COPERNICUS Incubation Programme
260/G/GRO/COPE/17/10039

The present call for proposals is composed of a set of Grant Submission Documents, which form an integral part of this call:
- The call for proposals,
- The Guide for Applicants
- The Submission Set

The terms set out in the call for proposals document shall take precedence over those in the other parts of the Grant Submission Documents.
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1. **context**

The 2014 Copernicus Regulation\(^1\) states the objectives of the Copernicus programme:

- "Maximising socio-economic benefits, thereby supporting the Europe 2020 strategy and its objectives of smart, sustainable and inclusive growth by promoting the use of Earth observation in applications and services;

- Fostering the development of a competitive European space and services industry and maximising opportunities for European enterprises to develop and provide innovative Earth observation systems and services; (…)

- Supporting and contributing to European policies (…)."

The Commission is convinced that reaching these objectives will require a stronger implication of the commercial downstream sector. Because of their greater agility and their easier access to market information, businesses can use Copernicus data and information to deliver tailor-made applications, reach out to new users, communities and sectors and sell products in international markets. The downstream companies - and in particular entrepreneurs and start-ups - are thus a fundamental link between the EU space programme and their end users.

The Commission is thus developing a "Copernicus start-up Programme", to promote start-up creation and growth in the downstream sector. It will consist of four elements:

- The Copernicus Prizes, which will be organized in the context of the Copernicus Masters competition
- The Copernicus AppCamps/hackathons
- The Copernicus Accelerator, which provides customized coaching to start-ups and entrepreneurs
- The Copernicus Incubation Programme.

This comprehensive programme will accompany start-ups from the generation of a business idea to its full commercialisation. The Copernicus Prizes and AppCamps will support the generation of new business ideas. More mature start-ups will receive customized coaching through the Copernicus Accelerator, to help them reach their next business target (e.g. developing a prototype, finding investors, getting a first client...). Finally, the Commission will finance the incubation of the most promising start-ups, so that they can reach commercialisation of their first product. The Copernicus incubation programme will be open to all start-ups in Europe that apply jointly with a start-up support programme (Incubator, accelerator...), and not only to the start-ups that have participated in the Copernicus Accelerator.

Implementation of the Copernicus start-up programme is ongoing. The Copernicus Accelerator was launched in June 2016. The first Copernicus Prizes will be awarded in 2017. The Copernicus Incubation Programme is the object of this call. The Copernicus AppCamps will be developed later in 2017.

The legal bases for this call are the Copernicus Regulation and the 2017 Copernicus Annual Work Programme under "Part 2 - Space Data for Societal Challenges and Growth; Section 2 – User uptake, digital market and downstream services; Action 3: The Copernicus initiative for start-ups, Second part of integrated measures for start-ups - (AppCamps and incubation)".

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2. **OBJECTIVE OF THE CALL**

2.1. **CONTENT**

This call targets the organisation of the Copernicus incubation programme, which aims at financing the incubation of 20 start-ups, through "Incubation (financial support to third parties)", in Europe every year.

The call covers:

- The 20 incubation financial support to third parties per year for three years (60 in total).²
- The organisation of the selection, in particular the communication about the scheme (in order to generate a maximum number of applications), the development of the application procedure and the organisation of the meetings of the panel(s) of judges, to select the winners.
- The reporting to the Commission

The functioning of the Copernicus Incubation Programme is summarized in the figure below.

All incubation applicants should:

- Be entrepreneurs, start-ups, SMEs or students (henceforth "start-ups") wishing to develop a business idea based on Copernicus data and services information products.

² The period of execution of tasks of the grant agreement may be longer than 3 years
- Be either citizens of one of the Copernicus Participating Countries (EU28 + Norway and Iceland) or have established their company in the territory of one of the Participating Countries.

- Apply jointly with a start-up support programme (e.g. an incubator, an accelerator...).

The start-up support programme should:

- commit to integrate the start-up in its programme if the start-up is awarded a Copernicus incubation.

- be run in Europe.

- have proven business expertise and track record of launching successful start-ups in innovative sectors. Experience or technical expertise in space or Earth Observation businesses will not be mandatory as long as equivalent experience/expertise is proven (in order to encourage applications from programmes without such expertise).

Every year, 20 start-ups should receive an incubation which includes:

- 50 000 euros as financial support to third parties, financed by the EU and representing a maximum of 85% of the total value of the incubation.

- Additional support in the form of financial support to third parties (=the start-up) provided by the support programme and representing a minimum of 15% of the total value of the incubation. In kind contributions received by the start-up from the support programme (such as office spaces, coaching hours...) are not eligible costs (hence, they cannot be part of these 15%).

The start-up should spend the incubation support on activities directly related to the development of its business, in particular:

- Prototyping and research expenses

- Company set-up, insurance, license and permit fees

- Equipment and supplies, in particular IT (servers, cloud services, software licences...) and other technological expenses

- Office space

- Intellectual Property Rights related expenses

- Advertising, promotion, communication and visit to clients

- Website and email domain, analytics services,

- Accounting, consulting or legal expertise

- Borrowing costs

- Employee-related costs, including recruiting expenses.

The start-up programme should develop a process to check the eligibility and business-relevance of the expenses. The start-up will remain ultimately responsible for the proper use of the funds and should be able to provide supporting documentation and cost statements.

Costs paid to the support programme (e.g. office space) are not eligible as part of the grant.

The overall maximum EU contribution for the “incubation” will thus be of maximum 85% and 3.000.000 Euros for 3 years.

In addition, this grant also covers for the organisation of the selection process of the 20 start-ups per year (including the promotion, selection and award of Incubation). The overall maximum EU contribution for the selection process should be of 85% and 450.000 Euros for 3 years.

3 It should be noted however that the support programme is strongly encouraged to provide as much support to the start-up as possible, including in-kind support.
In total, the EU will thus cover:
- 85% of the incubation financial support to third parties, for a maximum budget of 3.000.000 Euros
- 85% of the organisation costs, for a maximum budget of 450.000 Euros.

The organizer of the selection should select the winners based on the following criteria:

<table>
<thead>
<tr>
<th>The use of Copernicus data and services information products</th>
<th>1/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>The commercial interest and financial outlook of the start-up</td>
<td>1/3</td>
</tr>
<tr>
<td>The business expertise of the Incubation/Acceleration programme committed to support the start-up.</td>
<td>1/3</td>
</tr>
</tbody>
</table>

The Copernicus incubation programme should be adapted to the specific needs and limited means of start-ups, with simple application and reporting forms and rules, and a rapid time to respond and grant. The selection should be permanently open. There should a cut-off and meeting of the selection board every quarter, with the allocation of maximum 7 incubations per quarter and 20 incubations per year.

A minimum of 50% of votes in the selection board should be given to private investors (bankers, private equity fund managers, business angels...). The other votes should be given to start-up experts. The Commission should be invited as an observer.

The organiser of the selection should ensure a fair treatment of all applications, with demonstrated actions to avoid potential conflicts of interests. If any member of the selection board has any stake in one applying start-up, s/he should be replaced by another person for this session of the selection board.

The organiser should develop an active communication and networking campaign to maximize the number of applicants. It should ensure a wide and balanced coverage of all Copernicus participating countries (EU Member States + Norway and Iceland).

2.2. OBJECTIVES OF THE CALL

The Copernicus Incubation Programme aims at:
- Boosting the use by current or future businesses of Copernicus Sentinel data and/or products from the Copernicus services.
- Supporting the most innovative and commercially-promising business applications based on Copernicus data and services in Europe.

2.3. SELECTION AND AWARD CRITERIA OF THIS CALL

Applicants for this call shall be selected in accordance with the criteria in Section 5.1.

Selection criteria:
- Financial capacity of the applicant(s) to maintain the activity throughout the period during which the action is being carried out;
- Operational capacity of the applicant(s) to organise and carry out the activities.

Award criteria (full details in Annex 3)
- Impact (60 points)
- Relevance (10 points)
- EU Visibility and coverage (20 points)
- Quality of the project (5 points)
- Cost-effectiveness (5 points)

2.4. REPORTING

The beneficiary of the grant will ensure full reporting of this action to the Commission. This should include a monthly phone conference with the European Commission, to summarize the state of play of the organisation of the Copernicus incubation programme.

The beneficiary should also submit four reports of activities:

Report 1: after 12 months and the organisation of the first series of 20 Incubations
Report 2: after 24 months and the organisation of the second series of 20 incubations
Report 3: after 36 months and the organisation of the third series of 20 incubations
Report 4: at the end of activities (indicative timing: 48 months).

These reports should include:

- The number of applicants and their country of origin, so as to assess the geographical balance of the programme
- The countries of origin of the successful applicants
- The result of a short satisfaction survey, to be filled by applicants
- A short analysis of the quality of applications
- Propositions on how to improve the incubation
- A promotional booklet including a short description of all participants

3. TIMETABLE

The period of eligibility of costs will start at the earliest on the day the agreement is signed by the last of the parties. If a beneficiary can demonstrate the need to start the action before the agreement is signed, the expenditure may be eligible as from a date before the agreement is signed. Under no circumstances can the eligibility period start before the date of submission of the grant application.

<table>
<thead>
<tr>
<th>Stages</th>
<th>Indicative timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publication of the call</td>
<td>Feb 2017</td>
</tr>
<tr>
<td>Deadline for submitting applications</td>
<td>April 2017</td>
</tr>
<tr>
<td>Information to applicants</td>
<td>May 2017</td>
</tr>
<tr>
<td>Signature of grant agreement</td>
<td>June 2017</td>
</tr>
<tr>
<td>Starting date of the action/ work programme</td>
<td>July 2017</td>
</tr>
<tr>
<td>Indicative duration of actions:</td>
<td>48 months</td>
</tr>
</tbody>
</table>

4. EU FINANCING

Maximum budget allocated for EU financing under this call:
EUR 3.450.000 (3.000.000 for the incubation and 450.000 for the organisation of the selection), of which EUR 1.150.000 will be available for period 1 (first 12 months). Subject to availability of budget the project can be extended to period 2 (EUR 1.150.000 covering months 12 to 24) and to period 3 (EUR 1.150.000 from month 24 to end).

Applicants are invited to complete Form B1_B2 ensuring that the periods can be clearly distinguished. Specifically, Sections B1.1.a), B1.1.b), B1.2.a), B1.2.b), B1.2.c), B1.2.3 should be listing three different periods.

**Maximum EU financing rate** of eligible costs:

- 85% of the incubation, for a maximum budget of 3.000.000 Euros (50.000 Euros maximum per incubation and 60 in total)
- 85 % of the organisation costs, for a maximum budget of 450.000 Euros

For costs related to incubation the financing rate shall apply only at the level of the entity providing such support.

Proposals with an EU co-financing beyond 85% will not be eligible.

The Commission reserves the right to award a grant of less than the amount requested by the applicant. In such a case, applicants will be asked either to increase their co-financing, propose other co-financing means or to decrease the total costs without altering the substance of the proposal. Grants will not be awarded for more than the amount requested.

Publication of the call (on the Commission Internet site and/or in the Official Journal) does not guarantee the availability of funds for the above action.

### 4.1. GENERAL PRINCIPLES OF EU FUNDING

**Non-cumulative award**

Each action may give rise to the award of only one grant from the budget to any one beneficiary.

In no circumstances shall the same costs be financed twice by the Union budget.

Applicants have to inform the Commission immediately of any multiple applications and multiple grants relating to the same action. The applicant shall inform about sources and amounts of EU funding received or applied for the same action or for part of the action. Applicants shall indicate if they receive EU funding for their functioning during the financial year in which the action takes place.

**Non-retroactivity**

No grant may be awarded retrospectively for actions already completed.

A grant may be awarded for an action which has already begun, provided the applicant can demonstrate the need to start the action before the grant agreement is signed. In such cases, costs eligible for financing may not have been incurred prior to the date of submission of the grant application.

**Co-financing**

Grants shall involve co-financing, which implies that the resources necessary to carry out the action or the work programme shall not be provided entirely by EU contribution. EU financing may not cover 100% of the total costs of the action.

Co-financing of the action or of the work programme may take the form of:

- the beneficiary’s own resources,
- income generated by the action or work programme,
- financial contributions from third parties.

Co-financing may also take the form of in-kind contributions from third parties, i.e. non-financial resources made available free of charge by third parties to the beneficiary. The corresponding costs are not eligible.

**Non-profit rule**
EU grant may not have the purpose or effect of producing a profit within the framework of the action of the work programme of the beneficiary.

Where a profit is made, the Commission is entitled to recover the percentage of the profit corresponding to the EU contribution to the eligible costs actually incurred. For this purpose, profit shall be defined as a surplus of the receipts over the eligible costs incurred, when the request for payment of the balance is made.

**Balanced budget**

The estimated budget of the action or work programme is to be attached to the application form. It should have revenue and expenditure in balance.

The budget shall be drawn up in euros.

Applicants, who foresee that costs will not be incurred in euros, are invited to use the exchange rate published on the European Commission’s website available at:


### 4.2. ELIGIBLE COSTS

In order be eligible for funding, costs should be actually incurred by the beneficiary and meet the following criteria:

- they are incurred during the duration of the action or work programme, as indicated in the grant agreement, with the exception of costs relating to the request for payment of the balance and the corresponding supporting documents (audit certificates);
- they are indicated in the estimated budget of the action or work programme;
- they are necessary for the implementation of the action or of the work programme, in accordance with the description of the action, attached to the grant agreement;
- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency.

The beneficiary’s internal accounting and auditing procedures should permit direct reconciliation of the costs and revenue declared in respect of the action/project with the corresponding accounting statements and supporting documents.

Please note that the exact scope of the eligibility of costs is defined by the grant agreement, which will be signed with the successful applicants.

#### 4.2.1. Eligible direct costs

Direct costs of the action are those specific costs which are directly linked to the implementation of the action and can therefore be attributed directly to it. They shall not include any eligible indirect costs.

The following categories of costs can be considered as eligible direct costs:

- the costs of personnel working under an employment contract with the beneficiary or an equivalent appointing act and assigned to the action, comprising actual salaries plus social security contributions and other statutory costs included in the remuneration, provided that these costs are in line with the
beneficiary's usual policy on remuneration. Those costs may also include additional remunerations, including payments on the basis of supplementary contracts regardless of the nature of those contracts, provided that they are paid in a consistent manner whenever the same kind of work or expertise is required, independently from the source of funding used.

- costs of travel and related subsistence allowances, provided that these costs are in line with the beneficiary's usual practices on travel;
- the depreciation costs of equipment or other assets (new or second-hand) as recorded in the accounting statements of the beneficiary, provided that the asset has been purchased in accordance with the conditions applicable to implementation contracts and that it is written off in accordance with the international accounting standards and the usual accounting practices of the beneficiary;
- costs of consumables and supplies, provided that they are purchased in accordance with the conditions applicable to implementation contracts;
- costs arising directly from requirements imposed by the grant agreement (dissemination of information, specific evaluation of the action, audits, translations, reproduction), including the costs of requested financial guarantees, provided that the corresponding services are purchased in accordance with the conditions applicable to implementation contracts;
- costs entailed by subcontracts, concluded for the externalisation of specific tasks or activities which form part of the action or work programme as described in the proposal, provided that the conditions applicable to implementation contracts are met;
- costs of financial support to third parties, in accordance with the conditions set by the grant for such financing;
- duties, taxes and charges paid by the beneficiary, provided that they are included in eligible direct costs, and unless specified otherwise in the Agreement. Value added tax (VAT) is not eligible;
- costs relating to a pre-financing guarantee lodged by the beneficiary of the grant, where that guarantee is a condition for the payment of a pre-financing;
- costs relating to external audits where such audits are required in support of the requests for payments.

### 4.2.2. Eligible indirect costs

A flat-rate amount of 7% of the total eligible direct costs of the action is eligible under indirect costs, representing the beneficiary's general administrative costs which can be regarded as chargeable to the action/project applied only to the amount EUR 450.000 of the organisation.

Indirect costs may not include costs entered under another budget heading.

Indirect costs are not eligible for beneficiaries that receive an operating grant from the European Commission.

### 4.2.3. Non-eligible costs

In addition to any other costs which do not fulfill the conditions set out in Article II.19.1, the following costs shall not be considered eligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or debts;
- interest owed;
- doubtful debts;
- exchange losses;
- costs of transfers from the Commission charged by the bank of a beneficiary;
- costs declared by the beneficiary in the framework of another action receiving a grant financed from the Union budget (including grants awarded by a Member State and financed from the Union budget and grants awarded by other bodies than the Commission for the purpose of implementing the Union budget);
- in particular, indirect costs shall not be eligible under a grant for an action awarded to a beneficiary which already receives an operating grant financed from the Union budget during the period in question;
- contributions in kind from third parties;
- excessive or reckless expenditure;
- deductible VAT;
- participation by any staff of the institutions in actions receiving grants;
- any other costs which have been specified as ineligible in the call for proposal.

In addition to the above, the Commission can refuse to finance certain costs included in the proposal. The beneficiary can decide to maintain and finance these costs out of his own resources, but they will not be taken into account as eligible costs.

4.3. CO-FINANCING AND JOINT AND SEVERAL RESPONSIBILITY

The beneficiary has to supply evidence of the co-financing provided. It can be provided either by way of own resources, or in the form of financial transfers from third parties or by contribution in kind.

Co-financing may also take the form of in-kind contributions from third parties, i.e. non-financial resources made available free of charge by third parties to the beneficiary. The corresponding costs are not eligible. The value of such a contribution may not cover the entire amount of co-financing.

In case of a joint application, all partners shall agree upon appropriate arrangements between themselves for the proper performance of the action.

In particular, they shall accept joint and several responsibilities up to the value of the contribution that the beneficiary held liable is entitled to receive, as stipulated in the General Conditions of the draft grant agreement.

The final grant agreement shall be signed by each applicant. Alternatively it shall be signed by the appointed co-ordinator, provided that a power of attorney has been conferred to this entity (Annex IV of the draft grant agreement).

4.4. IMPLEMENTATION CONTRACTS/SUBCONTRACTING

Where the implementation of the action or the work programme requires the use of contracts (implementation contracts), the beneficiary must ensure that the contract is awarded to the bid offering best value for money or the lowest price (as appropriate), avoiding conflicts of interests and retain the documentation for the event of an audit.

Entities acting in their capacity of contracting authorities shall abide by the applicable national public procurement rules, in the meaning of Directive 2014/24/EU on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts or contracting entities in the meaning of Directive 2014/25/EU coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors.

Sub-contracting for the purpose of the action

Sub-contracting refers to contracts concluded for the externalisation of specific tasks or activities which form part of the action or work programme as described in the proposal. Such contracts must satisfy the conditions applicable to any implementation contract and, in addition, the following conditions:

- Subcontracting may only cover the implementation of a limited part of the action
- It must be justified having regard to the nature of the action and what is necessary for its implementation;
The proposal should clearly identify the subcontracted activities.

Subcontracting does not in any way limit the responsibility of beneficiaries for the implementation of the action. Please note that the beneficiary(ies) should have the necessary capacity to perform the project. Only tasks that are not core business can be sub-contracted to consultants.

It is not necessary to have already selected subcontractors at the time the proposal is submitted. However, cost of contractors not selected in accordance with the applicable rules for procurement will not be eligible.

4.5. **FINANCIAL SUPPORT TO THIRD PARTIES**

The applications may envisage provision of financial support to third parties.

The applications must include:

- An exhaustive list of the types of activities for which a third party may receive financial support. The types of activities for which third party financing may be envisaged are the following: incubation.
- The definition of the persons or categories of persons which may receive financial support,
- The criteria for awarding financial support,
- The maximum amount to be granted to each third party and the criteria for determining it.

The amount of financial support per third party must not exceed 50 000 euros.

4.6. **FINAL GRANT AND PAYMENT ARRANGEMENTS**

The draft grant agreement annexed to this call for proposals specifies the calculation of the final grant and the payment arrangements.

Your attention is in particular drawn to the General Conditions of the grant agreement, where the eligibility of costs is described. Detailed explanations and a description how costs should be budgeted and reported can be found in the Guide for Applicants.

EU grant may not have the purpose or effect of producing a profit within the framework of the action of the work programme of the beneficiary. Where a profit is made, the Commission is entitled to recover the percentage of the profit corresponding to the EU contribution to the eligible costs actually incurred. For this purpose, profit is defined as a surplus of the receipts over the eligible costs incurred by the beneficiary, when the request is made for payment of the balance. Where such a surplus occurs, the Commission is entitled to recover the percentage of the profit corresponding to the EU contribution to the eligible costs actually incurred by the beneficiary.

The Commission may require the beneficiary to lodge a guarantee for grants exceeding € 60 000, based on a risk analysis.

In the event that the applicant's financial capacity is not satisfactory, a pre-financing guarantee for up to the same amount as the pre-financing may be requested in order to limit the financial risks linked to the pre-financing payment.

The financial guarantee, in euro, shall be provided by an approved bank or financial institution established in one of the Member State of the European Union. When the beneficiary is established in a third country, the authorising officer responsible may agree that a bank or financial institution established in that third country may provide the guarantee if he considers that the bank or financial institution offers equivalent security and characteristics as those offered by a bank or financial institution established in a Member State. Amounts blocked in bank accounts shall not be accepted as financial guarantees.

The guarantee may be replaced by a joint and several guarantee by a third party or by a joint guarantee of the beneficiaries of an action who are parties to the same grant agreement.
5. **Eligibility**

Applications shall comply with all of the eligibility criteria set out in this section.

### 5.1. Eligible Applicants

Applications from natural/legal persons established in one of the following countries are eligible:

- EU Member States
- Iceland, Norway

Corporate bodies shall be properly constituted and registered under the law. If a body or organisation is not constituted under the law, a natural person shall be designated to provide the legal responsibility.

Subject to the eligibility criteria indicated above, the applicants should provide the following supporting documents to establish their eligibility:

- **Private entity**: extract from the official journal, copy of articles of association, extract of trade or association register, certificate of liability to VAT (if, as in certain countries, the trade register number and VAT number are identical, only one of these documents is required);
- **Public entity**: copy of the resolution or decision establishing the public company, or other official document establishing the public-law entity;
- **Natural persons**: photocopy of identity card and/or passport;
- **Entities without legal personality**: documents providing evidence that their representative(s) have the capacity to undertake legal obligations on their behalf.

### 5.2. Admissible and Eligible Proposals

Applications shall comply with the following conditions in order to be eligible for a grant:

- Applications shall be sent no later than the deadline for submitting applications referred to in section 9;
- Applications shall be submitted in writing, using the application form and the electronic submission system, as indicated in the Guide for Applicants;
- Applications shall be drafted in one of the EU official Languages. If your proposal is not in English, a translation of the full proposal would be of assistance to the evaluators. An English translation of an abstract may be included in the proposal (see Guide for Applicants);
- Proposals shall be submitted in conformity with the call specifications;
- Only projects that are strictly non-profit-making and/or whose immediate objective is non-commercial shall be eligible;
- Applications shall respect the maximum rate for EU co-financing;
- Applications shall respect the maximum amount for EU co-financing;

In this context, any project directly or indirectly contrary to EU policy or against public health, human rights, citizen’s security or freedom of expression will be rejected.

### 6. Exclusion Criteria

#### 6.1. Exclusion from Participation

An entity will be excluded from participating in the call for proposals procedure if:

(a) it is bankrupt, subject to insolvency or winding-up procedures, where its assets are being administered by a liquidator or by a court, where it is in an arrangement with creditors, where its business activities are suspended, or where it is in any analogous situation arising from a similar procedure provided for under national laws or regulations;
(b) it has been established by a final judgment or a final administrative decision that the entity is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the law of the country in which it is established, with those of the country in which the contracting authority is located or those of the country of the performance of the contract;

(c) it has been established by a final judgment or a final administrative decision that the entity is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the applicant belongs, or by having engaged in any wrongful conduct which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence, including, in particular, any of the following:

(i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract;

(ii) entering into agreement with other entity with the aim of distorting competition;

(iii) violating intellectual property rights;

(iv) attempting to influence the decision-making process of the contracting authority during the award procedure;

(v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;

(d) it has been established by a final judgment that the entity is guilty of any of the following:

(i) fraud, within the meaning of Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995;

(ii) corruption, as defined in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997, and in Article 2(1) of Council Framework Decision 2003/568/JHA, as well as corruption as defined in the law of the country where the contracting authority is located, the country in which the applicant is established or the country of the performance of the contract;

(iii) participation in a criminal organisation, as defined in Article 2 of Council Framework Decision 2008/841/JHA;

(iv) money laundering or terrorist financing, as defined in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council;

(v) terrorist-related offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;

(vi) child labour or other forms of trafficking in human beings as defined in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council;

(e) the entity has shown significant deficiencies in complying with main obligations in the performance of a contract financed by the budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by an authorising officer, OLAF or the Court of Auditors;

(f) it has been established by a final judgment or final administrative decision that the entity has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95.

g) for the situations of grave professional misconduct, fraud, corruption, other criminal offences, significant deficiencies in the performance of the contract or irregularity, the applicant is subject to:

(i.) facts established in the context of audits or investigations carried out by the Court of Auditors, OLAF or internal audit, or any other check, audit or control performed under the responsibility of an authorising officer of an EU institution, of a European office or of an EU agency or body;

(ii.) non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;

(iii) decisions of the ECB, the EIB, the European Investment Fund or international organisations;

(iv) decisions of the Commission relating to the infringement of the Union's competition rules or of a national competent authority relating to the infringement of Union or national competition law.
(v) decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

6.2. EXCLUSION FROM AWARD
Grants will not be awarded to applicant who, in the course of the grant award procedure is:

(a) is in a situation of exclusion established in accordance with Article 106 FR

(b) has misrepresented the information required as a condition for participating in the grant award procedure or has failed to supply that information;

(c) was previously involved in the preparation of procurement documents where this entails a distortion of competition that cannot be remedied otherwise.

6.3. SUPPORTING DOCUMENTS
Applicants must sign a declaration on their honour certifying that they are not in one of the situations referred to by filling in the “Exclusion Criteria Form” (form B4)

Administrative and financial penalties may be imposed on applicants, or affiliated entities where applicable, who are guilty of misrepresentation.

By using the “Exclusion Criteria Form” applicants shall declare on their honour that they are not in one of the situations referred to in Articles 106 and 107 of the Regulation (EC, Euratom) n° 966/2012 on the financial rules applicable to the general budget of the Union (Financial Regulation, as amended).

Please note that administrative and financial penalties may be imposed by the Commission on applicants who are excluded in relation to points a) to g) of the form in question.

For grants with a value exceeding € 60 000, the Commission may require further evidence, as indicated in article 143 Rules of Application.

7. SELECTION CRITERIA

7.1. FINANCIAL CAPACITY
Applicants shall have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is being carried out or the year for which the grant is awarded and to participate in its funding. The applicants' financial capacity will be assessed on the basis of the following supporting documents to be submitted with the application:

- A declaration on honour and,

- Form B/5 provided for in the submission set, filled in with the relevant statutory accounting figures. Other documents may be submitted if needed (see IV.4 Guide to applicants)

- An audit report produced by an approved external auditor certifying the accounts for the last financial year available.

7.2. OPERATIONAL CAPACITY
Applicants shall show they have the operational (technical and management) capacity to complete the operation to be supported and shall demonstrate their capacity to manage scale activity corresponding to the size of the project for which the grant is requested. In particular, the team responsible for the project/operation shall have adequate professional qualifications and experience.

In this respect, applicants have to submit:

- a declaration on their honour,
- the following supporting documents:
  - curriculum vitae or description of the profile of the people primarily responsible for managing and implementing the operation (accompanied where appropriate, like in the field of research and education, by a list of relevant publications);
  - the organisations’ activity reports;
  - an exhaustive lists of previous projects and activities performed and connected to the policy field or to the actions to be carried out.

The selection procedure is described in further detail in the Guide for Applicants.

8. AWARD CRITERIA

An evaluation of the quality of proposals, including the proposed budget, will be carried out in accordance with the evaluation criteria set out in annex 3 to this call for proposals.

The evaluation procedure is described in further detail in the Guide for Applicants.

9. SUBMISSION OF PROPOSALS

Please note that only electronic submissions are allowed for this call.

Please consult the Guide for Applicants for the modalities of preparing the proposal.

Submission of a grant application implies acceptance of the conditions of the grant agreement, attached to this call.

The deadline for submission of proposals is:
19/04/2017 [17:00 Brussels local time]

10. CONTACTS

Contacts between the contracting authority and potential applicants can only take place in certain circumstances and under the following conditions only:

Before the final date for submission of proposals,
  - At the request of the applicant, the Commission may provide additional information solely for the purpose of clarifying the nature of the call.
  - Any requests for additional information shall be made in writing only to the coordinates stated below.
  - The Commission may, on its own initiative, inform interested parties of any error, inaccuracy, omission or other clerical error in the text of the call for proposals.
  - Any additional information including that referred to above will be published on the internet in concordance with the various call for proposals documents.

After the deadline for submission of proposals:
  - If clarification is requested or if obvious clerical errors in the proposal need to be corrected, the Commission will contact the applicant provided the terms of the proposal are not modified as a result.
  - If the authorising officer finds that those proposals, which have been listed for award needs limited adaptations to their proposal. In such case, these applicants will receive a formal letter setting out the requested modifications. Any such modifications shall stay within the limits of the request. This phase will not lead to a re-evaluation of the proposals, but a proposal might be rejected if the applicant does not wish to comply with the modifications requested.

Contact coordinates for the call:
EUROPEAN COMMISSION
Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
11. DATA PROTECTION

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Unless indicated otherwise, the questions and any personal data requested are required to evaluate the application in accordance with the specifications of the call for proposal will be processed solely for that purpose by DG GROW, unit I3.

Details concerning the processing of personal data are available on the privacy statement at: http://ec.europa.eu/dataprotectionofficer/privacystatement_publicprocurement_en.pdf.

Personal data may be registered in the Early Detection and Exclusion System (EDES) if the applicant is in one of the situations mentioned in Article 106 of the Financial Regulation. For more information, see the Privacy Statement on: http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm

12. PUBLICITY

Beneficiaries shall clearly acknowledge the European Union’s contribution in all publications or in conjunction with activities for which the grant is used.

In this respect, beneficiaries are required to give prominence to the name and emblem of the European Commission on all their publications, posters, programmes and other products realised under the co-financed project.

To do this they shall use the text, the emblem and the disclaimer available at http://ec.europa.eu/growth/sectors/space/copernicus/licence/licence-agreement_en.htm. If this requirement is not fully complied with, the beneficiary’s grant may be reduced in accordance with the provisions of the grant agreement or grant decision.

With the exception of scholarships paid to natural persons and other direct support paid to natural persons in most need, all information relating to grants awarded in the course of a financial year shall be published on an internet site of the European Union institutions no later than the 30 June of the year following the financial year in which the grants were awarded.

The Commission will publish the following information:

- Name of the beneficiary;
- Address of the beneficiary (legal persons) or reference to the region (natural persons);
- Subject of the grant;
- Amount awarded.

Upon a reasoned and duly substantiated request by the beneficiary, the publication shall be waived if such disclosure risks threatening the rights and freedoms of individuals concerned as protected by the Charter of Fundamental Rights of the European Union or harm the commercial interests of the beneficiaries.
13. ANNEX 1 SUBMISSION SET

The Submission Set can be downloaded from the web application portal.
14. **ANNEX 2 GUIDE FOR APPLICANTS**

The Guide for Applicants can be downloaded from the following page:

When assessing the below evaluation criteria, the evaluation committee generally pays attention to the elements indicated below each criterion. Please note that these elements, which are indicative and non-exhaustive, are given on the basis of transparency and in order to help applicants to improve their applications.

### 15. ANNEX 3 EVALUATION CRITERIA

The proposal shows an ability to attract and support the most innovative and commercially-promising start-ups developing business applications based on Copernicus data and services in Europe.

The proposal demonstrates capacity to generate applications from the best start-up programmes in Europe (Incubators, Accelerators...). The Copernicus incubation programme targets start-up programmes with a strong business expertise (rather than a technical expertise) and a proven track record.

The proposal creates a user-friendly scheme, with low administrative burden and adapted to the specific needs and limited means of start-ups and start-up programmes (simple application and reporting forms, rapid time to respond and grant...)

The proposal maximizes visibility of the Copernicus incubation programme, of the European space programme Copernicus and of the European Commission in the general public and in relevant sectors/domains (space, EO, ICT & start-up)

The proposal demonstrates an ability to ensure a wide and balanced coverage of the Copernicus participating countries.

The design of the project is well done, clear, concise and straight to the point, including a detailed work plan, activities' breakdown and timetable.

To what extent is the budget clear and detailed? Does the breakdown of the budget, category by category, offer a way of ensuring that the amount of the grant awarded is the minimum necessary for the operation to be completed? To what extent is the proposed management costs are necessary for the implementation of the project?

<table>
<thead>
<tr>
<th>EVALUATION CRITERIA AND KEY ELEMENTS LIKELY TO BE ASSESSED BY THE EVALUATION COMMITTEE</th>
<th>MAX. SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Impact on the target group and multiplier effect of the action (60)</td>
<td></td>
</tr>
<tr>
<td>The proposal shows an ability to attract and support the most innovative and commercially-promising start-ups developing business applications based on Copernicus data and services in Europe.</td>
<td>30</td>
</tr>
<tr>
<td>The proposal demonstrates capacity to generate applications from the best start-up programmes in Europe (Incubators, Accelerators...). The Copernicus incubation programme targets start-up programmes with a strong business expertise (rather than a technical expertise) and a proven track record.</td>
<td>30</td>
</tr>
<tr>
<td>2. Relevance of the application to the objectives of the action (10)</td>
<td>10</td>
</tr>
<tr>
<td>The proposal creates a user-friendly scheme, with low administrative burden and adapted to the specific needs and limited means of start-ups and start-up programmes (simple application and reporting forms, rapid time to respond and grant...)</td>
<td></td>
</tr>
<tr>
<td>3. EU Visibility and coverage (20)</td>
<td>10</td>
</tr>
<tr>
<td>The proposal maximizes visibility of the Copernicus incubation programme, of the European space programme Copernicus and of the European Commission in the general public and in relevant sectors/domains (space, EO, ICT &amp; start-up)</td>
<td></td>
</tr>
<tr>
<td>The proposal demonstrates an ability to ensure a wide and balanced coverage of the Copernicus participating countries.</td>
<td>10</td>
</tr>
<tr>
<td>4. Quality of the project (5)</td>
<td>5</td>
</tr>
<tr>
<td>The design of the project is well done, clear, concise and straight to the point, including a detailed work plan, activities' breakdown and timetable.</td>
<td></td>
</tr>
<tr>
<td>5. Budget and effectiveness (5)</td>
<td>5</td>
</tr>
<tr>
<td>To what extent is the budget clear and detailed? Does the breakdown of the budget, category by category, offer a way of ensuring that the amount of the grant awarded is the minimum necessary for the operation to be completed? To what extent is the proposed management costs are necessary for the implementation of the project?</td>
<td></td>
</tr>
<tr>
<td>Maximum total score</td>
<td>100</td>
</tr>
</tbody>
</table>

If a total score lower than 60 points or a score lower than 50% for any of the above criteria is obtained, the proposal will not be evaluated further.
16. **Annex 4 - Agreement**

The type of grant agreement will target mono-beneficiary.

The Commission must make the following payments to the beneficiary:

- One pre-financing payment of 25%
- One interim payment, on the basis of a report of activities, after 12 months and the organisation of the first 20 Incubations.
- A second interim payment, on the basis of the second report of activities, after 24 months and the organisation of the second batch of 20 Incubations.
- A third interim payment, on the basis of the third report of activities, after 36 months and the organisation of the third batch of 20 Incubations.
- A payment of the balance, after 48 months, on the basis of a report of activities.