

Horizon 2020 Support for Innovative SMEs

- SME Instrument (SMEI)
- Fast-Track to Innovation (FTI)

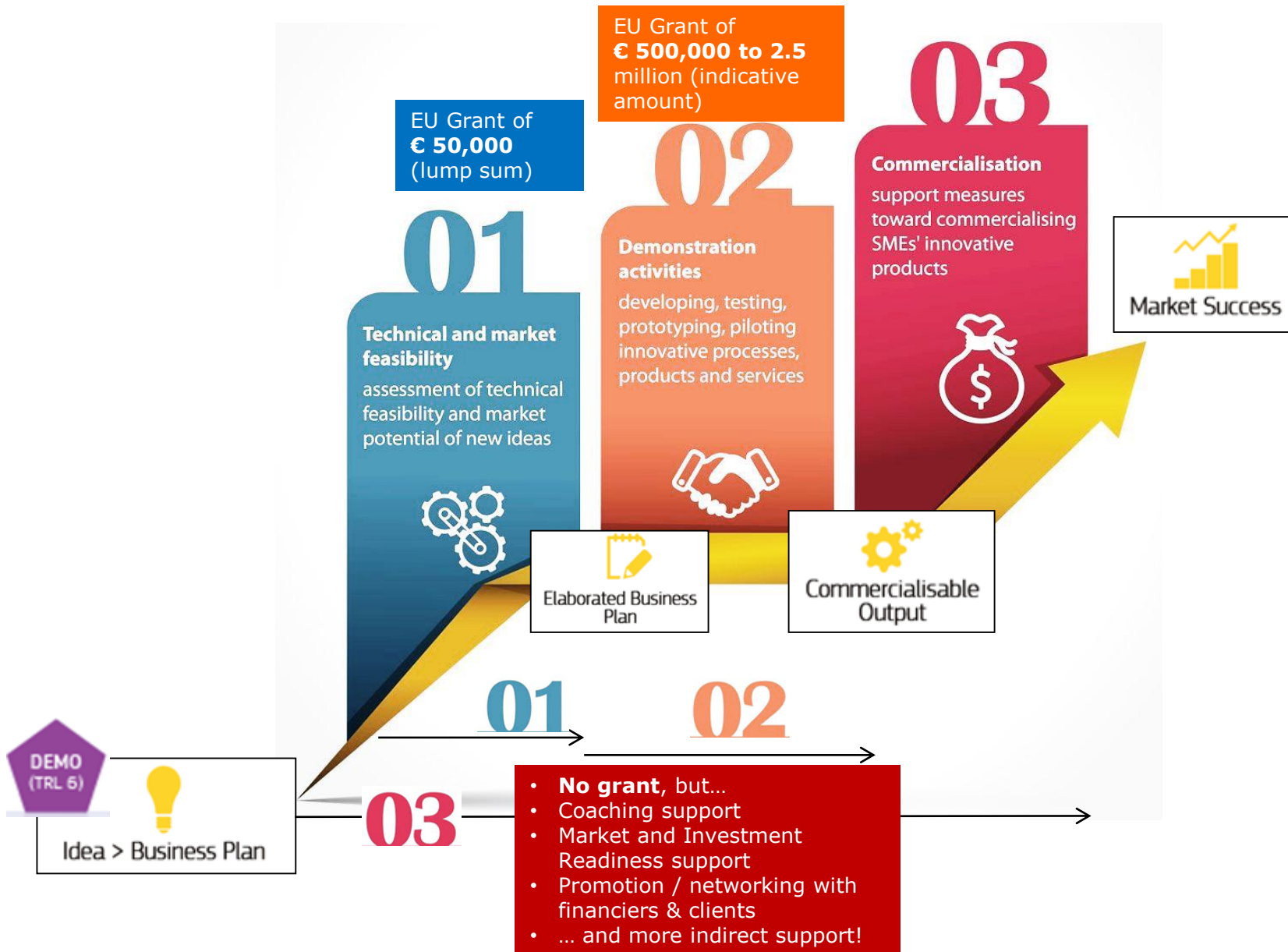


Marie-Cécile Rouillon, DG RTD

Unit B.3 - "SMEs, Financial Instruments and State Aid"

@ AMANAC Workshop on Financing
Brussels, 5 November 2015

SME Instrument under H2020: Seamless Business Innovation Support from Mature Idea to Market



SME Instrument: Target Audience, Rules for Participation and Implementation Modalities



Upcoming Call Deadlines or "Cut-Off" Dates (four annually)

Phase 1	Phase 2
25/11/2015	25/11/2015
24/2/2016	3/2/2016
3/5/2016	14/4/2016
7/9/2016	15/6/2016
9/11/2016	13/10/2016

- For all types of **innovative SMEs** (EU-28 + H2020 AC) showing a strong ambition to develop, grow and internationalise
- Administered through a **single and permanently open call** (until end of H2020)
- **13 different** (mostly broad) **call topics**
- **Single company** applications and support possible
- From idea to market through **three phases of continuous support**
- No obligation for applicants to sequentially cover all three phases
- **70% funding** (as a general rule)
- **Mature ideas** with a clear **European dimension**
- Anticipated **EU budget** for **2016-2017: ca. EUR 750 million** (> ca. EUR 500 million in 2014-2015)
- **Total budget** for SME instrument close to **EUR 3 billion over 2014-2020**

SME Instrument:

Call outcome so far: Status (as of 01/09/2015)

- **9 cut-off dates** past (5 for phase 1, 4 for phase 2)
- 14134 individual applicants in **13353 applications** (20% of H2020)
- 1147 participants in **1084 funded projects** (18% of H2020).
- **355** already **finalized projects**

SME Instrument: Open Calls

Open Calls on the Participant Portal, including:

http://ec.europa.eu/research/participants/portal/desktop/en/funding/sme_participation.html

Topic:	<u>NMP-25-2015-1:Accelerating the uptake of nanotechnologies, advanced materials or advanced manufacturing and processing technologies by SMEs</u>		Open
Publication date:	11 December 2013		
Types of action:	SME-1 SME instrument phase 1		
DeadlineModel:	multiple cut-off	Cut-off dates:	18 March 2015 17:00:00
Opening date:	18 December 2014		17 June 2015 17:00:00
			17 September 2015 17:00:00
			25 November 2015 17:00:00

Topic:	<u>NMP-25-2015:Accelerating the uptake of nanotechnologies, advanced materials or advanced manufacturing and processing technologies by SMEs</u>		Open
Publication date:	11 December 2013		
Types of action:	SME-2 SME instrument phase 2		
DeadlineModel:	multiple cut-off	Cut-off dates:	18 March 2015 17:00:00
Opening date:	18 December 2014		17 June 2015 17:00:00
			17 September 2015 17:00:00
			25 November 2015 17:00:00



RESEARCH & INNOVATION

Participant Portal

European Commission > Research & Innovation > Participant Portal > Organisation Search

[HOME](#)[FUNDING OPPORTUNITIES](#)[HOW TO PARTICIPATE](#)[EXPERTS](#)[SUPPORT ▼](#)[LOGIN](#)[REGISTER](#)[H2020 Online Manual](#)[Reference Documents](#)[Beneficiary Register](#)[Financial Viability Self-Check](#)[SME Participation](#)

SME Participation

[H2020 ONLINE MANUAL](#)

SME Instrument

The SME instrument has been designed specifically for **single or groups of highly innovative SMEs** with international ambitions, determined to turn strong, innovative business ideas into winners on the market. The instrument provides **full-cycle business innovation support** from the stage of business idea conception and planning (phase I) over business plan execution and demonstration (phase II) to commercialisation (phase III). Participants will be able to call on business innovation coaching for the duration of their project.

- **Phase I (proof-of-concept):** Explore the scientific or technical feasibility and commercial potential of your new idea in order to develop an innovation project, with the help of a € 50,000 grant, and receive more support in case of a positive outcome!
- **Phase II (development & demonstration):** Develop your sound, ground-breaking business idea further with the help of a grant in the order of € 500,000 to 2,5 million into a market-ready product, service or process!
- **Phase III (go-to-market):** Take advantage of additional EU support to enter the market successfully (no grants).

For more information about the SME instrument, please see the [H2020 Online Manual](#) and [related FAQ](#).

[APPLY](#)

Collaborative Projects (SME + partners)

Work with at least 2 international **partners** (separate legal entities) from different EU countries (at least 3 in total) and request EU project support! To find partners, you can use the assistance of various [partner search services](#).

[APPLY](#)

Fast Track to Innovation Pilot

THE ULTIMATE BOOST FOR OUTSTANDING BUSINESS INNOVATORS WITH A NEED FOR SPEED...

PREPARE YOUR PROPOSAL

Build your industry-intensive consortium*
minimum 3 partners - maximum 5 partners
(all based in the EU and / or in Horizon 2020
associated countries)

Proposal



Outstanding Business Innovation Concept
(high-readiness level / TRL 6, meaning
demonstrated in a relevant environment)

Continuous open call
until end 2016

6 months time-to-grant

DEVELOP YOUR INNOVATION

Receive an EU grant of EUR 1 million to 3 million
(70% of funding, 100% of funding for non-profit entities)

From Mature R&D
Demonstration
Market-Oriented
R&D
to Market-Mature Innovation

12-24 months for implementation

HIT THE MARKET!

Start your commercial activities



The Market
Market-Maturity to Market
Launch



Market-ready result
(finished product, service,
process/ TRL 9)

At most 36 months from grant to market

... AND EAGER TO COMPETE ON GLOBAL MARKETS...!

ACTIVITIES SUPPORTED

Systems validation in real working conditions – Testing – Piloting – Business model validation – Standard setting – Pre-normative research – EU quality label

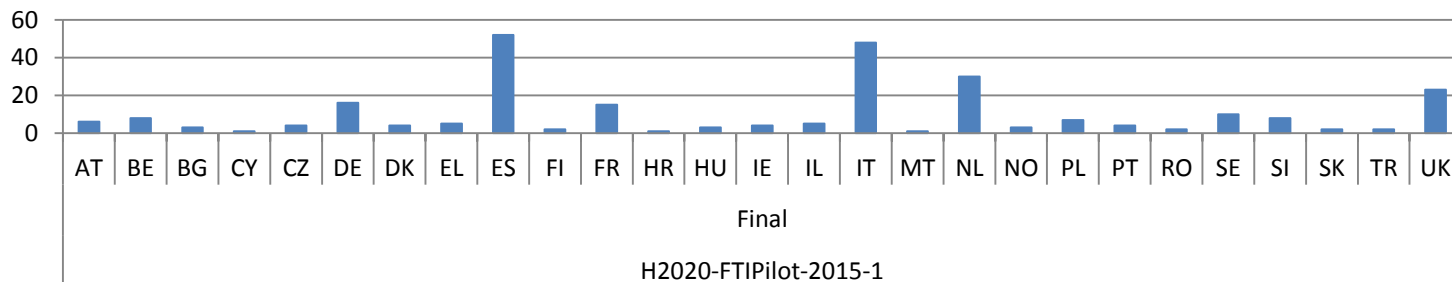
*In a consortium with 3 or 4 partners, at least 2
should be industry, and in a consortium with 5
partners, at least 3; alternatively at least 60% of
the project budget should be allocated to industry
(i.e. private for profit entities)

Cut-off date #1 – 29/4/2015

Proposal submission

- **269 proposals submitted** (mainly in domains of ICT - 57, Advanced Manufacturing - 49, Health - 48).
- **Country** of establishment of coordinators: ES (52), IT (48), NL (30), UK (23), DE (16), FR (15), SE (10). **Submissions from 23 MS + 4 AC.**

Country participation



- **264 proposals** were dispatched for remote evaluation following eligibility and admissibility checks.

Cut-off date #1 – 29/4/2015

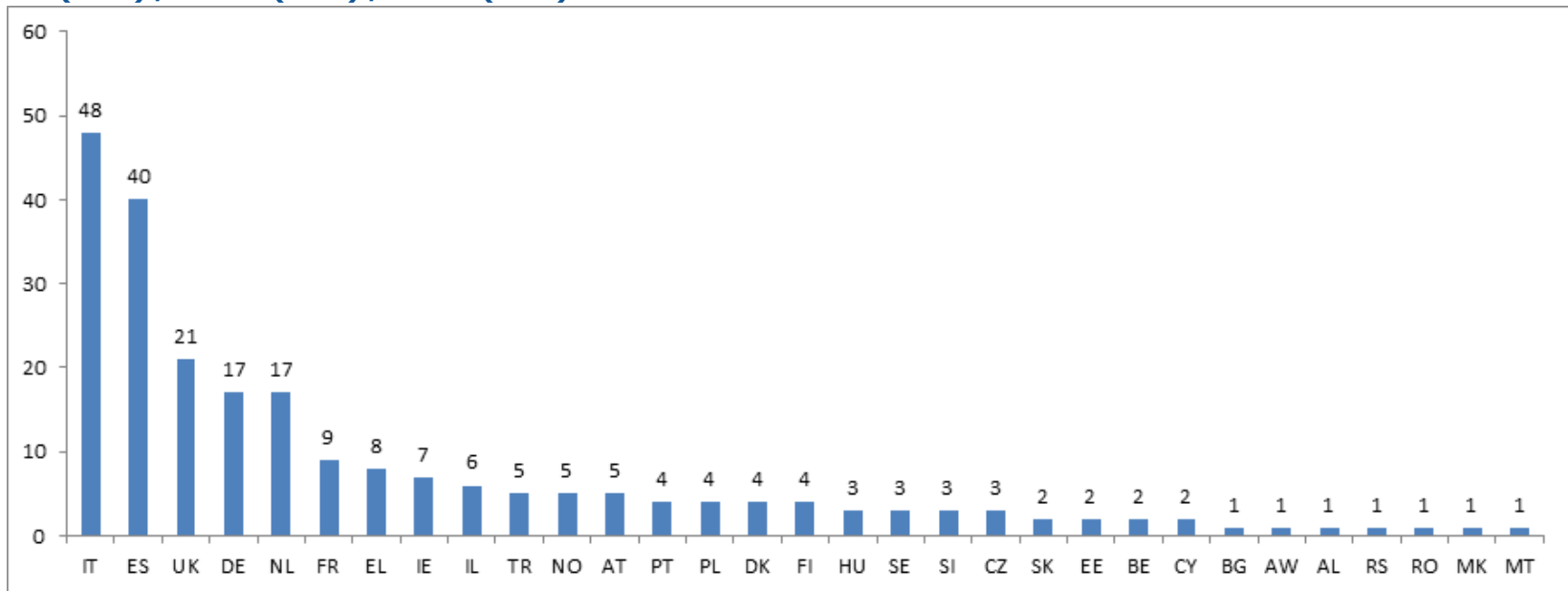
Proposal evaluation and selection for funding

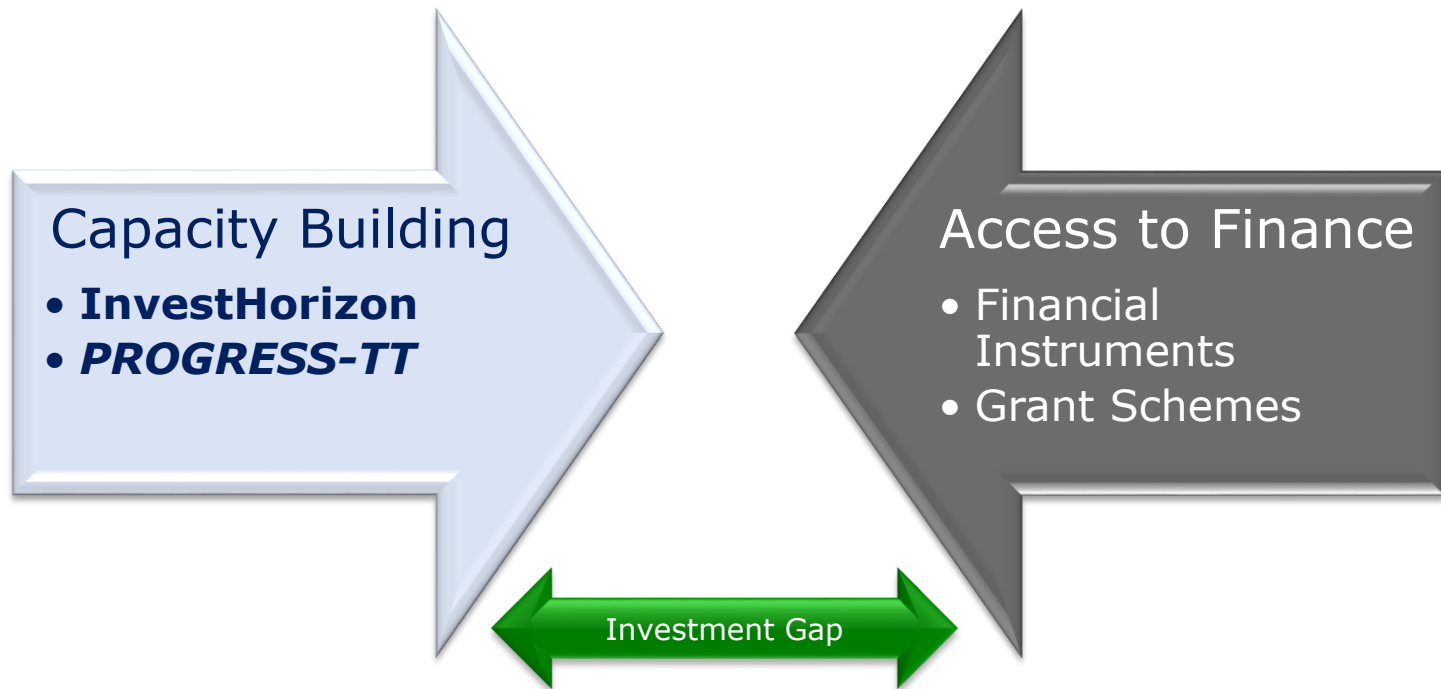
Topic Code: FTIPilot-1-2015	
Number of proposals submitted:	269
Number of above-threshold proposals:	48
Number of retained proposals:	16
Total EC contribution requested for submitted proposals:	€507.485.223€
Total budget requested for retained proposals:	€47.450.108

Cut-off date #2 – 1/9/2015

Proposal submission

- **231 proposals submitted** (mainly in domains of ICT - 39, Advanced Manufacturing - 38, Health – 28, Energy – 26, Transport & Food -25).
- **Country** of establishment of coordinators: IT (48), ES (40), UK (21), DE (17), NL (17). **Submissions from 24 MS + 7 AC.**





“ a supply side approach to address access to finance issues must be accompanied by demand-side initiatives which enhance the quality of deal flow ”



More Information

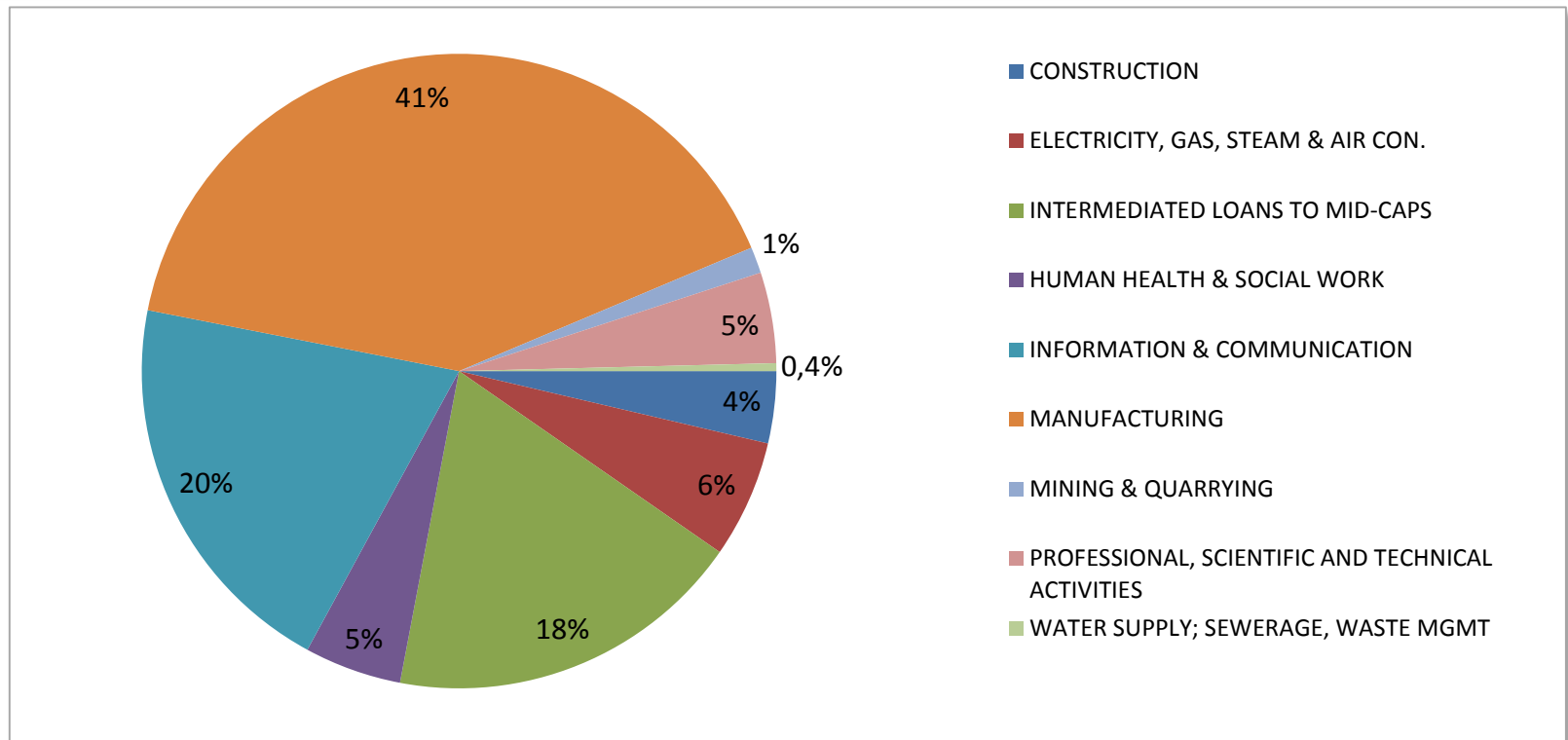
- Horizon 2020
 - ❑ <http://ec.europa.eu/programmes/horizon2020/en/area/smes>
 - ❑ <http://ec.europa.eu/programmes/horizon2020/en/h2020-section/access-risk-finance>
 - ❑ <http://ec.europa.eu/programmes/horizon2020/en/h2020-section/innovation-smes>
- EASME – <http://ec.europa.eu/easme/sme/>
- Eurostars - <http://www.eurekanetwork.org/activities/eurostars>
- SME Techweb – http://ec.europa.eu/research/sme-techweb/index_en.cfm
- Financial Instruments
 - ❑ Finance for Innovators (InnoVFin products)
<http://www.eib.org/products/innovfin/products/index.htm>
- EU Access to Finance – <http://www.access2finance.eu>

Thank you for your attention !

Questions & Answers

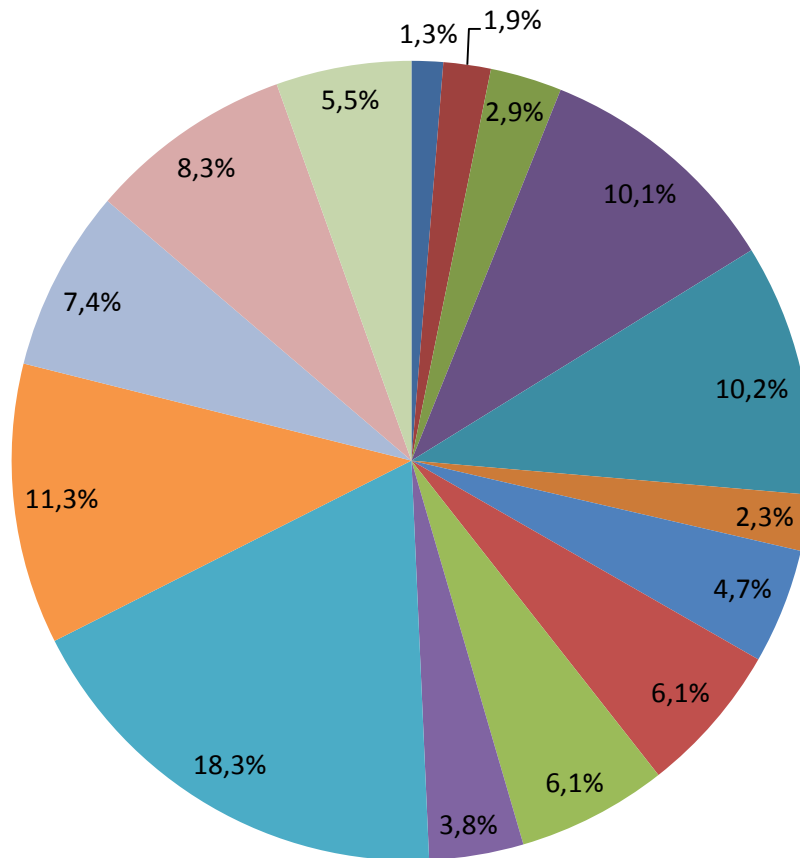
Background Slides on InnovFin Financial Instruments

EIB InnovFin Products: MidCap, Large Cap & Thematic Finance Sector Split (as of April 2015)



- InnovFin targets R&I-intensive industries like ICT, manufacturing, life science/health and renewable energy.
- Within the manufacturing sector: energy (e.g. wind turbines and solar panels) 26%, life sciences 32%, automotive 21%, other sectors (e.g. metallurgy) 21%

FP7 – RSI Portfolio – By sector



- Water supply; sewerage; waste management and remediation activities
- Construction
- Agriculture, forestry and fishing
- Manufacture of machinery and equipment
- Manufacture of fabricated metal products
- Manufacture of electrical equipment
- Chemical products
- Rubber and plastic products
- Food products
- Computer, electronic and optical products
- Other manufacturing
- Wholesale and retail trade
- Professional, scientific and technical activities

As of 30 June 2015

Background slide – Eligible Beneficiaries

- **SMEs** (EC definition) and **Small Mid-caps** (< 500 FTE)
- Operating in **EU-28 and H2020 Associated Countries**
- No substantial focus on **Restricted Sectors**, not in any **situation of exclusion** nor **“in difficulty”**
- **Unlisted** (except for alternative trading platforms)
- **Innovative** (the borrower itself or enterprises from its group)
 - investing in the production or development of innovative products, processes and/or services that present a risk of technological or industrial failure
 - enterprises with a significant innovation potential or R&I-intensive enterprises, i.e. satisfying at least one “innovation criterion” out of a set of pre-defined eligibility criteria
 - “fast growing enterprises”, measured by employment or by turnover: annual increase > 20%

Background slide – Concept of Innovative Enterprise (1)

Innovation Eligibility Criteria (at least one to be met)	To be met at <u>signing date</u> of the agreement with a Beneficiary :
I am an SME and I will invest the money in producing or developing new or substantially improved products, processes or services that are innovative, where there is a risk of technological or industrial failure as evidenced by an external evaluation	Appropriate evidence of: (i) declaration of intent and (ii) business plan where such risks of failure are evidenced.
I am a “fast-growing enterprise”. That is: I’ve been operating in a market for less than 12 years following the first commercial sale and turnover or staff has endogenously grown on average 20% a year over a three-year period (with at least 10 employees at the beginning of the reference period)	Appropriate evidence of: (i) evidence of operating history, enterprise’s business plan, (ii) employees, turnover at beginning of observation period.
I have been operating in a market for less than 7 years following the first commercial sale and R&I costs represent at least 5% of the total operating costs in at least one of past three years (or in the current one in the case of a start-up enterprise)	Financial statements, evidence of such information provided by the certified accountant(s)

Background slide – Concept of Innovative Enterprise (2)

Innovation Eligibility Criteria (at least one to be met)	To be met at <u>signing date</u> of the agreement with a Beneficiary [(*) or application date for a loan]
The enterprise shall have a significant innovation potential and/or be an “ R&D and/or innovation-driven enterprise” satisfying <u>at least one</u> of the following elements:	
<ul style="list-style-type: none"> Our latest certified accounts confirm that we are already spending at least 20% of the sum I want to borrow on R&I and our business plan indicates an increase of R&I expenses at least equal to that amount 	Financial statements, evidence of such information provided by the certified accountant(s)
<ul style="list-style-type: none"> At least 80% of the sum I want to borrow will be spent on R&I activities as shown in my business plan and the remainder on costs necessary to enable such activities 	Appropriate evidence of: (i) undertaking and (ii) business plan where such expenditures are evidenced.
<ul style="list-style-type: none"> I have been awarded grants, loans or guarantees from European R&I support schemes or regional, national research or innovation support schemes over the last 36 months, and the amount I want to borrow now will not cover the same expense 	Appropriate evidence of award dated less than 36 months (*)
<ul style="list-style-type: none"> I have been awarded an R&D or Innovation prize by an EU institution or an EU body over the last 24 months 	Appropriate evidence of an innovation prize awarded in preceding 24 months (*)
<ul style="list-style-type: none"> In the past 24 months I have registered at least one technology right (e.g. patent, utility model, design right) and the money that I will borrow intend to enable the use of this technology right 	Appropriate evidence of technology right registration in preceding 24 months (*)
<ul style="list-style-type: none"> I am an SME and in the past 24 months I have received an investment from a venture capital investor or from a business angel being a member of a business angels network; or they are today a shareholder in the company 	Appropriate evidence of the investment (*)
<ul style="list-style-type: none"> As per my business plan I intend to enter a new product or geographical market, and the required investment is higher than 50% of the average annual turnover of the past 5 years; 	Appropriate evidence of enterprise’s business plan (*)
<ul style="list-style-type: none"> I am an SME and our R&I costs represent at least 10% of the total operating costs in at least one of the past 3 years (or in the current one in the case of a start-up enterprise) 	Financial statements, evidence of such information provided by the certified accountant(s) (*)
<ul style="list-style-type: none"> I am a Small Mid-cap and R&I costs represent either at least 15% of total operating costs in at least one of the past three years or at least 10% per year in the past three years 	Financial statements, evidence of such information provided by the certified accountant(s) (*)