



# The SME instrument in Horizon 2020

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## SME support: integrated approach

**20 %  
budgetary  
target in  
LEITs & SC**

Collaborative  
projects  
13%

SME instrument  
7%

**'Innovation  
in SMEs'**

Eurostars II  
Enhancing Innovation  
Capacity  
Market-driven Innovation

Access to Risk Finance



University

Small  
Business

**Funding Gap  
(range: 1-3 M€)**

Private  
Funds

Industry

Venture Capital

Angel Investors

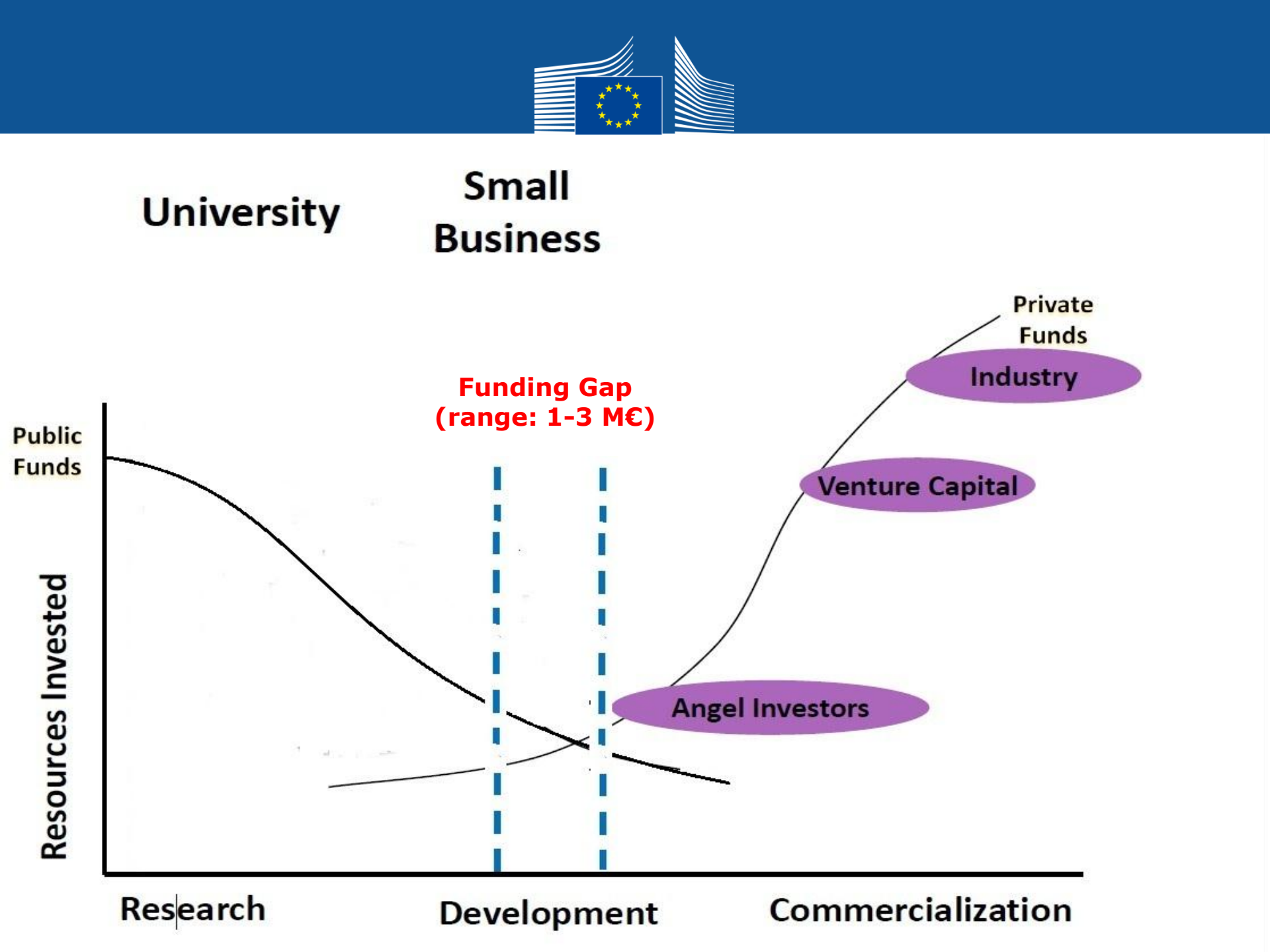
Public  
Funds

Resources Invested

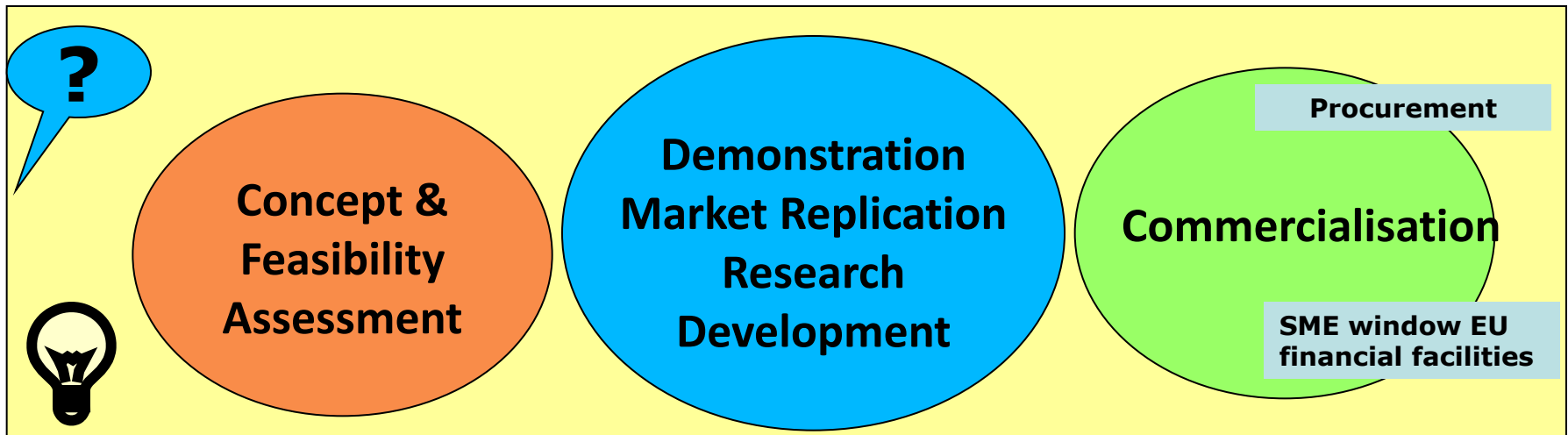
Research

Development

Commercialization



## SME instrument



IDEA

business coaching and complimentary services

MARKET



**Phase 3+coaching → 2% budget**

## **Phase 1: Concept and feasibility assessment**

**Input: Idea/Concept: "Business Plan 1" (10 pages)  
10% budget**

### **Activities:**

Feasibility of concept  
Risk assessment  
IP regime  
Partner search  
Design study  
Pilot application  
etc.

**Output: elaborated "Business plan 2"**

**Lump sum: 50.000 €  
~ 6 months**

## **Phase 2: R&D, demonstration, market replication**

**Input: "Business plan 2" plus description of activities under Phase 2 (30 pages)  
88% budget**

### **Activities:**

Development, prototyping, testing, piloting, miniaturisation, scaling-up, market replication, research

**Output: "investor-ready Business plan 3"**

**0.5-2.5 M€ EC funding  
~ 12 to 24 months**

## **Phase 3: Commercialisation**

Promote instrument as quality label for successful projects  
Facilitate access to private finance

Support via networking, training, information, addressing i.a. IP management, knowledge sharing, dissemination

SME window in the EU financial facilities (debt facility and equity facility)

Possible connection to Procurement

**No direct funding**

- Targeted at all types of innovative SMEs showing a strong ambition to develop, grow and internationalise
- Only SMEs will be allowed to apply for funding and support
- Single company support possible
- No obligation for applicants to sequentially cover all three phases; each phase open to all SMEs
- 70% funding (exceptions possible)



# Implementation

- Implemented centrally by one agency (EASME)
- Bottom-up approach within the frame of the societal challenges and enabling technologies  
→ each SC & LEIT defines a broad topic
- Continuously open call with 4 cut-off dates per year:

Phase 1	Phase 2	Phase 1	Phase 2
18/06/2014	09/10/2014	[18/03/2015	[18/03/2015
24/09/2014	17/12/2014	17/06/2015	17/06/2015
17/12/2014		17/09/2015	17/09/2015
		16/12/2015]	16/12/2015]



# Implementation

	Topics the WP 2014/2015
<b>LEIT ICT</b>	Open Disruptive Innovation (2014: 45 M€ / 2015: 45 M€)
<b>LEIT NMP</b>	<b>Accelerating the uptake of nanotechnologies, advanced materials or advanced manufacturing and processing technologies (21.8 M€/23.8M€)</b>
<b>LEIT Biotech</b>	SME boosting biotechnology-based industrial processes driving competitiveness and sustainability (3.8 M€ /2.4 M€)
<b>LEIT Space</b>	SME Instrument (8.5 M€ /8.75 M€)
<b>SC1 Health</b>	Clinical research for the validation of biomarkers and/or diagnostic medical devices (66.1 M€ / 45M€)
<b>SC2 Bio-economy</b>	Resource-efficient eco-innovative food production and processing (9 M€ /17 M€) & Supporting SMEs efforts for the development - deployment and market replication of innovative solutions for blue growth (3/5 M€)
<b>SC3 Energy</b>	Stimulating the innovation potential of SMEs for a low carbon and efficient energy system (33.95 M€ /37.26 M€)
<b>SC4 Transport</b>	Small business innovation research for Transport (35.87 M€ /38.96 M€)
<b>SC5 Climate</b>	Boosting the potential of small businesses for eco-innovation and a sustainable supply of raw materials (17 M€ /19 M€)
<b>SC6 IIIS</b>	Innovative mobile e-government applications by SMEs (2015: 4M€) & SME business model innovation (2015: 11M€)
<b>SC7 Security</b>	Protection of urban soft targets and urban critical infrastructures (7 M€ /7.4 M€)



## Eligibility conditions:

- One for-profit SME or a consortium of for-profit SMEs
- Established in EU Member States or associated countries
- No concurrent submission or implementation with another Phase 1 or Phase 2 project

## Planned time-to-grant:

3 months (Phase1) – 6 months (Phase2)

## Funding over 7 years:

ca. 5,200 Phase 1 projects (fixed lump sum of 50K€)

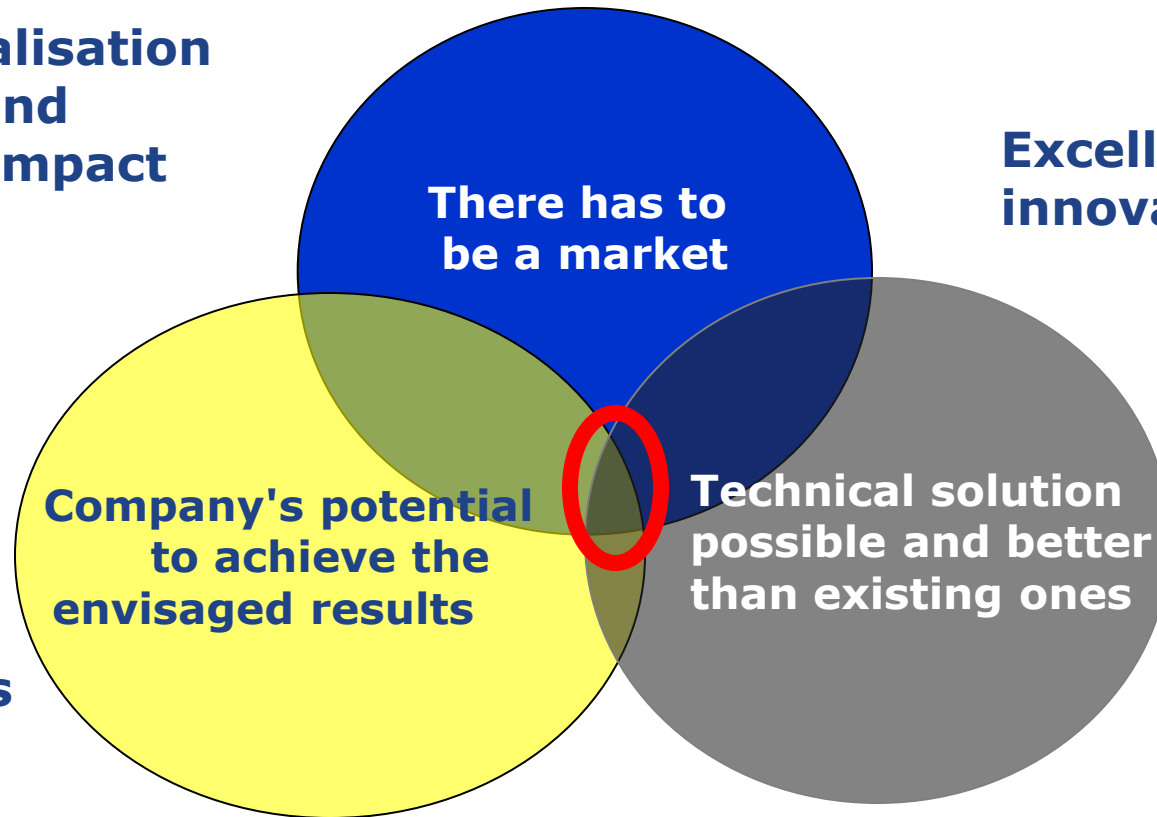
ca. 1,700 Phase 2 projects with an average size of 1.5 M€  
(or 2550 of an average size of 1 M€; 1250 of an average size of 2 M€)



Profile and competences of evaluators are highly important.

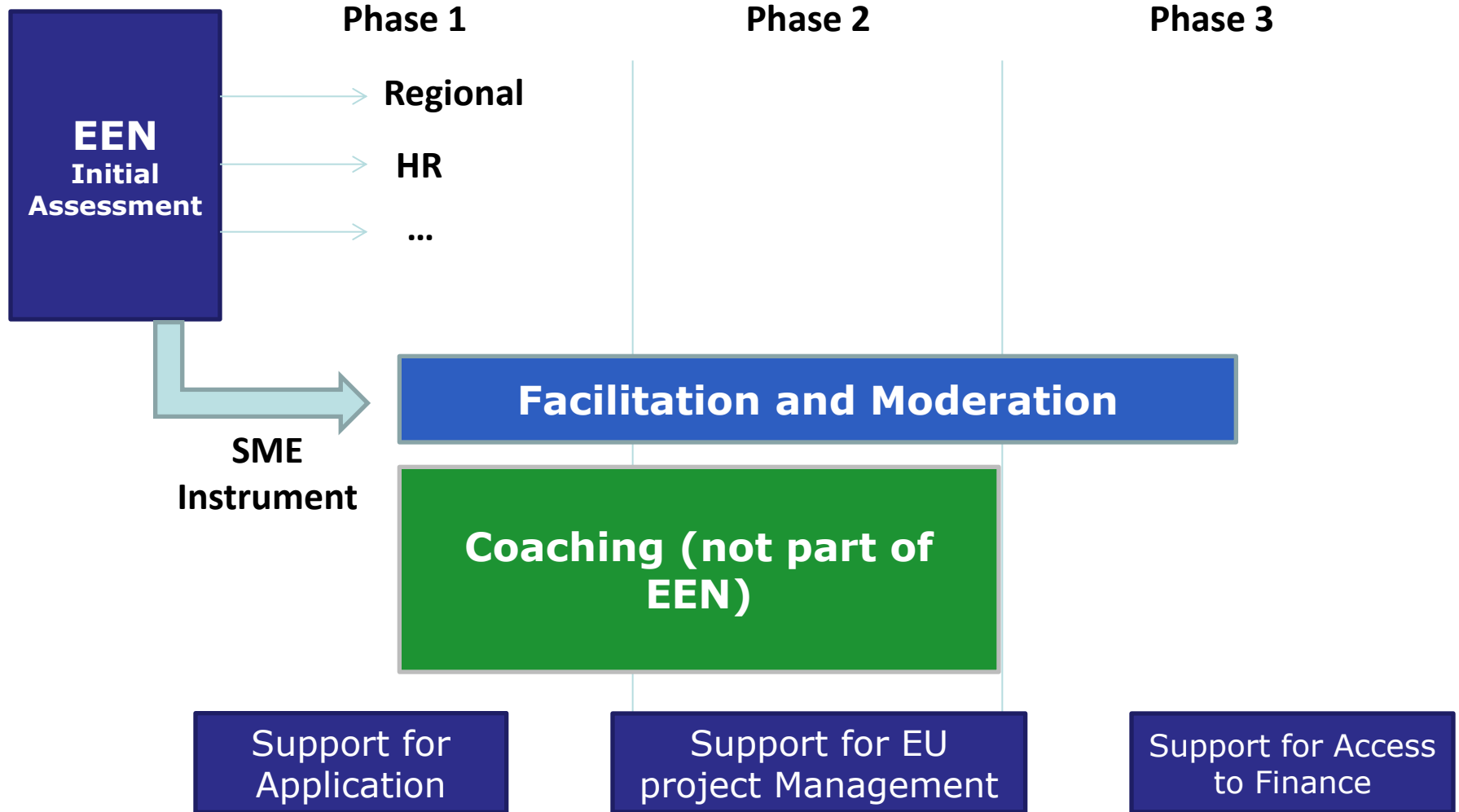
**Commercialisation  
potential and  
economic impact**

**Excellence in  
innovation**



**Company's  
growth  
potential**

**Plus: EU added value**





- Voluntary coaching offered in Phase 1 and Phase 2:
  - ✓ Phase 1 – 3 coaching days
  - ✓ Phase 2 – 12 coaching days
- Coaches will drive the performance of the organization by working with the senior management team
- Coach suggestion provided by the EEN, but final selection by the SME
- Coach and SME to decide a coaching plan in Phase 1. A summary of coaching foreseen for Phase 2 will form part of application to Phase 2
- Coaching paid in addition to Phase 1 and Phase 2 contribution



# HORIZON 2020

**Thank you  
for your attention!**

**Find out more:**  
[www.ec.europa/research/horizon2020](http://www.ec.europa/research/horizon2020)