

National Space Innovation Programme

Call for project proposals

22 July 2020

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Please note the following deadlines for this funding call:

- for the submission of expressions of interest: 12 noon UK BST on 17/08/2020
- for the submission of completed applications: 12 noon UK BST on 02/09/2020

1. Purpose

The National Space Innovation Programme - NSIP – is the UK Space Agency’s new programme established to support the development of innovation in the UK’s space sector. NSIP will provide grant funding to UK project teams to support the development of their innovation ideas.

The UK Space Agency (UKSA) is now inviting applications for grant funding from organisations that are interested in developing their innovative products, services or technologies in either of the two core themes:

- Earth Observation to Tackle Climate Change
- Ubiquitous Communications for Enterprise, Consumers and Government

These are the themes selected for the FY 20/21 and we anticipate expanding the number of programme themes in future years.

2. Strategic context for NSIP

The government’s ambition is to grow the UK’s share of the global space market to 10% by 2030. To achieve this, the sector will need to quickly seize the most significant growth opportunities in current and emerging markets. In May 2018, the Space Growth Partnership (SGP) published their blueprint for space sector growth, ‘Prosperity from Space’¹ and in 2019, the space sector called for a ‘National Space Programme’ as a priority to grow the sector.

In September 2019, government announced an ambition for a new national space strategy and work to develop this is underway. In 2019 the Space Growth Partnership (SGP) sought ‘Expressions of Interest’ from the UK Space industry to evidence priorities for a National Space Innovation Pathfinder and the results were published² in April 2020. We are now providing UK organisations with the opportunity to bid for co-funding to help them develop their innovations in either of the two key themes identified in the expression of interest.

3. Invitation to submit grant proposals

In this Pathfinder funding call, the UK Space Agency is inviting UK organisations to submit proposals for their innovative projects that address either of the following areas:

- **Earth Observation to Tackle Climate Change**
- **Ubiquitous Communications for Enterprise, Consumers and Government**

More detail about each theme follows:

Earth Observation to Tackle Climate Change

- In 2019 the UK became the first major economy to legislate for net zero emissions by 2050 and therefore end the UK’s contribution to climate change.

¹ https://www.ukspace.org/wp-content/uploads/2019/05/Prosperity-from-Space-strategy_2May2018.pdf

² <https://www.spacepartnership.org.uk/sgp-response-to-nsip-evidence/>

- In this Year of Climate Action, and with the UK due to host the 26th UN Climate Change Conference of the Parties (COP26) in November 2021, project proposals are invited to focus on how the UK can deliver innovative solutions or products that will tackle climate change challenges. Proposals could include but are not limited to:
- Innovation in the instruments or tools used in satellite earth observation (EO) to monitor progress towards international climate commitments such as those made under the Paris Agreement adopted in December 2015.
- Innovation in systems tools and infrastructure for the development of robust, timely and sustained climate data and products to enable dynamic decision-making by government and/or business to support the transition to a net zero economy.
- Innovation in the processing and use of satellite EO and other data to enable citizens and business to better understand local or personal contributions to reducing climate change or adapting to its combined impacts.

Ubiquitous Communications for Enterprise, Consumers and Government

- A market sector that the UK is traditionally very strong in and supporting innovation has a high likelihood of providing high commercial returns
- Technologies like the Internet of Things, robotics, AI and 5G - all need connectivity, with people using ever more devices to control and manage their environment and to stay in touch. The UK digital economy is moving to areas where terrestrial communications cannot reach, uneconomical, or where 'always on' connectivity is imperative, such as autonomous vehicles and ships. Satcom can open up the rural and digital economy by providing the ubiquitous comms needed to provide 100% UK (and global coverage).
- The technology to deliver satcom is radically changing so it is important that we continue to innovate at a time when the 5G standard is being set. The opportunity for Satcom to support societal challenges and become a commoditised utility through the application of mass automation, AI and advanced manufacturing must be taken now. The UK needs to stay at the forefront of development in both the ground and space segment to deliver an affordable and integral part of the standard digital tool box before competing nations. If Satcom is locked out of 5G, the goal and benefits of seamless ubiquitous, resilient communications will not be realised.
- The UK is facing an unprecedented threat through hacking and cyber-attacks. Satcom has the unique ability to cover wide areas cost effectively. Satcom reduces susceptibility to attack and interference and the UK can open up new opportunities in delivering secure or assured communications through its expertise in Quantum and classical security techniques, in an era where the number of connections and number of cyber-attacks has increased exponentially.
- Project proposals are invited that focus on how the UK can deliver innovative solutions or products that support the societal challenges facing the nation.

The UK Space Agency is looking for projects that may be high risk but have potential for high returns and have a clear target market.

4. Mandatory requirements

All applicants must note the following mandatory requirements:

- The projects must be led by a UK organisation.

- Proposals must be within one of the themes described in Section 3, any other proposals will not be considered within this funding call.
- Proposals must demonstrate a high probability of successfully meeting the aims of the opportunity.
- Proposals must include consideration of the commercial or scientific viability of the proposed innovation. This should demonstrate that the innovation would support development of a realistic and sustainable market.
- Proposals must demonstrate that the investment sought from the UK Government represents clear value for the UK public, through measurable benefits for the UK economy.
- All projects will need to demonstrate that they have an effective structure in place for managing the administration of the grant requested and demonstrate that they have a sound approach to planning to achieve their programme aims on time and within budget.
- As part of the application for funding, applicants must review and accept the terms of the UK Space Agency’s published grant agreement. Only minor amendments will be considered. This will enable projects to start soon after evaluation and proposal selection has been completed.

Applicants are also to note the following considerations at to what is considered to be in and out of scope in this funding call:

Proposals welcomed that...	We are not funding...
<ul style="list-style-type: none"> • Establish a new innovative technology, product or service and/or new IP within the UK space sector • May be high risk but have the potential for high returns • Will deliver tangible step-change in the UK’s capabilities in the space sector • Are led by a UK organisation • Have collaboration between UK industry, UK academia and/or other UK research organisations • Demonstrate clear benefits to the UK space sector, such as jobs, supply chain development or skills development • Offer high knowledge spill-over • Offer high potential for global exports or products and/or services • Offer advancement of new approaches in space science 	<ul style="list-style-type: none"> • Incremental developments in technologies, products or services • Fundamental Research • Products or services that have no defined target market • Projects that are not led by a UK organisation • Projects that are out of scope of this NSIP Pathfinder funding call • Projects that seek to define any future NSIP themes

5. Organisation eligibility

There are a series of requirements for eligibility to receive grant funding:

- Grant Recipients must demonstrate the ability to effectively manage a project
- Grant Recipients must have a UK bank account and all grant payments will be made in UK sterling (as per grant funding agreement)
- All project members must have in place and provide evidence of appropriate anti-bribery and anti-corruption policies
- All project members must provide evidence of a process for declaring and managing conflicts of interest
- All project members must be able to provide evidence that they are GDPR compliant
- Projects cannot work in areas that are in active conflict and any travel to overseas must comply with FCO recommendations
- Projects must pass due diligence checks on company viability (financial standing assessment, governance, conflicts of interest, technical expertise)
- Formal teaming, or equivalent agreements between project partners must be in place within 60 days of grant signature
- Projects must comply with the rules stated in this guidance document

6. Funding

It is expected that the UKSA grant amount per project will lie between £200,000 and £2,000,000 for project deliverables in FY 20/21. UKSA reserves the right to also consider proposals that may be above the maximum amount stated.

Following the evaluation process, only the highest-ranking applications that sit within the Agency's overarching funding and affordability envelope will be funded. All projects must complete their FY 20/21 milestones before the end of March 2021.

All projects must include match-funding from the applicant and project partners. The size of match-funding will differ depending on the activity completed and the size or type of organisation involved in the proposal. Further detail on the level of match-funding required and the maximum UKSA contribution can be found in Section 7 of this call document and Annex A.

Financial checks will be undertaken, and all grant recipients are expected to demonstrate sound financial and programme management procedures.

Grant payments will be made following successful completion of applicable milestones and will be made to the Prime organisation only. Milestone completion criteria will be agreed, linked to each milestone deliverable, with evidence required to demonstrate that each milestone has been completed successfully and costs have been expended in accordance with the principles set out in this document.

Each project selected for grant funding will also be required to provide brief monthly updates on the project progress using a template provided by the UK Space Agency.

7. State Aid

Funding will be considered via either de minimis state aid or via the General Block Exemption regulation. For a further explanation of state aid see Annex A

- **General Block Exemption Regulation.** The Government has published guidance on the General Block Exemption Regulation (GBER) which covers a range of pre-approved types of state aid that do not require individual approval from the European Commission, or prior notification to the European Commission, in advance of being granted. We will only consider requests for funding which comply with the research, development and innovation exemption (Section 4) provided for in GBER. Further guidance is enclosed in Annex A, whilst a full guide is available at the following website: <https://www.gov.uk/government/publications/state-aid-general-block-exemption-regulation>. In their application, organisations should describe how their proposal complies with one of the available exemptions under the research, development and innovation GBER. Organisations may rely on more than one exemption.
- **De minimis state aid.** The Government has published guidance on applying for de minimis state aid. The maximum amount of de minimis funding that one organisation can receive in a 3-year rolling period is €200,000. The conversion will be calculated using the European Commission's rate on the date the grant is awarded. Please ensure you do not exceed your organisation's limit for de minimis funding. Further guidance on de minimis funding and the EC definition of company sizes is available at the following website: <http://www.gov.uk/government/publications/state-aid-the-basics>. In addition to the grant funding requested, which is subject to the €200k de minimis ceiling specified above, applicants must contribute their own finance or resources to maximise project outcomes. Applicants must provide a minimum of 20% of the total project cost from their own resources or funding. For the avoidance of doubt, a maximum of 80% of the total project cost can be grant funded. Further guidance can be found in Annex A.

Organisations seeking funding will be required to provide a clear indication in their application of how their proposal is compliant with one of these state aid exemption criteria. Proposals cannot be made under both criteria.

8. Mandatory eligibility and scope

After the deadline for application submission, valid applications will be sent for assessment. Only applications that meet the following mandatory eligibility criteria and scope of the call will be sent for assessment:

- Alignment with the aims of the 'Purpose' of this call for project proposals;
- Alignment with State Aid regulations as detailed in Annex A;
- Alignment with page counts and information requested in the Application Form as detailed in Annex B;
- Proposal made by a UK single lead organisation, acting alone or as the Prime of a project collaboration
- Evidence of the requirements as set out in this call document have been met;
- Acceptance of the terms and conditions of the UK Space Agency's published grant agreement (Annex F) – requests for minor amendments only will be considered.

The UK Space Agency reserves the right to declare a project proposal as out of scope or incomplete.

9. Evaluation Criteria

Applications that meet the mandatory criteria above will be assessed by an independent advisory panel. This panel will consist of independent UK Space Agency approved reviewers drawn from academia, industry or government. This panel will assess the proposals according to a scoring system on a set number of criteria.

Proposals will be assessed against a range of criteria, with criteria weighted to reflect their relative importance to the final score. A detailed copy of the scoring system and weighting can be found in Annex C. The criteria to be assessed will include:

- The innovation proposed
- Relevance
- Benefit to the UK
- Management and planning

Assessors will provide scores for each question in the application. All applications are assessed on individual merit. The UK Space Agency will make the final decision regarding funding, using the panel's recommendations and wider relevant legal, policy and financial considerations. The UK Space Agency will also take into account the available budget for the FY 20/21, the value for money of the proposal, and the requested amounts of funding for each project in the subsequent financial years. The UK Space Agency will also be seeking to establish a balanced portfolio of projects across the space sector.

To aid our consideration, Annex B provides guidance for a proposal and sets out the minimum information that all submissions must include.

10. Application schedule

The below table outlines the expected timetable for this call for grant funding. This call opened on 22 July 2020 and will close at 12 noon (BST) on 2 September 2020. UKSA aims to notify all bidders of the results of their bid during September.

Funding call opens	22 July 2020
Deadline for submission of applicant questions	10 August 2020 at 12 noon BST
Deadline for submission of Expression of Interest	17 August 2020 at 12 noon BST
Deadline for submission of proposals	2 September 2020 at 12 noon BST
Notification of outcomes	September/October
Due diligence on down-selected proposals	September/October
Grants to be signed by	End October

All organisations that will be submitting one or more proposals as the lead (or Prime) organisation are encouraged to submit an Expression of Interest (EOI) using the template in Annex G by the date above. Submission of EOIs will assist UKSA in planning the review phase of applications received.

All projects must complete their discovery phase FY 20/21 milestones before the end of 31 March 2021. Projects that do not complete their FY 20/21 project milestones may not be eligible to participate in the planned mini-competition for consideration of implementation phase project funding.

Any questions about this funding opportunity should be submitted to the following email address nsip@ukspaceagency.gov.uk, questions submitted to any other UKSA email address will not be considered. The final deadline for any questions is 10 August to enable all potential applicants to consider answers provided. A live Q&A log will be maintained and hosted on the UK Space Agency web page alongside the call documentation.

11. Confidentiality

The procedure for handling and assessing the bids and notifications will be as follows:

- Final proposals must be submitted to the NSIP team, using the NSIP email nsip@ukspaceagency.gov.uk. Applications submitted to any other UK Space Agency email address will not be considered.
- All proposals and notifications will be held in confidence by the UK Space Agency, except to be shared with evaluation panellists.
- Information relating to the proposals may also be shared with other UK government departments, agencies and arm's length bodies.
- Summary information on all successful proposals who receive grant funding will be made public, including the summary of the proposal (from Section 2 of the Application Form) and the identities of organisations involved.
- For those bids not recommended by the panel for funding, documentation will be retained by the UK Space Agency for reference. The proposals will not be visible to any others, and the names of any unsuccessful bidders will not be published.
- Following completion of the down-selection of projects, UK Space Agency may contact applicants as part of its review of the programme.
- All other documentation relating to bids selected for funding will remain confidential within the UK government.

Information submitted as part of a proposal, or subsequent commercially sensitive information submitted as part of the grant agreement, will not be disclosed by us save for in so far as we consider necessary, in our absolute discretion, to comply with our legal obligations under the Freedom of Information Act 2000, Environmental Information Regulations 2004 or any other legal act, requirement or obligation. Where permitted by law we will attempt to notify you of any such disclosure.

12. Finance policy

All partners must use a separate, project-specific, bank account or project accounting code for project funds to enable a clear audit trail.

Cost recovery - The funds from Grant funding are on a **cost recovery basis only**. Grants are solely intended to cover the cost of delivering the agreed activity or goal. Any surplus funds not spent will be lost to the project unless there are alternative arrangements agreed.

Grantees cannot receive any funding from other grants/contracts to undertake the same activities.

Grant funding cannot be rolled over between financial years without explicit consent from UK Space Agency

Invoices – UKSA will only pay on actuals. Should actual costs incurred be greater than the value of the milestone value, these costs will be borne by the Grant Recipient, unless the additional expenditure has been agreed with the UK Space Agency ahead of the costs being incurred and a Grant Change Notice (GCN) executed.

Staff costs must be calculated on a cost recovery basis only and be broken down by pay costs and overheads separately.

Pay costs are calculated based on your PAYE records. They should include gross salary, employer National Insurance (NI) contributions and employer pension contributions. Pay costs must **not** include:

- Any profit margins
- Commercial charge-out rates
- Allowances for bonuses and benefits in kind
- Business development
- Travel & Subsistence

These pay rates will be subject to checks during the negotiation stage by internal or external teams to ensure that day rates reflect actual costs. High payroll costs will be challenged and evidence (such as pay slips, etc.) must be provided to justify that the rate is on a cost recovery basis only.

When making grant claims against labour costs, actual costs claimed must be supported with timesheets of those individuals who have worked on the project.

In the budget breakdown, you are asked to provide a pay cost per day. Using actual gross monthly payroll costs, please assume 260 working days in the year, less annual leave and public holiday entitlements.

Overheads for the project are costs incurred that are additional to normal functions and incurred as a result of the project. The overheads should be stated separately from the pay costs and in this funding call, bidders are to note that:

- (1) The 20% overhead rate includes both direct and indirect costs and should be recorded in the appropriate overhead section. The overheads relating to contingent workforce / consultants should be included within their daily rate, and not included in either the calculation of the 20% overhead allowance or charged to it.

Selecting this 20% overhead option allows UKSA to review and process a grant application much faster as no further documentation is needed from you.

- (2) By exception, if you consider that your overheads cannot be accommodated within the 20% rate and would like UKSA to consider an alternative level, you may submit a detailed breakdown of your proposed direct and indirect costs using the 'Overheads breakdown' tab in the budget template (Annex E). Please note the following:

- Overheads should be stated separately from the pay costs and their constituent elements identified and recorded by work package in the budget breakdown spreadsheet.
- All costs need to be compliant with conditions set out within the GBER Article applicable to your proposal.
- In considering the value for money of your proposal, UKSA will take into account the full costs of the activity including overheads.
- Once the overhead recovery rate has been approved, it cannot be exceeded unless agreed as part of a grant change notice.

The principles set out above also apply to project partners (not sub-contractors) and grant recipients will be required to provide assurance that their project partners are compliant with the funding principles.

Contingent workforce is a labour pool whose members are hired by an organisation on an on-demand basis. A contingent workforce consists of freelancers, independent contractors and consultants who are not on the company's payroll because they are not full-time employees of the organisation.

The budget should be structured showing consultant day rates and number of days worked. This information will be accessible to assessors and the day rate will be assessed on value for money.

VAT Rules - Grant funding is outside the scope of VAT so you cannot charge output VAT on top of your submitted costs. If you incur non-recoverable **input** VAT costs, you cannot pass this on to the UK Space Agency.

All applicants are required to complete the budget template (Annex E) for their proposed milestones and work packages for FY 20/21. An outline of the proposed milestones, deliverables and costs for subsequent FYs to March 2023 is to be included Section 9 of the Application Form (Annex D).

13. Ineligible Expenditure

The following costs are ineligible:

- Payment that supports for lobbying or activity intended to influence or attempt to influence Parliament, Government or political parties, or attempting to influence the awarding or renewal of contracts and grants, or attempting to influence legislative or regulatory action;
- Using grant funding to petition for additional funding;
- Input VAT reclaimable by the Grant Recipient from HMRC;
- Payments for activities of a political or exclusively religious nature;
- Goods or services that the Grant Recipient has a statutory duty to provide;
- Payments reimbursed or to be reimbursed by other public or private sector grants
- Contributions in kind (i.e. a contribution in goods or services, as opposed to money);
- Depreciation, amortisation or impairment of fixed assets owned by the Grant Recipient;
- The acquisition or improvement of fixed assets by the Grant Recipient (unless the grant is explicitly for capital use – this will be stipulated in the Grant Offer Letter);
- Interest payments (including service charge payments for finance leases);
- Gifts to individuals;
- Entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations);
- Statutory fines, criminal fines or penalties; or liabilities incurred before the issue of this funding agreement unless agreed in writing by UK Space Agency;
- Employee paid benefits and bonuses;
- Alcohol.

14. Travel and Subsistence

The following outlines the guidelines for travel and subsistence costs. Value for money must always be considered. If for any reason the set limits cannot be adhered to (e.g. to accommodate a reasonable adjustment), you must seek prior written approval from UK Space Agency. No claims for alcohol will be accepted.

UK Space Agency reserves the right to not settle claims which have breached these guidelines. All expenditure must be supported by actual, itemised receipts.

Limits:

- Accommodation: £140 per night
- Breakfast: £5
- Lunch: £5
- Dinner: £15

Travel:

- All travel claimed must be using Economy rates.
- Tolls, Ferry Costs, Parking and congestion charge: Receipted costs for ferries, and tolls bridges and roads unavoidably incurred during your business journey may be

claimed. Reasonable parking charges may be claimed. Receipted congestion charges unavoidably incurred on your business journey may be claimed.

15. The Grant Funding Agreement

The grant funding agreement template is included as a separate document (Annex F). Applicants must sign up to the terms as set out in the grant funding agreement.

No material changes to the terms will be considered. Minor changes may be considered if an applicant can demonstrate that agreeing to the provision within the Grant Funding Agreement would result in the applicant breaching its statutory or regulatory obligations.

Grants agreements must be signed by a Chief Finance Officer or someone with appropriate delegated authority.

All organisations in receipt of grant funding must abide by the UK government Code of Conduct for Grant Recipients:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/754555/2018-11-06_Code_of_Conduct_for_Grant_Recipients.pdf

16. Annual Audit of Project Costs

For Grant awards of £250,000 and over, projects will be subject to an external annual audit to ensure that costs claimed from the grant funding have been expensed on agreed project related expenditure and comply to UK Space Agency grant funding policies (e.g. match funding). The auditor will be appointed by UK Space Agency. All subcontractors and partners must provide access to project relevant expenditure. Therefore, Grant Recipients must maintain, and be able to provide upon request, any supporting evidenced as deemed necessary, such as:

- Timesheets (prime and, where applicable, partners)
- Staff costs (contractors)
- All receipts (including T&S)
- All partner and subcontractor invoices
- Breakdown of overhead costs
- Breakdown of capital usage (e.g. licence, data costs etc)

The UK Space Agency reserves the right to conduct ad-hoc audits throughout the life of the project.

17. Due Diligence

UKSA will carry out due diligence on grant applications as required using internal and, where necessary, external subject matter experts. The scope and degree of due diligence will be determined by the value, nature and complexity of the grant scheme. All applications will be subject to basic checks such as credit reports and Companies House checks.

Additional pre-award due diligence may include, but is not limited to:

- Technical assessment of the proposed project: including technical viability and sustainability;
- Financial assessment: organisation financial standing/health, assessment of project costs, aid intensity values and match funding contributions;
- Economic impact / value for money assessment
- Commercial: viability and / or commercial sustainability of the proposed solution, market position, demand and / or interest in technology, terms of the grant funding agreement; and / or
- Programmatic: alignment to aims and objectives of the programme, programme plan which demonstrates the project can be delivered within the funding period and the critical path, risks and issues, details on project partners and / or subcontractors.

Post-award due diligence may include, but if not limited to:

- Technical assessment of milestone deliverables against acceptance criteria to allow milestone payments to be released;
- Financial: assessment of expenditure for each milestone payment and reporting on planned costs, follow up review of financial standing/health if it is a multi-year project
- Commercial: change management including any variations to time, cost, scope, or Grant Funding Agreement (GFA) terms; review of milestone deliverables as required;
- Programmatic: project progress and impacts of any delays, risk assessment and mitigation activity; and
- End of project review: Has the technical and economic value been realised? Lessons learned and continuous improvement.
- For Grants of £250,000 and over, UKSA commissioned and funded financial audit of Grant Recipient, and if applicable project partner, costs.

Grant Applicants who opt to work with project partners, companies involved in delivery of the project under a flow down agreement rather than a subcontractor, will assume all responsibility for partner due diligence.

Applicants will need to demonstrate they have carried out a sufficient level of due diligence with regard to their proposed project partners and subcontractors. Applicants will need to demonstrate they have carried out minimum checks at proposal stage, which may require further scrutiny if the proposal is to be funded.

To meet this requirement, applicants can provide evidence of due diligence carried out supported by the resulting information or submit a partner reasonable assurance statement. The evidence should be consistent with the checks that we would conduct on our Grant Recipients, for examples, financial standing, technical ability and scrutiny of the breakdown of costs. Any costs associated with project partner due diligence is considered a bidding cost and is to be borne by the applicant.

Applicants must provide evidence that they, and project partners have in place of appropriate anti-bribery and anti-corruption internal policies, and a process for declaring and managing conflicts of interest.

18. Other

For the avoidance of doubt, the issue of this Announcement of Opportunity is not a commitment by the UK Space Agency to take forward or support any application. Any expenditure, work or effort undertaken prior to an offer of support and acceptance thereof is a matter solely for the commercial judgement of your company, and the Government will not be held liable for any costs incurred by participants in connection with the application process.

For the avoidance of doubt, the UKSA will be under no obligation to continue to provide funding beyond the terms of any resulting grant award, nor purchase or promote use of any resulting IP or product developed using grant funding.

The UK Space Agency will monitor any funded projects through regular project reports (usually monthly) and updates, with payment milestones accompanied by a series of formal reviews. A reporting format will be provided to successful applicants. As UK Space Agency will use the meetings and reports to monitor project progress, in certain circumstances more meetings than stated may be required.

The UK Space Agency reserves the right in its absolute discretion to:

- waive or change the requirements of this Announcement of Opportunity from time to time through a formal amendment, initiated by the Agency;
- seek clarification in respect of a participant's proposal;
- disqualify any participant that does not submit a compliant proposal in accordance with the instructions in this Announcement of Opportunity.
- disqualify any applicant that is guilty of misrepresentation in relation to its proposal or the proposal process;
- withdraw this Announcement of Opportunity at any time, or to re-invite proposals on the same or any alternative basis;
- disqualify applicants where support may conflict with the government's foreign policy and international commitments or may pose a threat to national security;
- choose not to support any proposal as a result of the proposal review process

It is the responsibility of the lead organisation (the Prime) to ensure that all of the required information is provided in the correct format before the submission deadline.

Incomplete and/or late applications will not be eligible for review

This funding call closes at 12 noon UK BST on 2 September 2020

Annex A – State aid

Enterprises must ensure their proposal is compliant with either *De minimis* state aid or GBER. A full explanation of the state aid exemption criteria chosen should be accounted for in Section 4 of the application. In this funding call, it is expected that GBER will be applicable.

GBER:

The General Block Exemption Regulation covers a range of pre-approved types of State aid that do not require individual approval from the European Commission in advance. The Commission allows State aid to enterprises for technology R&D activities, with intervention rates (i.e. maximum % grant offered) depending on the type of activity, the type of organisation, and the size of the company as follows:

1. **'Industrial research'** means the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services or for bringing about a significant improvement in existing products, processes or services. It comprises the creation of components parts of complex systems, and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and notably for generic technology validation.

2. **'Experimental development'** means acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services.

Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product, and which is too expensive to produce for it to be used only for demonstration and validation purposes.

Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes may represent improvements.

3. **'Feasibility study'** means the evaluation and analysis of the potential of a project, which aims at supporting the process of decision-making by objectively and rationally uncovering its strengths and weaknesses, opportunities and threats, as well as identifying the resources required to carry it through and ultimately its prospects for success.

The following table summarises the GBER categories and maximum allowable level of support:

State aid category	Level of support available		
	SME	ME	LE
Fundamental research	100%	100%	100%
Feasibility study	70%	60%	50%
Industrial research	70%	60%	50%
Industrial research projects involving collaboration/ dissemination*	80%	75%	65%
Experimental development	45%	35%	25%
Experimental development projects involving collaboration/dissemination*	60%	50%	40%

*Collaborations between businesses and research organisations where the research organisation bears at least 10% of the costs and have the right to publish their own research, or business to business collaborations which involve more than one-member state of the EU/ EEA or involve at least one SME, provided that no one business partner carries more than 70% of the project costs. Procurement/supplier relationships do not qualify.

The following table summarises the European Commission definition of what constitutes an SME:

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium sized	< 250	≤ €50 m		≤ €43 m
Small	< 50	≤ €10 m		≤ €10 m
Micro	< 10	≤ €2 m		≤ €2 m

Anything above the limits for a medium sized company is designated as a large company.

Academic partners will be funded in all cases at 80% of Full Economic Cost (FEC).

De minimis state aid:

The De minimis regulation allows Member States to give comparatively small amounts of support up to a certain limit.

De minimis aid can be given for most purposes, including operating aid, and is not project-related:

1. The maximum De minimis funding any single recipient can receive is €200,000 over a 3-year fiscal period. You must take steps to ensure the limit is not exceeded and that you can demonstrate this;
2. The sterling equivalent is calculated using the commission exchange rate applicable on the written date of offer of the De minimis funding;
3. The above ceilings apply to the total amount of De minimis aid to a single recipient from all sources of De minimis aid;

4. De minimis aid cannot be given towards the same costs that are being supported under another block exemption or notified scheme if it means that the total aid would exceed what is allowed under the block exemption or notified scheme. De minimis aid could be given for separate costs however.

Enterprises must keep record of any De minimis aid for a period of 3 years. On written requests, Member States must provide the Commission, with all the information that the Commission considers necessary for assessing whether the conditions of the Regulation have been complied with.

Annex B – Application Form guidance

Introduction

These Guidance Notes complement the Announcement of Opportunity and are designed to assist your completion of the Application Form (Annex D). Please note:

1. The application template has been provided. No adjustments to the formatting, size, or other parameters are permitted;
2. All sections of the application form are mandatory;
3. Should any part of the application overrun the specified page or word limit, we will only consider material up to the designated page limit that is in the correct format;
4. All applications forms must be completed in Arial font, size 11, and submitted electronically as an A4 single document, in line with the template.

The application process

Please note the following information regarding this Announcement of Opportunity:

1. All applications will be treated in confidence in accordance with the confidentiality section of the Call Document;
2. The application process for this competition requires completion of the Expression of Interest (Annex G, Application Form (Annex D) and the Budget Template (Annex E);
3. Documents must be submitted by the respective deadlines, via email to nsip@ukspaceagency.gov.uk – applications submitted to any other UK Space Agency email address will not be considered;
4. If you are proposing minor amendments to the GFA, a marked-up copy of the GFA (Annex F) should also be included with your submission;
5. Applications must not exceed 10MB and all documents must be attached electronically and submitted on the templates provided. For avoidance of doubt we expect each email to contain 2 attachments – a completed application form (including the State Aid declaration), and a completed Budget Template, together with a marked-up GFA if applicable. Additional information provided beyond that requested will not be evaluated;
6. We strongly advise that the Application Guidance notes below are read prior to submission;
7. Upon receipt of an application, you will be issued with a receipt note within 24 hours of the application deadline. If you do not receive this, please contact the NSIP team;
8. If you wish to submit several applications, each of these must be emailed separately;
9. Only use acronyms where a term is mentioned frequently throughout the proposal. If you do choose to use an acronym, do not assume that the reader knows what it means, and be sure to define it, bearing in mind that individual sections of the application may be read separately during the selection process;

10. Annexes A, B and C are provided as supporting documentation and are not to be submitted with the application (Annex D) and budget template (Annex E).

Below is a summary of the sections required in any proposal alongside a maximum number of pages for each section. Information provided over the number of pages specified below will not be considered by the advisory panel when proposals are scored.

Section 1: Main details	As per the template	A fully completed template summarising the main details of the proposal
Section 2: Project summary	Maximum half a page	A summary of the proposed project, <u>suitable for public release</u>
Section 3: Company/organisation	As per the template	Detail of parties involved in the project, including a description of the primary project delivery team
3a) Details of lead organisation		
3b) Details of project lead		
3c) Other organisations significantly involved in the application		
Section 4: State aid	Maximum half a page	
Section 5: Innovation	Maximum 3 pages	Detail about the innovation you are proposing
Section 6: Relevance	Maximum 3 pages	Detail the applicability of the innovation to space market/sector
Section 7: Benefit to the UK	Maximum 2 pages	Detail why the project merits co-funding
Section 8: Sound management and planning	As per the template	Demonstrate how you will effectively manage the project with consideration for the timeframe and value for money and FY 20/21 deliverables
8a) Management of project		
8b) Risk management		
8c) Rationale for funding		
8d) Milestones and deliverables in FY20/21		
Section 9: Implementation phase: milestone deliverables and cost.	As per the template	Outline the planned milestones, deliverables and costs for subsequent FYs to March 2023
Section 10: Declaration	As per the template	Final declaration

Guidelines for completing the Application Form

Section 1: Main details

This section should be completed as per the template provided, with the following details:

1. Please confirm the full registered name of the single lead organisation making this proposal, to which any funding will be paid
2. Please specify the exact grant requested from the UK Space Agency. Costs should be to the nearest one pound and should be in GBP currency
3. Please specify the total project cost to the nearest one pound, and percentage of grant funding being requested compared to this total
4. Please specify which call theme you are applying under by checking the appropriate box

Section 2: Project summary

Please provide a summary of your proposal that can be used in publications, for example on the UK Space Agency website or in a press release if the project is funded.

Section 3: Company and organisation

This section should be completed with the following details:

1. Please confirm the nationality, employee count and estimated annual income of the lead organisation for this proposal, representative of the organisation.
2. Please identify the name of the person who will be the primary contact for the duration of the project.
3. Please identify any other organisations who are significantly involved in the application. In addition, a description of their expertise and role within the project should be provided. This may include:
 - Any organisations who are already committed to this project and will form part of the project delivery team
 - All other organisations who are involved in the project, either forming part of the project delivery team or otherwise supporting the project

Section 4: State aid

Please complete in accordance to the guidance in Annex A. Due to the minimum grant value in this funding call, it is anticipated that GBER will be applicable.

Section 5: Innovation

This section should give a clear description of the product, service or technology is being proposed including its novelty, originality, newness to space sector and suitability of the work proposed, including assessment of risk and benefits. In particular, please specify:

1. What is novel about your innovation.
2. How the project work proposed in FY20/21 will demonstrate the advancement of your innovation.

Section 6: Relevance

This section should detail the applicability of your proposed innovation to space market/sector and why funding is required now from UK Space Agency. In particular, please specify:

1. What market your innovation will address.
2. How your innovation will be disruptive in the market.
3. What the potential returns are.

Section 7: Benefit to the UK

Please describe how your proposal will bring benefits to the UK space sector or grow the expertise available in the UK and benefit the UK economy. In particular, please specify:

1. How your proposal will benefit the UK economy.
2. How the investment sought from UKSA represents value for the UK public.
3. Consideration of the UK-based employment and contract opportunities that will arise from your proposal.

Section 8: Sound management and planning

Please describe your approach to managing the project, and any relevant financial information relating to delivery of the project. In particular, you should:

1. Describe the programme management, governance and oversight arrangements you will use to assure your time, cost and quality specifications.
2. Identify and explain any key risks, constraints or uncertainties that you anticipate, alongside any processes or measures in place to manage or mitigate these risks. This should make particular reference to delivery risks arising from the COVID-19 pandemic.
3. Complete the milestone proforma, clearly showing the milestone title, date of completion, associated grant value requested, the deliverables/work packages as evidence of completion, and the success criteria for each deliverable/work package.
4. Include at least one milestone with its associated deliverables/work packages that must be completed before 15 December 2020.

Section 9: Implementation phase

This section should outline proposed milestones, deliverables and costs for project work beyond the FY 20/21 in the milestone proforma. Information in this section will be used to inform the overall assessment of your proposal.

Project teams that have successfully completed their FY 20/21 milestones will be invited to participate in a mini-competition in 2021 for the down-selection of projects to be taken forward into the Implementation Phase. More information about this will be provided to those project teams in 2021.

Section 10: Declaration

Please complete all of the check boxes and sign the declaration. Proposals will only be accepted if all the check boxes have been completed.