What is Proof of Concept funding?
Proof of Concept (PoC) funding is a type of funding which offers the Amsterdam knowledge institutes as well as companies an opportunity to carry out conceptual, technical, social and/or economic feasibility studies on their concepts, inventions or ideas. The Academic Proof of Concept Fund Amsterdam (APCA) is a financial facility provided by the City of Amsterdam, in collaboration with the IXA institutes, (i.e. VU, VUmc, AMC, UvA and HvA) and NKI-AVL. The APCA fund is managed by IXA. The conditions under which APCA funding can be provided to companies are briefly summarized below.

Why APCA funding?
To further develop an innovative idea or an invention, it may be necessary to test whether the idea can be made ready for the market. A feasibility test (also called “proof of concept” studies) may be a next step in this process. Once the feasibility of an idea is determined, further development of the idea can be continued.

For companies, a POC-funding by the APCA fund might be a useful incentive to validate a premature idea, using the high quality academic knowledge and research infrastructure of the universities in the region.

Which company is eligible?
APCA funding can be provided to spin-off companies of the Amsterdam knowledge institutes as well as to external start-ups and other entrepreneurs (companies) from the MRA (Metropole Region Amsterdam).

Main conditions for APCA funding
- APCA funding shall be spent on determining the feasibility of a concept, invention or idea, e.g. the development of a prototype or proof of concept in an animal model.
- The funding shall be used on a joint PoC project with AMC, HvA, UvA, VU, VUmc or NKI-AVL.
- Applications for APCA funding are assessed and approved by members of the IXA management team and the NKI-AVL TTO director.
- The available (or expected remaining) APCA budget at the time of application shall be sufficient to provide the requested APCA funding as administered by IXA.
- APCA funding shall not exceed a sum of €45,000, of which 50% (max €22,500) is an APCA loan and 50% (max €22,500) is matched by the applicant. Of this matching, at least €11,250 shall be contributed ‘in cash’.
- At least 75% of the APCA funding (meaning; loan plus matching) shall be spent at one of the Amsterdam knowledge institutes.
- Repayment of the APCA loan starts after two years. The loan will be repaid in quarterly instalments, spread over a period of four years.
- To set off the risk and to allow the APCA fund to be partially revolving, successful applicants need to pay an additional amount of 150% of the APCA loan (‘Upside’) on top of the repayment of the loan itself. If company is profitable, an amount equal to 25% of the profit made by the company over the previous year will be due until the entire Upside has been paid.
- The APCA loan is subject to 4% compound interest, which is added to the principal amount each year.
- The APCA funding must be spent in accordance with agreed milestones and specific spending requirements.
- The recipients of APCA funding submit semi-annual reports to IXA concerning the progress of the feasibility study.
If the plans are ultimately not implemented, or the APCA study has no favourable results and such results cannot reasonably be expected and there is no question of demonstrable negligence on the part of the borrower, the directors of IXA and TTO NKI-AVL may decide to (partially) waive the obligation to repay the APCA loan.

Application, assessment and management procedures for APCA funding

- Applicants should approach the IXA office (or the NKI-AVL TTO) of the institute they plan to collaborate with on their APCA project. They are then appointed an IXA or NKI-AVL business developer, who carries out an initial assessment of the invention/idea for which funding is being requested.
- If the initial assessment is favourable, IXA or NKI-AVL will help applicants to complete the application form and bring it before the IXA management team and director of TTO NKI-AVL for approval.
- A confidentiality agreement between the IXA institutes and NKI-AVL has been executed.
- The Directors of IXA and NKI-AVL TTO assesses the application and the associated business case. This involves an examination of criteria such as technological, conceptual, social and economic feasibility, commercial potential, business model, scientific underpinning, the value of the in kind contribution (if any), and the quality of the company’s management (where applicable).
- Following a positive decision of the directors of IXA and director of NKI-AVL TTO and confirmation by IXA’s controller on availability of existing APCA budget, applicants are requested to sign the APCA loan agreement.

Interested?

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