

# TALLINN CITY INNOVATION FUND OPEN CALL REQUIREMENTS

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

The aim of the Innovation Fund open call, introduced by the city of Tallinn, is to support the development and implementation of innovative technologies with a small ecological footprint, including:

- support the city of Tallinn's ambition to make its city space more sustainable, citizen- and environment friendly;
- support cooperation between the city of Tallinn and technology companies by enabling the testing and implementation of innovative software or hardware products in the city of Tallinn;
- support technology companies' export ambitions, product development and entrance to foreign markets.

The Innovation Fund, introduced by the city of Tallinn, is administered by Tallinn Science and Business Park Tehnopol SA (onwards Tehnopol). The representative of the city of Tallinn in this open call is Tallinn Strategic Management Office's Enterprise Services.

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

- implement their products/services in Tallinn (or in the region of the capital in case the product or service is cross-border);
- 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 to implement pilot projects;
- receive references and recommendations from the city of Tallinn in support of its sales and export activities;
- use the support of Tehnopol's mentor network to carry out the project.

## 2. Support and terms of use

The total amount of the call for applications is approved annually by the budget of the city of Tallinn. The maximum single grant awarded to companies is € 30,000 per year, the grant is up to 70% of the real project related eligible costs. Exceptionally, in justified cases, support may be increased for scaling up of projects having received financing, 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, can apply through Test in Tallinn program website [www.tallinnovation.ee/testintallinn](http://www.tallinnovation.ee/testintallinn). The contact on behalf of the city of Tallinn is Tallinn Strategic Management Office's Enterprise Services. As non-financial support companies can get necessary contacts, open data and assistance with pilot projects in the city of Tallinn.

In case of joint projects, the lead partner is stated correctly in the joint application with whom the contract will be signed in case of a positive grant decision.

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:

- labour 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. Tehnopol will insert de minimis aid to the registry of Riigiabi ja vähese tähtsusega abi, having booked it beforehand.

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

The call for applications will usually take place only once per year. The call will be launched in April with the deadline on May 31. Pre-qualified companies (having passed the technical check) will be presented to the Commission in June. The Commission's proposals will be confirmed by the decision of the board of Tehnopol latest 10 working days after the gathering of the Commission.

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

The Innovation Fund application round is aimed at start-ups 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;
- for 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 (environmentally friendly, sustainable, innovative) stated in "[Tallinn 2035](#)" Development Strategy;
- have paid all the local and state taxes and do not have any debts regarding the city of Tallinn or these have been rescheduled. In case of rescheduling, debts need to be handled according to a concrete payment schedule. In addition, all the tax declarations have to be presented according to the law.
- are free from any liquidation, reorganisation or bankruptcy proceedings and bankruptcy decision.

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);
- the product/service is innovative, both hard and software solutions are allowed, and it has export potential to foreign markets;
- it has not been previously implemented in the city of Tallinn or has been implemented but the current solution proposed by the company is more economical, environmentally friendly, innovative, or otherwise better and more attractive;
- corresponds to the requirements of the competition that will be launched with the open call on the website <https://innovatsioonifond.tehnopol.ee/tallinn/>;
- corresponds to the strategic goals of the “Tallinn 2035” Development Strategy;
- at the end of the project the start-up/small- and medium sized enterprise removes the product/service, in case otherwise decided.

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

- business information 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 and an overview of the planned activities;
- a breakdown of the project budget, including source of costs (incl self-financing);
- the expected timetable for implementing the project (taking into account the end of the project);
- confirmation that the terms and conditions have been read.

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

Applications are submitted on the website <https://innovatsioonifond.tehnopol.ee/tallinn/>, where the open call deadlines can also be found. During the preliminary stage of processing of applications Tehnopol will determine:

- the applicant's eligibility;
- compliance of the application and the project description with the requirements of the open call.

Tehnopol has the right, if necessary, to ask for additional information about the applicant and applications in case it is helpful in making the decision in the the pre-selected round. On the basis of the preliminary round decision, Tehnopol will propose to the contact person designated by the city of Tallinn 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 written feedback to each applicant that did not make it to the final round.

In the final round, the applicant presents the project to the Committee. The participants of the Commission will be decided by Tehnopol in cooperation with Tallinn Strategic Management Office’s Enterprise Services. The Commission will include representatives of the city of Tallinn (preferably related to the project applications) 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 in June. 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 latest 10 working days after the gathering of the Commission.

## **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 also the project plan, budget and project schedule.

The aid shall be paid in two instalments:

- 50% of the grant amount after signing the contract with Tehnopol;
- 50% 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.

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

In the event of problems during the implementation of the project plan, the further plan and activities for the implementation of the project plan or termination of the project will be decided by the contact person of the city of Tallinn, the representative of the company and the representative of Tehnopol. These terms will be explained in the contract signed between the applicant and Tehnopol.

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