

Invitation to Apply to ESA Spark Funding Hungary

Reference: ESA Spark Funding Hungary Open Call

The purpose and objective of ESA Spark Funding is to accelerate the product development process of a company as well as to hone the commercialisation roadmap which should result in an enhanced offer to its customers.

A company that is integrating space technology/assets into non-space domains/services (spin-off)

Together with Local Administrators across Europe, ESA has created the ESA Commercialisation Network to support innovation and investment. Currently, this network consists of ESA Business Incubation Centres (ESA BICs), ESA Technology Brokers (ESA TB), ESA PhilabNets (ESA Philab), ESA Business Applications Ambassadors (ESA AP), and the ESA Investor Network.

In Hungary Design Terminal is the ESA TB and is responsible for managing and implementing the ESA Spark Funding Call. For ESA Spark Funding Hungary, Design Terminal, ESA, and Ministry of Foreign Affairs and Trade welcome applications addressing:

Spin-off activities:

- Towards the transfer of space technology such as -but not limited to - space developed sensors, materials, or electronics in non-space markets such as - but not limited to - transport, energy, or health

The scope of activity of the ESA Spark Funding Open Call covers:

- Technical Breadboarding & Business Case – spin-off
- Demonstration Project with Customer/User – spin-off

Definition

ESA Spark Funding projects concern the definition of a minimal viable product/service and technical breadboard to validate critical functions and value proposition, as well as the refinement of an applicable business case.

Template Reference	AD-SF-2	ESA Spark Funding Open Call Template
Deliverable Reference	D-SF-1	Published ESA Spark Funding Open Call
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Version	1.1	
Status	DRAFT	

The specific objectives of the Call are:

- to determine the suitability of the solution to meet the needs and conditions of relevant users, customers, and relevant stakeholders in the target application (non-space), and to assess the business viability of the undertaking; and
- to secure the involvement of market representative customers, users and other stakeholders and validate the traction of the solution by the market; and
- to prepare the implementation of sustainable product(s)/service(s) by elaboration of the roadmap.

Design Terminal hereby invites you to submit your application for ESA Spark Funding Hungary. 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 Design Terminal for any further questions.

Yours sincerely,

Lőrinc Páva

ESA Spark Funding Hungary Manager

Design Terminal

Who may apply?

ESA Spark funding is primarily targeted at SMEs or larger entities who generally already have existing product lines.

These companies are either:

- looking to innovate and gain a competitive advantage through **integrating space technology** into their products or to create new products, **targeting a non-space industry**.



The Product Developer:

- is defined as the entity where the value-added product will be created;
- has the connection to both the Technology Provider and the related customer;
 - As such this entity can collaborate to assign elements of work to the Technology Provider and/or the related Customer;
- will have access to all the socio-economic impact data arising from the activity.

It is possible that the Product Developer and the Technology Provider can be the same entity. In exceptional cases, it is possible that the Product Developer and the Customer are the same entity. In these instances, the project could be led by the Technology Provider.

However, some further formal criteria apply. To be eligible for contract award, applicants must fulfil all the requirements below:

- To be a legal entity registered under the laws of Hungary;
- To be headquartered in Hungary;
- To be fully compliant with Hungary tax and social security obligations;
- To observe the remaining requirements stated in this document;
- When acting in collaboration with other national or foreign entities, the applicant will be the sole contractor and will be fully responsible for managing the funding.
- To declare that the activities proposed under the submitted ESA Spark Funding project are not being funded through other means (e.g. any ESA call, ESA Business Incubation, European Commission etc).

How to apply

Please ensure you use the applicable ESA Spark Funding Application template, which is part of the Open Call documentation at the [Technology Broker Hungary website](#):

- [ESA Spark Funding Application Template](#)

All sections of the application template must be completed i.e.:

1. Executive Summary
2. Business Case and Technical Proposal
3. Activity Proposal
4. Management Proposal

Pay particular attention to the following:

- Instructions inside the documents shall be followed in order to fulfil all pre-conditions of the Open Call and for the application to be accepted.
- Please read the application template as well as the Draft ESA Spark Funding Contract carefully. The Cover Letter shall 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. Modifications or amendments to the ESA Spark Funding Contract may be done in exceptional cases. Please contact the local ESA TB Manager for guidance.
- Ensure the Cover Letter and the Requirement Checklist are signed by an authorised representative of the entity applying.
- As part of the application template, an 'Activity Proposal' section must be submitted. This should include details on how you intend to spend the ESA Spark Funding. Details on eligible costs can be found below.
- The funding should primarily be spent in Hungary. However, in cases where the Product Developer is based in Hungary and the Technology Provider in another country, up to 50% of the total ESA Spark Funding may be spent with the Technology Provider.

Please submit the completed ESA Spark Funding Application Template in electronic form as a single .pdf-document with subject "ESA Spark Funding Hungary Open Call #2 2024". and fill out the application questionnaire at the following link:
<https://form.jotform.com/242423143210035>

Any questions related to submission of proposals should be sent to the following e-mail address: technologbroker@designterminal.org.

Selection and evaluation of applications are scheduled periodically, for details see the Technology Broker [website](#).

The Call is open from 1 September 2024 until 31 October 2024. Please submit your application until 31 October 2024. 23.59 (CET).

Co-funding Rules

As the activities conducted under ESA Spark Funding projects are commercial in nature, it is expected that a level of co-funding is provided by the applicant. **Whilst the upper limit of ESA**

Funding is fixed per project, the amount of co-funding is determined by the standard ESA rules and is based upon the size of the Economic Operator who has applied for funding.

Economic Operator	Co-Funding Rate
SME	80% ESA – 20% Economic Operator
Large Company	50% ESA – 50% Economic Operator

[Table to be fully adapted with the applicable scope and funding rates for the country.]

Scope	Maximum ESA Funding (€)	SME Co-funding (€)	SME Total Project (€)	Large Company Co-funding (€)	Large Company Total Project (€)
Spin-off	60,000	15,000	75,000	60,000	120,000

As the total project amount is always greater for a large company, it is expected that this is reflected in the amount of work undertaken. This should remain within the defined scope of activity but progress the project further than for an SME.

Eligible costs

In order to be eligible, all project costs must be:

- Necessary to the execution of the project;
- Incurred by the beneficiary and recorded in its accounts;
- Incurred during the contract term;
- Indicated in the cost planning in the proposal;
- Without VAT, interest owned, or duties.

Expenses incurred in the preparation and dispatch of the proposal will not be reimbursed.

Expenses for business development and promotion (data sheets, flyers, attendance to trade shows etc.) should be agreed in advance with the Local Administrator responsible for implementing ESA Spark Funding Hungary.

Payout of the ESA funding: 50% at the beginning of the project and 50% after accepted final report (final payment) for project equal or less than 6 months.

Payout of the ESA funding: 50% at the beginning of the project and 25% after accepted Mid-Term and 25% after accepted final report (final payment) for project equal or less than 12 months.

The evaluation procedure

The evaluation of all received applications is managed locally by Design Terminal and follows common ESA Spark Funding procedures.

Once a published submission deadline has passed, Design Terminal first assesses 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 another evaluation round is scheduled.

If the application is compliant with the formal requirements, applicants will be invited to hold a presentation to the ESA Spark Funding Hungary evaluation board. The evaluation will typically take place a few weeks after the submission deadline. The evaluation board consists of representatives of Design Terminal, ESA, Ministry of Foreign Affairs and Trade, 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.

Evaluation Criteria	Sub-Criteria	Weighting Factor
Background and Experience	<ul style="list-style-type: none"> • Team Composition • Partnerships • Vision 	20%
Business Case	<ul style="list-style-type: none"> • Targeted Market Segment & Access to the targeted Market Segment • Targeted Product/Service • Target Customers/Users • Customer/User Needs or Pains • Value Proposition 	30%
Technology	<ul style="list-style-type: none"> • Technology Definition • Suitability, and credibility of transfer • Access to technology • Maturity and feasibility 	30%
Activity Proposal	<ul style="list-style-type: none"> • Work Breakdown • Resources and Facilities • Milestones and Cost Planning • Management 	20%

Table 1: ESA Spark Funding evaluation criteria and weighting factors.

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

Design Terminal will enter contract negotiations with successful applicants, taking the comments of the evaluation board into account. Design Terminal has the right *not* to place a contract if, after three months following 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.

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

- Please note that applications will be treated as confidential. However, despite the efforts undertaken by Design Terminal to ensure full confidentiality, the applicant's idea may through this application fall into the public domain. 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).
- No expenses incurred in either stage of the application procedure will be reimbursed to the applicant by Design Terminal, ESA, and/or any third party.
- This Open Call does not impose any obligation upon Design Terminal to enter into negotiations with any applicant or to enter into any other specific arrangement.

ANNEX A – DETAILS ON DELIVERABLES

Under an ESA Spark Funding project, the Contractor will be undertaking both technical and commercially focused activities and, as such, the Deliverables reflect this.

D1 is a standalone Deliverable.

D2, D3, and D4 should be combined into a single document for final delivery to Design Terminal (TB)

D1 Proof of Achievement for outreach and communication purposes to be delivered to Design Terminal (TB)

For the use in public communication and promotion, outreach and dissemination, public display or presentation by Design Terminal (TB) or ESA, the Contractor shall deliver a **slide deck** in ppt-Format and a suitable demonstration item, to present the activity in a nutshell.

The slide deck is composed of two slides covering the following elements:

- The heritage technology (with meaningful, high-definition, illustrative images/tables/diagrams);
- The new application (with meaningful, high-definition, illustrative images/tables/diagrams);
- Achievements, outcomes of the activity and next steps (with meaningful, high-definition, illustrative images/tables/diagrams);

The suitable **demonstration item**, including a short description of the product/service along with any instructions required for operation, shall be delivered to Design Terminal (TB). This can manifest in an item such as:

- A prototype or demonstrator;
- A suitable mock-up or breadboard showcasing the use/functionalities and application;
- A high-definition video showcasing the use/functionalities and application, including live demonstration;

Other demonstrations items may be proposed but are subject to approval prior to contract signature.

The deliverable D1 is intended for general audience and publication. Therefore, it shall not contain any sensitive or proprietary information.

D2 Final Data Package

The Final Data Package is comprised of the final deliverable documents arising from the ESA Spark Funding Contract, in particular:

- **Mid Term Report** (if applicable, standalone document)
Content as defined in the ESA Spark Funding Contract
- **Final Report** (standalone document)
Content as defined in the ESA Spark Funding Contract, additionally including sections on:

Commercialisation Roadmap (suggested section length: 10 pages)

Phase 1 Projects:

- Presentation and validation of stakeholder/customer requirements and market needs;
- Presentation and validation of stakeholder/customer feedback with regards to the intended value proposition and unique selling points;
- Presentation of market assessment, including quantification of market size, segmentation, and competition;
- Presentation of market penetration strategy, including key financial projections for break-even (i.e. sales, CAPEX, OPEX) over the next 5 years;
- Conclusion on the viability of the intended product/service with indication of critical success factors
- Conclusion and specific outlook of the next steps and milestones to reach market entry.

Phase 2 Projects (in addition to the above points, with a suggested length of 5 pages):

- Key takeaways and lessons learned through the demonstration plan and testing;
- Customer/user feedback based on the demonstration plan and testing;
- Presentation of a dedicated Risk and Mitigation Plan, discussing:
 - Product Roadmap (further product development, verification, validation, certification)
 - Market entry barriers
 - Intellectual Property Rights strategy

if applicable:

D3 Technology Commercial Arrangement Document

(suggested length: 1 page)

The contents of this section shall include:

- Details regarding the type of commercial arrangement that has been agreed/envisioned with the Technology/Asset provider
- Duration of agreement
- Conditions of agreement
- Value of agreement

- **D4 Participation to annual ESA Socio-Economic Survey for a maximum of 5 years**

The Contractor shall participate to an annual Socio-Economic Survey by the European Space Agency (ESA) on the impact of the ESA Spark Funding Project, surveying the results and revenues generated from the potential product/service, job creation across the immediate value chain, access and penetration of new markets or product lines due to the work undertaken in this project, investment leverage, and social benefits. The survey will be sent out on an annual basis and the Contractor commits to participate in the survey for five consecutive years after the Final Review of the project.