

Criteria Document: South of Scotland Innovation Challenge Satellite Data Challenge for Natural Capital Enhancement

The Innovation Challenge

Space Data for Satellite Data Challenge for Natural Capital Enhancement offers grant funding for Scottish space technology businesses with product design and software development capabilities, selling or utilising innovative solutions that use space data to further collaborations with existing or potential customers. This innovation call offers 100% of eligible project costs up to a maximum of £30,000 to help companies bridge the gap between end-user interest and international product/service sales.

About the Challenge

While satellite data and services already underpin over 17% of UK GDP, the downstream space sector is still an emerging market, involving commercial opportunities with little precedent.

Developing value propositions can be challenging, with private and public sector customers uncertain of the value of space data in the context of their operations and services. This new South of Scotland challenge call aims to help businesses demonstrate how innovative satellite data-driven services can deliver solutions primarily monitoring for Natural Capital, biodiversity enhancement, carbon sequestration, peatland restoration, forestry, AgriTech and soil health improvement (although other sectors may be considered) to drive business benefits.

This project is funded by South of Scotland Enterprise and is open to any eligible Earth Observation organisation with a registered base within Scotland only, with grant support for 100% of the eligible project costs available for successful projects. The lead applicant should be a **Scottish-based solution provider** (technology company) who is working in partnership with a customer/challenge owner from the South of Scotland. The partnership project should have the intention to assess the technical and commercial feasibility of their proposed solution over a period of 3 months with projects completing by the end of February 2026.

A maximum of **£30,000** grant funding is available.

Other key Information:

- The application **must** come from a Scottish solution provider but must **also** include a partner organisation from The South of Scotland who would benefit from the solution
- The project must involve the use of space data-related products/services or represent challenges potentially addressed through such products/services
- The primary focus is the Natural capital as the South of Scotland has been designated as the only Natural Capital Innovation Zone in the world. But applications with other sectors may be considered
- The funding will cover feasibility/proof of concept costs (see eligible costs).
- Successful projects will be allocated a dedicated team of specialists to support the companies throughout project development. For instance, this may include advice on intellectual property from South of Scotland Enterprise

- Successful projects will also have the potential to tap into additional support to identify and bid for external funding for any subsequent prototype and demonstration projects and will be expected to join a Show and Tell event at the end of the project
- Applications will be assessed by representatives from the funding partners and support organisations
- Full challenge details are shown below

Challenge Call Objectives:

1. Boost private sector investment in growth by supporting SMEs to adopt **new-to-firm innovation** through targeted assistance.
2. To bridge the gap that exists between the market understanding of the potential of satellite data and services in organisations, and space sector companies being able to collaborate more closely with industry partners to secure new sales opportunities.

Who is eligible for funding?

1. Downstream providers based within Scotland and businesses located in the South of Scotland.
2. You must apply with a challenge partner/customer in the South of Scotland only and be already connected and committed to undertaking the proposed feasibility/proof of concept project.
3. You must intend to commercialise your solution to the challenge to support your company's growth.

Impact

All funded projects must show **measurable impact**.

How much funding is available?

1. This call will offer grants of 100% of costs up to £30,000 with up to three projects being funded.
2. Funding will be provided in line with the UK subsidy control rules on de minimis or minimal financial assistance, as applicable when the funding is awarded to you.
3. You will be asked to provide details to us of any other recent funding received as minimal financial assistance or as de minimis. In line with UK subsidy control rules, no grant can be provided by us if it means that you would exceed your minimal financial assistance allowance of £315,000 (or, if applicable your de minimis threshold) within the current and past two financial years.

Funding Call

We are looking to fund ambitious, innovative projects with the potential to accelerate the commercial use of space data and technologies.

Applications do not solely have to use space data, we are also interested, for example, in the fusion of satellite data with IOT sensor data or ground truth data.

Sectors where we see opportunities of particular interest in the South of Scotland in Natural Capital Monitoring are:

- Biodiversity Enhancement
- Carbon Sequestration
- Peatland & Forestry Restoration
- AgriTech & Soil Health
- Water-rivers and oceans, although applications out with these sectors will be welcomed.

Your solution

- Must make use of satellite data. Earth Observation technologies and the use of satellite communications are of particular interest
- May combine satellite data with other types of datasets
- May be independent of ground truth data or not require it to the extent of current approaches (e.g., it may include the development of synthetic models using self-learning techniques that use free and open datasets or others)
- May use ground data if this is available to you (or the challenge partner) or will be by the time this is required for your project
- Will make satellite data actionable for the customer/challenge partner.

The following projects are **out of scope**:

- Where the technology company/lead applicant is based outwith Scotland.
- Where the business is outwith the South of Scotland.
- Where there is no challenger partner/customer involved in the project
- Projects where space data/technology is not a key enabler of the proposed solution
- Technology solutions with no clear route to market or no clear economic impact

Is my project eligible?

- a. As a solution provider/technology company you must have a proposed solution and a proven capability to conduct technical and commercial feasibility projects and be engaged with a challenge partner/customer
- b. To be eligible all feasibility/proof of concept projects must:
 - Lead applicant must be based within Scotland.
 - Be an R&D project that clearly addresses the challenge brief as outlined in this document.
 - Be aimed at providing the technical detail and commercial case for subsequent development and demonstration projects ultimately leading to a sale.
 - Demonstrate economic benefit to Scotland e.g. job creation.
 - Be aiming to develop and commercialise innovative technology with a South of Scotland partner
 - The project proposed in your application must last no more than 3 months.
 - Be completed by 1st March 2026.
 - Be carried out in the South of Scotland, with the primary project applicant registered and based within Scotland.

You must also not have started the project, or committed to any project costs, before a grant funding contract is signed.

Is my business eligible?

This call is open to businesses of any size based within Scotland. To be eligible the lead applicant must therefore;

- Be registered within Scotland
- Be a registered company (a company that is registered with Companies House)
- Be an individual business. (Note: Subcontract costs and consultancy fees can be included, including those related to academic partners as outlined in the application form)
- Be committed to fair working practices. Fair work is work that offers all individuals an effective voice, opportunity, security, fulfilment and respect. It also includes paying employees at least the real living wage (currently £12.60 in Scotland). You can find out more and access free resources using the [Fair Work Employer Support Tool](#)
- You must provide us with information to enable us to check whether you can receive support. Please provide us with details of any other recent funding received as minimal financial assistance or as de minimis within the current and past two financial years. This information will help us to determine whether we can provide a grant without it exceeding your relevant allowance minimal financial assistance or de minimis threshold within the current and past two financial years. (see MFA section in the application form)

Eligible Project Costs

Include:

- Employee salaries
- Subcontractors and consultancy fees (including academics)
- Travel costs
- Fees for trials and testing
- Access to data sets.

For more details, [see the guidance on eligible project costs.](#)

How will applications be assessed?

We will consider several different factors, including:

- Is the main applicant a Scottish-registered organisation?
- How well the proposal meets the challenge call objectives (shown above).
- Scottish economic impact
- How innovative the proposal is
- Robustness of the project plan
- Experience and capability of the team
- Justification of budget and value for money
- Commercial potential of the proposal
- Need for funding