successful applicant, no contract still has been signed, and this is because of a reason for which the applicant can be held accountable.

Additionally, ESA BIC Estonia has the right not to place a contract in case the (intended) legal entity presented in the application is different from the actual established and registered legal entity.

Furthermore, we kindly ask you to pay attention to the following:

- Please note that applications will be treated as confidential. However, the applicant's idea may through this application fall into the public domain (e.g. if local laws require so). Therefore, we strongly recommend that the applicant discusses the protection of his/her idea with a dedicated expert in this field prior to application, and – if relevant – takes appropriate steps to protect the idea (e.g. by applying for a patent).
- As far as allowed by law, any title held by the applicant to his/her idea shall remain vested in him/her. An application to ESA BIC Estonia will not result in the acquisition of any title whatsoever to the idea. *However, ESA retains a right to use the Intellectual Property in specific cases. Please read the detailed conditions described under the section "Use of Intellectual Property Rights" in the Draft Incubation Contract.*
- No expenses incurred in either stage of the application procedure will be reimbursed to the applicant by ESA BIC Estonia, ESA and/or any third party.
- This Open Call does not impose any obligation upon ESA BIC Estonia to enter into negotiations with any applicant.