

Invitation to Apply to ESA BIC Czech Republic

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Thank you for your interest in the ESA BIC Czech Republic.

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 the Czech Republic, the Business and Investment Development Agency CzechInvest (CzechInvest) is responsible for managing the ESA BIC Czech Republic.

The locations where start-ups can be incubated are Prague and Brno:

- For Prague: Company headquarters or a branch must be located within the municipality of Prague, and the company has to rent a workspace within the incubator's branch facilities.
- For Brno: Company headquarters must be located outside the municipality of Prague, and the company has to rent a workspace within the incubator's branch facilities.

The ESA BIC Czech Republic 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.

The ESA BIC Czech Republic 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 the ESA BIC Czech Republic for any further questions.

Yours sincerely,

Michal Kunes
Program Manager
ESA BIC Czech Republic

Introduction

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

Selection and evaluation of applications are scheduled periodically, see the website at <https://www.esa-bic.cz/> for details.

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

Who can apply?

In general, any space-related start-ups in the Czech Republic 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 and Requirements Checklist 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 communications, navigation or Earth observation) is actually needed. Alternatively, it must be evident that the proposed technology or service fulfils a specific need in the space context. It is strongly recommended that ideas related to performing activities or using technology in space are verified by a third party before applying. In case of doubt, please contact the ESA BIC Czech Republic 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 Czech Republic.
- In case the application is done by natural persons, these need a permanent working permit in the Czech Republic. 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 documents, which are part of the Open Call documentation:

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

Please make sure to fill in all the required sections in the application templates 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 the pre-conditions of the Open Call and for the application to be accepted.
- 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 EUR and shall be used for purposes linked to the objectives of the incubation. The incentive is provided in two equal parts, one from ESA and one from the local co-funding partner – the City of Prague for the Prague branch and the South Moravian Region for the Brno branch. Both parts of the incentive can only be spent in the Czech Republic. Please see the Draft Incubation Contract for details.
- The local part of the incentive may not be used for direct labour costs, VAT (if the company is a VAT payer), repayments of loans, penalties, fines, guarantees, insurance, interest, bank charges, exchange rate losses, customs and administration fees, rent and expenses related to the operation of office premises.
- Incubation in the ESA BIC Czech Republic may be requested for a maximum of 24 months.

Please submit the application documents in electronic form (pdf, maximum three files, one for each required document) to the following e-mail address:

esabic@czechinvest.org

with the subject “ESA BIC Czech Republic Open Call”.

The ESA BIC Czech Republic will verify the identity of applicants. You are requested to send digital copies of a valid passport or identity card in a separate file together with your application.

Any questions related to submission of proposals should be sent to the same e-mail address:

esabic@czechinvest.org.

Additional local support for selected start-ups - Technology Incubation

In addition to the ESA BIC Czech Republic, CzechInvest has also other programmes aimed at supporting start-ups, the most important of which is the Technology Incubation. All start-ups selected for the incubation in the ESA BIC Czech Republic will receive additional local support from the Technology Incubation programme. The ESA BIC Czech Republic will therefore allow the incubation in two variants – Incubation Standard and Incubation Plus. All accepted start-ups will receive 50.000 EUR as ESA BIC incentive and 500.000 CZK as indirect support from the Technology Incubation programme. This is called the Incubation Standard. Start-ups that might need additional resources to proceed in the development of their innovative products/services (such as, for example, the development and testing of space hardware) will be able to submit an application to receive some additional funding, up to approximately 3.300.000 CZK, as direct support from the Technology Incubation programme. This is called the Incubation Plus.

Please see the Table 1 below for more details.

	Eligible expenses	Incubation Standard	Incubation Plus
ESA BIC Incentive (ESA)	Purchases linked to the objectives of the incubation. For more information, please see the Incubation Contract.	25.000 EUR	25.000 EUR
ESA BIC Incentive (local co-funding)	May not be used for direct labour costs, VAT (if the company is a VAT payer), repayments of loans, penalties, fines, guarantees, insurance, interest, bank charges, exchange rate losses, customs and administration fees, rent and expenses related to the operation of office premises.	25.000 EUR	25.000 EUR
Technology Incubation indirect support	Mentoring and workshops. This amount will not be sent to the company's bank account.	500.000 CZK	500.000 CZK
Technology Incubation direct support	Purchase of services – advisory and legal services, development expert services, certification, verifications, authorisations, data processing and ICT services, rent for movable and immovable assets (test rooms, clean rooms, CNC machines, 3D printers, computers etc.), training and education services, postal and electronic communications services, travel booked as a service etc.	-	Up to approximately 3.300.000 CZK (total support cannot exceed 5.000.000 CZK)

Table 1: Differences between Incubation Standard and Incubation Plus.

All applicants selected for Incubation Standard will have the opportunity to submit an updated application for Incubation Plus. This application consists of an updated Cover Letter, an updated Business Plan and an updated Incubation Proposal. Templates for these documents and the date by which they must be submitted will be provided to the applicants together with the results of the evaluation. The updated applications will be evaluated by a second Evaluation Board (see the next paragraph). It will be important to demonstrate high development costs for the product/service to be delivered and a high level of innovation.

The evaluation procedure

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

ESA BIC and Incubation Standard

All applicants must first apply for the ESA BIC Czech Republic and Incubation Standard, and fill out the Cover Letter, the Business Plan and the Incubation Proposal, according to the provided templates.

Once a published submission deadline has passed, the ESA BIC Czech Republic first checks the formal aspects of the applications received before the submission deadline. If a minor non-compliance 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 give a presentation to the ESA BIC Czech Republic Evaluation Board. The evaluation will typically take place a few weeks after the submission deadline. The Tender Evaluation Board (TEB) for the Incubation Standard consists of representatives of the ESA BIC Czech Republic, the European Space Agency (ESA), the Ministry of Transport of the Czech Republic, the Ministry of Industry and Trade of the Czech Republic, the City of Prague (for the Prague branch), the South Moravian Region and the South Moravian Innovation Centre (for the Brno branch), and other ad-hoc experts eventually involved by the ESA BIC Czech Republic. After the presentation, there will be the opportunity for the Evaluation Board to ask questions to the applicant.

The application and the presentation will be marked against the criteria reported in Table 2, taking the proposed 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 	20%

<ul style="list-style-type: none">• Milestones/Cost-planning• Work break-down• Management• ESA BIC investment opportunity	
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Table 2: ESA BIC evaluation criteria and weighting factors.

The applications which receive:

- An overall mark of 60 or above, will be recommended for the incubation
- An overall mark below 60, will not be recommended for the incubation
- Mark under a specific criterion below 40, will not be recommended for the incubation

All the 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 and Incubation Plus

The Tender Evaluation Board (TEB) for the Incubation Plus consists of representatives of the ESA BIC Czech Republic, the European Space Agency (ESA), the Ministry of Transport of the Czech Republic, the Ministry of Industry and Trade of the Czech Republic, the City of Prague (for the Prague branch), the South Moravian Region and the South Moravian Innovation Centre (for the Brno branch), and other ad-hoc experts eventually involved by the ESA BIC Czech Republic. It will be held without the presence of the applicant.

The applications which receive:

- An overall mark of 60 or above, will be recommended for the Incubation Plus
- An overall mark below 60, will be recommended for the Incubation Standard
- Mark under a specific criterion below 40, will be recommended for the Incubation Standard

The updated application (Business Plan and Incubation Proposal) shall permit to:

- 1) Understand why the incubate needs additional development resources and for what they will be used.
- 2) Prove that the incubate has a demonstrated capability to perform the work.
- 3) Define the additional deliverables that shall be provided (to justify the request for additional funds).

All applicants will be notified in writing about the outcome of the evaluation. If an applicant is not selected for Incubation Plus, it stays with Incubation Standard. 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.

Technology Incubation

All the applicants selected for the Incubation Standard and the Incubation Plus must then formally apply to receive support from the Technology Incubation national programme. Templates for these documents and the date by which they must be submitted will be provided to the applicants together with the results of the evaluation. Please see Table 3 for more details.

	Incubation Standard	Incubation Plus
Application to ESA BIC Czech Republic and Technology Incubation	Applicants must fill in the ESA BIC application (Cover Letter, Business Plan and Incubation Proposal).	Applicants must fill in the ESA BIC application (Cover Letter, Business Plan and Incubation Proposal).
Tender Opening Board (TOB)	Formal check.	Formal check.
Tender Evaluation Board (TEB)	15 min presentation and 15 min Q&A.	15 min presentation and 15 min Q&A.
Criteria for admission to Incubation Standard	60 points in TEB.	60 points in TEB.
Application to Incubation Plus	-	Applicants must fill in the updated ESA BIC application (updated Cover Letter, updated Business Plan and updated Incubation Proposal). Templates will be provided to all applicants that score at least 60 points in TEB.
Tender Evaluation Board II (TEB II)	-	Assessment of the Application to Incubation Plus without the presence of the applicant.
Criteria for admission to Incubation Plus	-	60 points in TEB II. If the applicant is not selected for Incubation Plus, it stays with Incubation Standard.
Establishment of the company	If the application is submitted by natural persons.	If the application is submitted by natural persons.
Application to Technology Incubation national programme	Applicants must fill in the Technology Incubation application. Templates will be provided to all applicants that score at least 60 points in TEB.	Applicants must fill in the Technology Incubation application. Templates will be provided to all applicants that score at least 60 points in TEB II.

Table 3: ESA BIC application and evaluation procedures.

The ESA BIC Czech Republic will enter into contract negotiations with successful applicants, taking the comments of the Tender Evaluation Board into account. The ESA BIC Czech Republic 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 which the applicant can be held accountable for.

Additionally, the ESA BIC Czech Republic 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 the ESA BIC Czech Republic 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, generally related to publicity and promotion. Please read the detailed conditions described under the section "Use of Intellectual Property Rights" in the Draft Incubation Contract.*
- At the end of the incubation, the ESA BIC will request one or several deliverables. The purpose of these deliverables is both to verify the correct use of the incentive and for promoting the activity or the developed product purposes. The application should specify suitable deliverables.
- Please don't apply to several ESA BICs at the same time. Please wait for one application to be evaluated and only if this is not successful, you may apply again to the same or another ESA BIC, taking any feedback into account.
- No expenses incurred in either stage of the application procedure will be reimbursed to the applicant by the ESA BIC Czech Republic, ESA and/or any third party.
- This Open Call does not impose any obligation upon the ESA BIC Czech Republic to enter into negotiations with any applicant.