

Evaluation process of applications submitted to the Measure "Enterprise Applied Research Regulation" activity "Supporting Entrepreneurial Applied Research and Experimental Development Following Applied Research"

Methodology for assessing applications containing experimental development or applied research

1. Evaluation process of applications

- 1.1. Applications on experimental development and applied research submitted and accepted according to regulation " Supporting Entrepreneurial Applied Research and Experimental Development Following Applied Research " (hereinafter: Regulation) will be assessed under assessment criteria stipulated in the regulation and described in this methodology assessment.
- 1.1. The assessment committee will base their decisions on the assessment committee rules of procedure confirmed by Enterprise Estonia, taking into account the following:
 - 1.1.1. The expert committees formed from the members and substitute members of the assessment committee, must ensure that a majority of their members be entrepreneurs;
 - 1.1.2. The composition of the expert committees formed from the members and substitute members of the assessment committee, must be adjusted in accordance with the fields relevant to the project being assessed, – while following the stipulations in point 1.2.1 – replacing entrepreneurial members with substitute members who have the knowledge and experience in the field of the project.
- 1.2. Enterprise Estonia will involve independent experts into the assessment process.
- 1.3. Any data found in the application as well as any data found in public databases will be taken into account during the assessment process.
- 1.4. The assessment committee, any expert committees formed from the members and substitute members of the assessment committee and independent experts will assess the applications on the basis of assessment criteria detailed in the Regulation and in accordance with the assessment criteria and their sub criteria found in Annex 1 of this methodology assessment.
- 1.5. The grade for every assessment criterion is formed from the weighted average of its sub-criteria.
- 1.6. The aggregate grade of the application is formed from the weighted average of four assessment criteria. Both the aggregate grade and the grades of the application criteria will be calculated to two decimal places.
- 1.7. Assessment criteria "Impact of the project on the achievement of sustainable development goals" is graded with either a 0; a 2 or a 4. The objectives of the sustainable development on which the impact of the project is assessed are
 - 1.7.1. Goal 7 - affordable and clean energy;
 - 1.7.2. Goal 12 - responsible consumption and production;
 - 1.7.3. Goal 13 - climate action;
- 1.8. Applications that are satisfied within the limit of the call for applications budget must have received an aggregate grade of at least 2.50 from the assessment committee, with a grade of at least 2.00 in assessment criteria 2-3 and with a grade of at least 2.50 in assessment criterion 1.
- 1.9. The assessment of a satisfied application will follow these stages, as stipulated in the assessment criteria of Annex 1:
 - 1.9.1. in the first stage, independent experts provide the application with an expert assessment, grades and their reasoning behind the grades;
 - 1.9.2. in the second phase of the assessment, Enterprise Estonia has the right to form expert committees from the members and substitute members of the assessment committee. This committee will assess the application, whilst taking into account expert assessments and assessment reports compiled by Enterprise Estonia employees.
2. Expert assessment of applications
 - 2.1. Every application is assessed by at least two independent experts.
 - 2.2. Assessment experts will fill out an assessment report form for every application that they assess.
 - 2.3. Assessment experts can make a suggestion to re-qualify an application or one of its parts from applied research to experimental development and vice-versa. Assessment experts may also express their

opinion on whether the application belongs in the research and development field and make suggestions for partial, conditional or phased funding.

- 2.4. If the application for at least one of the evaluation criteria 2-3 in Annex 1 does not exceed the weighted average score of 2.0 points for experts or 2.5 points for evaluation criterion 1, the application shall not be submitted to the expert committee and Enterprise Estonia shall decide not to satisfy the application.

3. Expert committee assessment of applications

- 3.1. An expert committee will base their assessment on the materials provided in the application, assessments made by independent experts and an assessment report compiled by an employee of Enterprise Estonia. The report involves assessments by involved experts and average grades received in assessment criteria and their sub criteria.
- 3.2. The expert committee has the right to invite the applicant for a defence of their application or ask them additional questions regarding the application. When answering questions, the applicant cannot amend their application, only explain the circumstances found therein.
- 3.3. The expert committee confirms the sub-criterion grade proposed in the assessment report, compiled through expert opinions, through a simple majority, or proposes to change the grade. If a new grade is proposed, every committee member must give a separate grade to the sub-criterion under discussion. In this case, the grade of the sub-criterion will be the average of the grades provided by the committee members.
- 3.4. The grade of each assessment criterion will be formed through the weighted average of its sub-criteria grades as given by the expert committee members.
- 3.5. The expert committee has the right to propose amendments to the application, in order to improve it.

4. Compiling a financing proposal

- 4.1. In the case of the application round Enterprise Estonia will rank all applications that were submitted during the call for applications and met the criteria established in point 1.9. The applications will be ranked by their grades, starting from the best aggregate grade received. If two applications have the same aggregate grade, the application applying for a smaller support sum will receive the higher placement in the rankings.

Annex 1. Assessment criteria

1. The project's economic impact and entrepreneurs` s ability to implement the results of the project (including assess the impact of the project on the growth of the company's added value, economic necessity and justification of the project for the applicant and partners, economic benefits of the project, change of the applicant's business model and future economic benefits, relevance of the business plan, ability of the applicant and partners to implement the business finance the implementation of project results): 45% of the aggregate grade;	
1.1. The conformity of the business plan to the needs of the applicant (partner), the relevancy of the business plan (proportion, 60% of the sub-criterion)	
Grade	Explanation
4	The necessity of the project is very well justified, the problem, bottleneck or untapped development opportunity is reflected. The project is innovative and its implementation will lead to a competitive advantage. The business objectives of the project are specifically defined and the action plan to achieve them is specific. The financial projections are very clear, realistic and ambitious and are very likely to be achieved by the end of the project, given the applicant's capacity and project preparation. Entering the market with a new, innovative product and / or service is very clearly described and realistic. Projects ending before TRL 5 clearly and realistically show how customers will be reached (specific customers do not have to be indicated). Projects ending in TRL 6 or 7 have identified specific clients and demonstrated their interest. The risk analysis is substantial and takes into account various risks, the possibilities of risk management and action in case of realization of risks are also presented. The market analysis is relevant and gives a good overview of the market situation. The analysis of competitors highlights direct and indirect competitors, their advantages and disadvantages. The pricing model is relevant and takes into account market conditions and the level of technological readiness. The implementation of the project will

	lead to a significant increase in the added value created. The forecast of the company's value added growth in the project plan is certainly achievable, very ambitious and realistic in the given time frame
3	The necessity of the project is justified, the problem, bottleneck or untapped development opportunity is broadly stated, but not very clearly. The business objectives of the project have been defined and the action plan to achieve them has been specifically reflected, but there are inconsistencies between the objectives and the action plan. Financial projections are provided, but their realism requires further clarification or the financial projections are not ambitious and need to be further achieved by the end of the project, taking into account the applicant's capabilities and project preparation. Projects ending up to TRL 5 show how customers are reached (specific customers do not need to be shown), but this needs to be improved. Projects ending in TRL 6 or 7 have identified specific clients, but proof of their interest would require further clarification. The launch of a new product and / or service has been described, but its realism needs further clarification. The risk analysis is presented, reflects the main risks, but in some cases the possibilities of risk mitigation and action in case of realization of risks are unclear. Market analysis is provided, but does not provide a very good opportunity to clearly assess the position of a product and / or service. The analysis of competitors identifies only a few direct competitors and their advantages and disadvantages are generally described. The pricing model is generally understandable and generally based on the level of technological readiness, but may need to be improved. The implementation of the project will increase the added value created. The company's value added growth forecast presented in the project plan is achievable, ambitious and realistic in the given time frame.
2	The necessity of the project is indirectly justified, the nature of the problem is not explained, the bottleneck or unused development opportunity is indicated indirectly and does not allow to accurately assess their adequacy. The business objectives of the project are too general and unclear, and the action plan to achieve them is fragmented and too general. The financial forecasts are very general and do not allow the realism of the project to be assessed, and their achievement by the end of the project is unclear, given the applicant's capacity and project preparation. Entering the market with a new product and / or service is described at too general a level, which does not allow a clear understanding of whether entering the market is realistic. Projects ending in TRL 5 show how customers are reached (specific customers do not have to be shown), but this is too general. Projects ending in TRL 6 or 7 show specific clients, but their interest is not convincing. Risk analysis is very general, many important aspects are not covered. The market analysis is too general and does not make it possible to understand the real situation on the market. The analysis of competitors is too general, no direct competitors have been identified, their advantages and disadvantages have not been assessed. The pricing model is given and generally based on the level of technological readiness, but as such it may not work in the market. The added value created as a result of the project implementation is modest. The forecast of the company's value added growth presented in the project plan is modest and unambitious, and its implementation is not questionable in the given time frame.
1	The necessity of the project is unjustified, the problem is not reflected, no bottlenecks have been identified or no development opportunity has been used. The business objectives of the project are undefined and there is no specific action plan to achieve them. Financial projections are not provided or are unrealistic and are unlikely to be achieved by the end of the project, given the applicant's capacity and project preparation. Entering the market with a new product and / or service is undescribed. Risk assessment not provided or not relevant. The market analysis is not provided or is so general that it provides an opportunity to assess the market situation. Competitor analysis is not provided or is not relevant. The pricing model is not provided or is not adequate. The added value of implementing the project is scarce. The forecast of the company's value added growth given in the project plan is unrealistic, unambitious and its realization is not realistic within the given time frame.
0	The project does not meet the needs of the applicant and their partners (if any exist), the business plan is not relevant. The project does not increase added value.
1.2. The applicant's and their partner's (if any exist) capability to carry out the project (proportion, 40% of the sub-criterion)	
Grade	Explanation

4	The applicant and their partners have a very good potential and capability to commercially carry out the project. The applicant and their partner have a team with all required competencies to manage the project and control the quality of subcontractors, if necessary. The application clearly states the contributions of both the applicant and their partners, as well as their responsibility to successfully carry out the project. The applicant's and their partners' financial capabilities for carrying out the project and meeting project goals are exceptional. If the project requires additional activities to be performed after the end of the project period, in order to achieve the outcomes/goals of the project, the applicant has described these activities as well and is capable of carrying them out.
3	The applicant and their partners have the potential and capability to commercially carry out the project. The applicant and their partner have a team with most of the required competencies to manage the project and control the quality of subcontractors, if necessary. The application minimally states the contributions of both the applicant and their partners, as well as their responsibility to successfully carry out the project. The applicant's and their partners' (if any exist) financial capabilities will allow them to carry out the project's goals and outcomes.
2	The applicant and their partners (if any exists) have lacking potential and capability to commercially carry out the project. The team employed by the applicant and their partners has very few necessary competences, which can endanger project management and any necessary quality assurance of subcontractors. The application does not state the contributions of both the applicant and their partners, as well as their responsibility to successfully carry out the project. The applicant's and their partners' (if any exist) financial capabilities are not described in enough detail to understand whether they will be able to achieve the project's goals and outcomes.
1	The applicant and their partners (if any exists) have a very small potential and capability to commercially carry out the project. The applicant and their partner have a team with no required competencies that would allow them to manage the project and control the quality of subcontractors. The applicant's and their partners' contribution towards their project as well as their responsibilities are not made clear. The applicant's and their partners' (if any exist) financial capabilities for carrying out the project and meeting project goals have not been clearly described.
0	The applicant and their partners (if any exist) do not have the potential or capability of carrying out the project.

2. Project merit and feasibility (including an assessment of the innovativeness and technological advantages of the product, service, technology or process over equivalent products, the technological level of the development plan with the relevance and timeliness of the activities, project implementation methodology and feasibility, knowledge and skills the existence of the necessary infrastructure and the justification of the project budget): 35% of the aggregate grade;

2.1. The quality and methodology of the development plan (proportion, 30% of the sub-criterion)

Grade	Explanation
4	The project's developmental objectives are well founded – the project has a well-defined problem, bottleneck or underutilised development opportunity that it will address. The project is consistent with the five main attributes of research and development: innovation, creativity, unpredictability, systemic approaches and reproducibility. Methods listed in the development plan are relevant and modern. The technological level of the development plan is exemplary and will produce a significantly improved product/service/technology or process. The development plan is comprehensive, is consistent with the needs of the contracting authority and has realistic goals and methods to achieve these goals. Considering the competency of the applicant and the preparations of the project, reaching these goals is deemed realistic. It is possible to make a product out of the project's outcome which can be produced/created. The project or activities preceding the project have received approval on an international level (for example: Horizon 2020, Innovation Award, etc).
3	The project's developmental goals and methods through which these goals will be realised are realistic, but somewhat unclear. The project is vaguely consistent with the five main attributes of research and development: innovation, creativity, unpredictability, systemic approaches and reproducibility. However, these need additional explanations. The technological level of the development plan is deemed to be good and will produce a product/service/technology or process that the enterprise has not produced previously. The goals and methods for reaching these goals are generally realistic and are likely to be reached, considering the preparations of the project and the applicant's competency. It is likely possible to create a

	product from the project's outcomes that can be produced/created, however doing this requires some prerequisite work.
2	The project's developmental goals and methods through which these goals will be realised are somewhat unrealistic and unclear. The project is vaguely consistent with the five main attributes of research and development: innovation, creativity, unpredictability, systemic approaches and reproducibility. However, these need additional explanations. The technological level of the development plan is deemed to be average and will renew a product/service/technology or process that the enterprise has not produced previously. The goals and methods for reaching these goals are generally realistic, but are not likely to be reached, considering the preparations of the project and the applicant's competency. It is unclear whether the project's outcomes can create a product that can be produced/created. The end product does not justify the large investments required by the project.
1	The project's developmental goals and methods through which these goals will be realised are very unrealistic and unclear. The project is not consistent with some of the five main attributes of research and development: innovation, creativity, unpredictability, systemic approaches and reproducibility. The technological level of the development plan cannot be considered innovative for the applicant; as a result of the development plan, an existing product/service/technology or process is somewhat renewed. The goals and methods for reaching these goals are unclear and are not likely to be reached, considering the preparations of the project and the applicant's competency. The creation of a product as the end goal of the project is unrealistic. The potential end product does not justify the unwise investments required by the project.
0	The project's developmental goals and the methods through which they will be reached are unrealistic. The project is not consistent with the five main attributes of research and development: innovation, creativity, unpredictability, systemic approaches and reproducibility. The technological level of the development plan does not include innovation, the end result of the project is an action for developing a regular, existing product/service/technology or process that does not require specific competencies. The development plan does not meet the needs of the contracting authority. Considering the preparations of the project and the applicant's competency, it is unlikely that the end goal of the project will be realised. The end goal of the project will not create a new product that can be produced/created.
2.2. The level and competency of the person conducting research (proportion, 40% of the sub-criterion)	
Grade	Explanation
4	The conductors of this project's R&D activities are extremely competent, motivated and possess skills necessary to carry out the goals of the development plan sustainably. The conductors of this project's R&D activities have carried out research and development activities in the same field and analogous to those of the project, including important activities on an international level. The leader of this project's R&D activities has previous experience with promoting cooperation between entrepreneurs and/or other organisations. The team compiled to carry out the project is capable and competent. The applicant or the provider of the R&D services has the necessary infrastructure to carry out the project's development plan, as well as the capability to invest in said infrastructure.
3	The conductors of this project's R&D activities are capable and motivated, but do not possess all skills necessary to ensure the completion and sustainability of project goals. The conductors of this project's R&D activities have previously carried out R&D activities in the same field. The team compiled for carrying out the project may pose risks in some areas of the project. The applicant or the provider of the R&D service have a substantial part of the infrastructure necessary to carry out the development plan, or the capability to invest into said infrastructure.
2	The conductors of this project's R&D activities do not have enough capabilities to ensure that the project's goals are met and done so sustainably. The conductors of this project's R&D activities have limited prior experience in performing R&D in the same field as the project. The team compiled may pose risks in some areas of the project, it may be necessary to involve additional competencies. The team compiled is not sure of their ability to carry out the project in its full extent. The applicant or the provider of the R&D service own a part of the infrastructure necessary to carry out the development plan, however, they have a limited ability to further invest in said infrastructure.

1	The abilities, motivation and skills of the project's R&D team are lacking. The conductors of this project's R&D activities lack experience in performing R&D in the same field as the project, the compiled team is short-staffed and/or their knowledge and skills are too lacking to carry out the project. The applicant or the provider of the R&D service lack an important part of the infrastructure necessary for carrying out the project, and their ability to further invest in such infrastructure is low.
0	The conductors of the project's R&D activities have no capability, motivation or skills to ensure that the project's goals are carried out and done so sustainably. The conductors of this project's R&D activities lack experience in performing R&D in the same field as the project, the compiled team is shot-staffed and/or their knowledge and skills are too lacking to carry out the project. The applicant or the provider of the R&D services does not have the necessary infrastructure to carry out the project's development plan, as well as the capability to invest in said infrastructure.

2.3. The description and time table of project activities and the justification of the project budget for the implementation of the planned activities (proportion, 30% of the sub-criterion)

Grade	Explanation
4	All activities described in the action plan form a coherent whole, appear necessary, are justified and ensure that the project's goals are met. The timely completion of the project is extremely likely. The project budget includes all costs of project implementation and is justified, transparent and cost-effective for the implementation of planned activities. The budget forms an integral part of the project.
3	The action plan includes the necessary amount of activities, these activities are linked. The relevancy and justification of some activities as they pertain to the project's goals is under-explained or some activities are missing. It is plausible that the project will be carried out on time and that its goals will be achieved. The project budget is reasonable but not transparent or cost effective. Some important activities of the project as a whole are not budgeted.
2	The action plan continues activities in a volume that may not be sufficient, these activities are only loosely related. The relevancy and justification of many activities as they pertain to the project's goals is under-explained or many activities are missing. It is not very plausible that the project will be carried out on time or that its goals will be achieved. The project budget is largely unjustified. It is not clear whether the project budget will allow the project as a whole to be carried out.
1	The activities found in the action plan are not sufficient in order to carry out the project's goals. Some activities are redundant, meaning that they are not necessary for the completion of the project; activities are missing. It is implausible that the project can be carried out on time. The costs planned for the project activities are mostly inefficient and do not allow the project results to be achieved.
0	The project's goals will be impossible to carry out with the activities listed in the action plan. It will be impossible to finish this project on time. The costs planned for the project activities are not cost-effective and do not allow the project results to be achieved.

3. A project's influence on meeting the goals of the Measure (the impact of the project on increasing the R&D investments of Estonian entrepreneurs, the impact and significance of the project on the pan-European project, the impact of the project on the sectoral development of the applicant and the project in international comparison and project-related value chains, the impact of the project on cross-sectoral cooperation and the impact of the project on the achievement of the objectives of the RDIE focus areas is assessed): 20% of the aggregate grade;

3.1. Growing research and development investments and capabilities (proportion, 35% of the sub-criterion)

Grade	Explanation
4	The project will be accompanied by a large investment into the enterprise's R&D. This investment is considerably greater than previous, similar investments, and the project helps highlight the enterprise's further need for R&D investments. The project requires the involvement of many R&D employees. As an outcome of the project, the competency of development employees, engineers and other engineering or designer employees raises considerably.
3	The project is accompanied by an investment into the enterprise's R&D department, however this investment is only slightly larger than any regular investments. As a result of the project, it is unclear whether there is a further need to grow future R&D investments. The project requires the involvement of R&D employees. As an outcome of the project, the competency of development employees, engineers and other engineering or designer employees raises.
2	The project is accompanied by a modest investment into the enterprises R&D department. As a result of the project, it is unclear whether there is a further need to grow future R&D investments. To an extent,

	the project requires the involvement of R&D employees. As an outcome of the project, the competency of development employees, engineers and other engineering or designer employees raises somewhat.
1	The project is accompanied by a small investment into the R&D department of the enterprise. It is obvious that there is no further need to invest into the R&D department. The project requires a small involvement of R&D employees. As an outcome of the project, the competency of development employees, engineers and other engineering or designer employees raises slightly.
0	The project is not accompanied by an investment into the R&D department of the enterprise. It is obvious that there is no further need to invest into the R&D department. The project does not require the involvement of R&D employees. As an outcome of the project, the competency of development employees, engineers and other engineering or designer employees is not raised.
3.2. The impact of project activities on the development of RDIE focus areas (proportion, 35% of the sub-criterion)	
Grade	Explanation
4	The project is directly related to one or more RDIE focus areas and significantly develops one or more focus areas.
3	The project is directly related to one or more RDIE focus areas and develops one or more focus areas.
2	The project is directly related to one or more RDIE focus areas, but the development potential of the area (s) is modest.
1	The project is indirectly related to one or more RDIE focus areas.
0	The project is not related to the focus areas of RDIE.
3.3. Involvement with the Estonian economy and the impact the project has on sectoral development (proportion, 30% of the sub-criterion)	
Grade	Explanation
4	The applicant and their partners have excellent potential and capabilities to affect sectoral development and the Estonian economy as a whole. This project's impact on the sectoral development of the applicant and the project is exceptional and the project contributes considerably to pan-sectoral cooperation.
3	The applicant and their partners have some potential and capabilities to affect sectoral development and the Estonian economy as a whole. The project has an impact on the applicant's and project's sectoral development as well as on pan-sectoral cooperation.
2	The applicant and their partners have meagre potential and capabilities to affect sectoral development and the Estonian economy as a whole. The project has a limited impact on the applicant's and project's sectoral development as well as on pan-sectoral cooperation.
1	The applicant and their partners have a very small potential and capabilities to impact sectoral development and the Estonian economy. The project has a meagre impact on the applicant's and project's sectoral development as well as on pan-sectoral cooperation.
0	The applicant and their partners have no potential or capabilities to impact sectoral development and the Estonian economy. The project has no impact on the applicant's and project's sectoral development as well as on pan-sectoral cooperation.
4. Impact of the project on the achievement of sustainable development goals: 10% of the score;	
4	The project is related to and has a significant positive impact on the following sustainable development goals: affordable and clean energy; responsible consumption and production; climate action;
2	The project is related to and has a significant positive impact on at least one of the SDGs : affordable and clean energy; responsible consumption and production; climate action;
0	The project is not related to or has no positive impact on any of the SDGs: affordable and clean energy; responsible consumption and production; climate action;