

# TALLINN CITY INNOVATION OPEN CALL

The client of this application round is the Tallinn City Strategic Management Office and the organizer of this application round is Tallinn Science and Business Park Tehnopol.

## 1. Innovation Fund's purpose and anticipated outcome

In 2021, the City of Tallinn will provide technology companies with the opportunity to apply for financial support from the Tallinn City Innovation Fund, as well as access to the City of Tallinn's contacts, infrastructure and other opportunities to implement the project. The purpose of the implementation of the Innovation Fund is to:

- support cooperation between the City of Tallinn and technology companies by enabling the introduction of innovative software or hardware products in the City of Tallinn;
- support the City of Tallinn's ambition to make the city environment more modern, sustainable, citizen-friendly, and open;
- introduce innovative products and services related to smart city to the City of Tallinn;
- raise the awareness of Tallinn City employees and officials about possible new innovative developments in the urban environment.

Companies who received support from the Innovation Fund will benefit to the extent that they are able to:

- implement their products/services in Tallinn;
- carry out pilot projects in the real living environment of Tallinn;
- get real-time feedback on their products/services by citizens usage of particular product/services
- get the necessary contacts, advice, and resources from the City of Tallinn (incl. access to infrastructure or other resources necessary to carry out the project in the urban environment);
- receive financial resources (support) from the City of Tallinn;
- receive references and recommendations from the City of Tallinn in support of its sales and export activities
- use the support of the Tehnopol mentor network to carry out the project.

## 2. Support and terms of use

The total amount of the call for applications for innovation in 2021 is €50,000. The maximum single grant awarded to companies is € 15,000, plus a 50% self-financing contribution by the company. However, the total cost of a project may be more than €30,000, but the grant awarded may not exceed €15,000 per undertaking per year. Exceptionally, in justified cases, support may be increased for the scaling up of projects for which a financing decision has been taken, provided that the financial resources of the Fund allow it.

In addition, companies that do not need financial support but wish to cooperate with the City of Tallinn are welcome to apply. Thus, the competition offers not only financial assistance but also the opportunity to get contacts and startup support in the city of Tallinn.

Costs eligible under the grant include:

- the direct cost of implementing product/service piloting/testing (eg. costs for physical implementation in an urban environment) in Tallinn;
- the purchase of equipment, components, or software to launch a pilot project;
- product/service adaptation for implementation in Tallinn.

The following costs are not eligible under the grant:

- labor costs of a company involved in product/service development or testing/piloting;
- marketing costs associated with implementing the product/service;

Costs that are not reflected in the above list will be individually negotiated with the individual company due to the nature of the project.

The grant paid out under this call is de minimis aid to the company. The company must ensure that it is entitled to de minimis aid and that its maximum rate is not exceeded. After the completion of the project, Tehnopol will confirm to the company the de minimis aid received. It is up to the company to pass it on to the national system.

### **3. Call for applications**

The call for applications will take place only once in 2021. The call will be launched in May 2021 and the pre-qualifying companies will be presented to the Commission in September 2021. The Commission will complete their decisions preferably by 30<sup>th</sup> of September 2021.

### **4. Conditions for applying for support from the Innovation Fund**

The Innovation Fund application round is aimed at startups as well as small- and medium-sized enterprises that:

- are registered in the City of Tallinn;
- have been operational for at least the past 6 months
- have at least one, full-time employee
- have had a turnover of at least €10,000 in the past 6 months
- have developed and provide products/services in the smart city area and the products/services presented in this project support the goals stated in the Tallinn City Strategic Plan (environmentally friendly, sustainable, innovative)

\*take a look in here: <https://www.tallinn.ee/est/strateegia/Arengustrateegia-Tallinn-2035-avalikustamine>

Prerequisites for the implementation of the product/service requested from the Innovation Fund:

- the product/service is developed by the company itself (the prototype phase of the product/service has been completed and the product/service is functional), the product/service is not on the market yet;
- the product/service is innovative;

- it has not been previously implemented or has been implemented in the city of Tallinn, but the solution proposed by the company is more economical, environmentally friendly, innovative, or otherwise better and more attractive;
- corresponds to the thematic area of the competition;
- corresponds to the strategic goals of the Tallinn Development Strategy “Tallinn 2035”

Although the call is looking for smart city solutions in all areas, the expectations for some of the focus are described below:

- tourism: very important sector for Tallinn city that has reflections on export, investments, regional development, employment. Tallinn is looking for solutions that can grow the tourism sector, including digital solutions;
- circular economy: for Tallinn city it is important to grow the awareness and change the behaviour of its citizens and companies, find new businessmodels, increase international competitiveness;
- local communities: Tallinn has several smaller areas and communities that have created smaller versions of city centres themselves. All these areas must be easily accessible and open for everybody, offer the main services and be created according to the local needs;
- E-services: Tallinn has more than 500 e-services created already some of them open for direct contacts with the citizens and some not. Tallinn can see the need to come even closer to its citizens and users in every term and area;
- Tallinn-Helsinki cooperation: the creation of twin city for 2,5 mln people has been in the focus for both cities. Although it will be created as a twin city, it needs to behave as one, where people can move around easily, it has open access for its services for everybody and for every company.

The application for support is based on the company's application, which includes:

- business information (meeting the conditions for application) and a brief overview of activities;
- a description of the product/service and its past implementation/history;
- a description of the project for cooperation with the City of Tallinn, including a description of the requirements from the City of Tallinn, an overview of activities;
- a breakdown of the project budget, including source of costs and self-financing;
- the expected timetable for implementing the project;
- confirmation that the terms and conditions have been read;

## **5. Description of the application process and Commission decisions**

Call for proposals is time limited. Applications are submitted interactively through the Tehnopol website [innovatsioonifond.tehnopol.ee](http://innovatsioonifond.tehnopol.ee). Applications are processed by Tehnopol on a round-by-round basis. During the preliminary stage of processing of applications Tehnopol will determine:

- the applicant's eligibility;
- compliance of the application with the description in the project description;

In addition, Tehnopol will, if necessary, ask for additional information about the applicant and applications (written and oral, using online channels) necessary to decide on the pre-selected applicants and applications. On the basis of the preliminary round decision, Tehnopol will propose a contact person designated by the City of Tallinn for companies and projects that will qualify for the final round. The number of projects to be submitted for the final round is max 10 projects/proposals. Tehnopol will provide feedback to each applicant on applications that have not been received in the final round.

In the final round, the applicant presents the project to the committee. The Commission includes Tehnopol in cooperation with the City of Tallinn. The Commission will include representatives of the City of Tallinn (preferably from the areas where business applications are sought) as well as experts and representatives from the business and investment and smart city sectors (proposed by Tehnopol). The final decision is made by the Commission latest on 30<sup>th</sup> of September 2021. On the basis of the decision of the Commission, Tehnopol shall formalize the payment of the grant to the beneficiaries by a decision of the board.

## **6. Implementation of projects and support payments**

The decision of the board and the payment of the grant shall be based on the invoice submitted by the company. The invoice is based on the contract signed between the company and Tehnopol, which includes an application with a project plan, budget and project schedule, and a letter of approval from the City of Tallinn to fulfil its obligations.

The aid shall be paid in two instalments:

- 30% of the grant amount after signing the contract with Tehnopol;
- 70% after the implementation of the project activities and approval of the final report;

Company must be prepared to certify the expenditure incurred in the course of any control/audit carried out. VAT is only eligible if it is not refundable under Estonian national VAT law.

According to the application and project plan submitted by the company, Tehnopol monitors the implementation of the project and mediates communication with the City of Tallinn.

For its part, the City of Tallinn has the obligation to designate a contact person who will support the city's implementation of corporate projects by providing contacts, supporting necessary activities and transactions within an agreed timeframe.

In the event of problems in the implementation of the project plan, the further plan and activities for the implementation of the project plan will be decided by the contact person of the City of Tallinn, the representative of the company and the representative of Tehnopol.

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