



**GOVERNMENT OF KARNATAKA**  
**STARTUP POLICY OPERATIONAL GUIDELINES**

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## **VI. Incubators and CIF's Through Public Private Partnerships**

### **6.1 Background Of The Scheme**

6.1.1 The main purpose of the programme is to create world class infrastructure in the form of Incubators that are able to attract a large number of talented entrepreneurs and startup ventures due to the high quality support services provided in such Incubators like R&D Labs, Common centre for prototyping, common testing / QA / QC labs, design studios, tool rooms, Fab labs, Bio tech Wet Labs, Green Houses, Animal Houses, Office Spaces, Small & Large conference rooms, office spaces for Skunk works and other modern amenities as required and shared services like legal, accounting, patent, investment banking, community events and mentoring and promotional and marketing support through the incubators and enable a reasonably large proportion of startups to grow to the next stage.

### **6.2 Eligibility Under The PPP Scheme**

6.2.1 Private players and competent not-for-profit organizations shall be eligible for such funding. Open bids/ RFPs shall be called for selection of private partners. Partnerships with not-for-profit organizations may be on a case-to-case basis.

## **6.3 Objectives Of The Scheme**

- 6.3.1 To foster partnerships with globally and nationally well known accelerators / incubators in order to set up/expand existing facilities.
- 6.3.2 Act in partnership with Educational institutes.
- 6.3.3 To support the department in operationalizing Startup policy and facilitating the implementation of Startup policy through partnership with Government schemes like Idea to POC grant, participation as for conducting Grant challenges, virtual incubation, and other capability building initiatives.
- 6.3.4 Enhance incubation space and high quality mentor network and infrastructure.

## **6.4 Features of the Incubator**

- 6.4.1 Furnished space in a location that is conducive to attract a large number of entrepreneurs and other players of the eco system.
- 6.4.2 State of art and appropriate infrastructure and facility support in tune with the common minimum requirements of startups.
- 6.4.3 Besides physical infra also provide top niche services business validation, technical support, financial, Legal, accounting, IPR, HRM, investor connects, peer learning etc.
- 6.4.4 Necessary infrastructures for the given sector such as R&D Labs, Common centre for prototyping, common testing/QA/QC Labs, design

studios, tool rooms, Fab labs, Biotech Wet Labs, Green Houses, Animal Houses and others.

- 6.4.5 Strategic support to startups by way of ease of access to mentors for support across different challenge areas, access to Corporate sector where possible and connects to stakeholders, Academia and National / International communities of interest.
- 6.4.6 Value addition by way of conduct of events, workshops and programmes that address key knowledge areas to be inculcated by startups.
- 6.4.7 Access to investors – individuals, Angel networks and VC's.
- 6.4.8 Common instrumentation facilities shall be set up.
- 6.4.9 Incubators in Tier II cities and Bangalore shall play the role of mentor institutes for NAIN colleges.

## **6.5 Nature And Form Of Government Of Karnataka Support**

- 6.5.1 A not-for profit organization may approach the Government of Karnataka for financial assistance towards expansion of an existing or towards the establishment of a new incubator. In such cases, the Government, through KBITS, would provide an annual grant support for 3 years. This grant support shall be provided as a development support to meet routine expenses of the Incubator such as space rentals, costs of manpower and operations, charges towards maintenance and utilities and other routine expenditures and any other type of expenditures as specified in the RFP document.

6.5.2 However, for private players interested in PPP based incubators, KBITS shall float RFPs for inviting such private players to set up incubators or CIFs. The terms of reference and bid parameters shall be specified in the RFP document. It is expected that such support provides sufficient incentive for the private partner to bring in the necessary investments to meet the objectives of the GoK Startup policy.

## 6.6 Process of Selection

6.6.1 The Technical Qualification criteria for selection of the private partners will be as follows:

Sl. No.	Criteria	Description
1.	Experience	Organization prior experience in running similar Incubators, working with startups, process followed in selection of incubates, sustainability, mentor network strength, experience in conducting Boot camp/ Hackathon /Events facility/property management etc.
2.	Past achievement	<ul style="list-style-type: none"> <li>• Number of companies incorporated.</li> <li>• Number of funding transactions facilitated.</li> <li>• No. of mentor hours facilitated.</li> <li>• No. of M&amp;A facilitated</li> <li>• No. of Virtual incubates and touch points in form of events both physical as well as virtual.</li> </ul>

Sl. No.	Criteria	Description
		<ul style="list-style-type: none"> <li>• Employment &amp; Revenue generated by companies, present and alumina.</li> </ul>
3.	Infrastructure and design of facilities	<ul style="list-style-type: none"> <li>• Effective utilization of working space and common facilities</li> <li>• Quality and appropriateness of technical support facilities – internet, power backup, firewalls, servers etc.</li> <li>• Common facilities – discussion rooms, seminar etc.</li> <li>• Sector Specific equipments/Infrastructure example Animal Plants, design infra, 3D character, Wet labs etc</li> </ul>
4.	Proposed Methodology and plan	Implementation approach and methodology based on the business plan laid out and adequacy of proposed approach and methodology – including selection strategies, practices to be adopted, management of processes etc.
5.	Charge plan and Sustainability of Incubator for Start-ups post grant period	<ul style="list-style-type: none"> <li>• Charge plan for subsidized seats</li> <li>• method of utilization of grants, sources of revenue generation</li> <li>• sustainability plan after grant support</li> </ul>

The selected private partner is required to execute Service Level Agreement (SLA) with the State Government in this regard.

## **6.7 Conditions Applicable For Grants**

- 6.7.1 A certain proportion of total seats / workstations should have been provided on subsidized rates to startups, as defined under the Karnataka Startup Policy (Annexure - 1 of Startup policy enclosed). The Startup company shall be registered in Karnataka, else if the Startup is still not incorporated at the time of incubating, the Private Partner shall ensure that undertaking shall be given by the selected startups to incorporate in Karnataka within 3 month of selection. The selected startups shall get subsidized charges for a specified time period from 6 months to 24 months period. The subsidized charges per seat per month should be as per the conditions laid down by the Government of Karnataka.
- 6.7.2 The Private Partner shall ensure to establish online transparent registration and selection process for Startups.

## **6.8 Process for Fund Disbursal**

- 6.8.1 Government shall release funds on half yearly milestones like submission of Audited statements, expenditure statements, utilization certificates, project implementation and progress reports etc.



## **6.9 Monitoring and Evaluation**

6.9.1 Apex committees consisting of government, private partners and industry/academia mentors shall oversee the implementation of the program based on the Service level agreement, performance appraisal, decisions on expansion etc.