

network enterprise europe



SME support under HORIZON 2020

проф. д-р Костадин Костадинов,
БТПП, 04.04.2014



- *Cutting red tape*
- *Access to finance (public/privat)*
- *Knowledge, expertise, skills, information*
- *Innovation management*
- *Networks, cooperation partners*
- *Access to customers/markets*
- *Access to « platforms/facilities/infrastructures »*
- *Visibility and recognition*

- A Swiss study estimated that less than 50% of the industrial partners used the **publicly funded applied research projects** strategically. (Source: C. Meier platinn, CH)
- Only about 22% of SMEs participating in EU research programs are **strategic innovators**.
- Most scientists work together with industry to advance their research, and very hard to commercialize their knowledge.
→ mentoring and coaching

SMEs in Horizon 2020

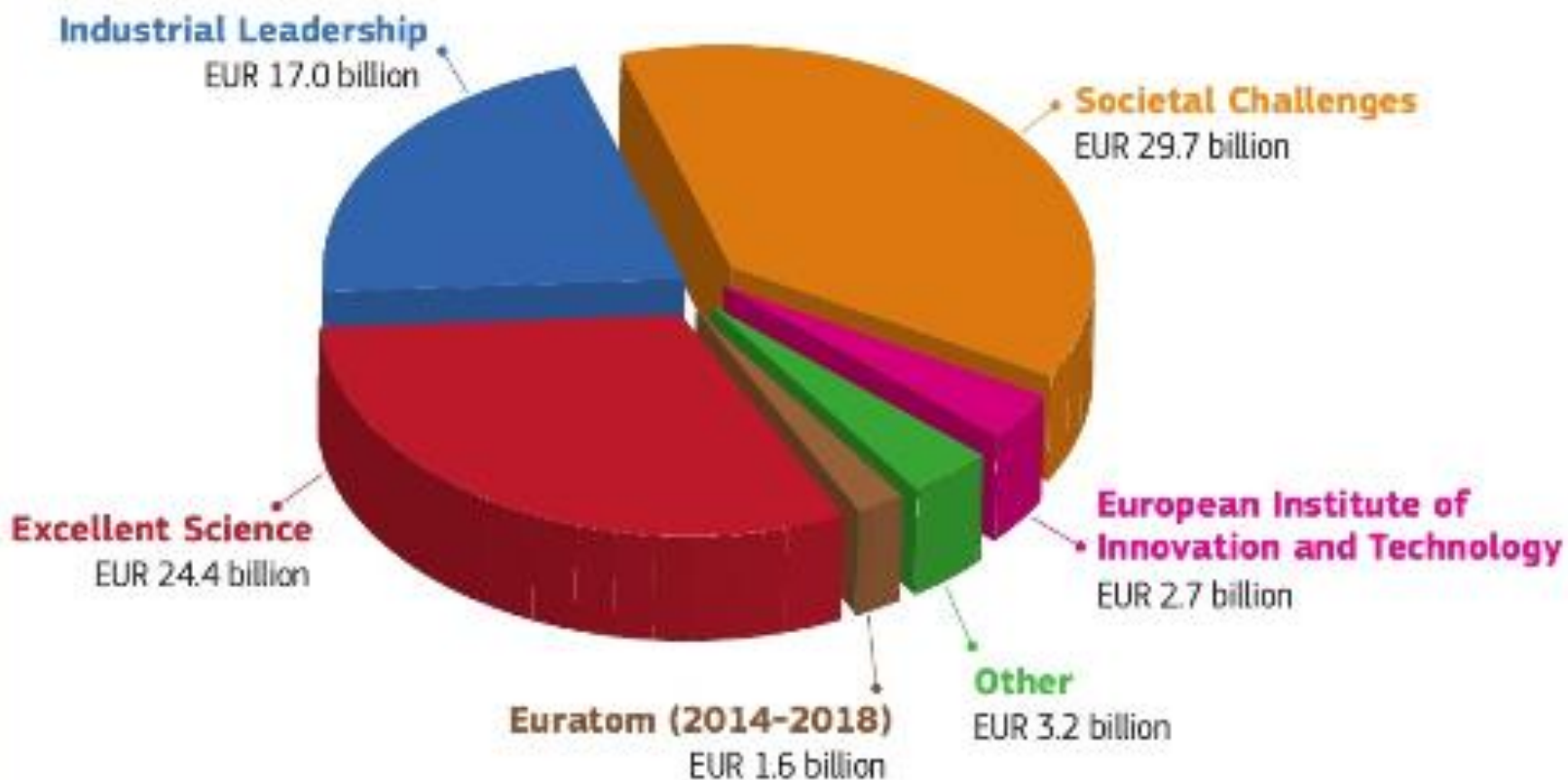
SMEs will be encouraged to participate across Horizon 2020 programmes through a new dedicated SME instrument.

It aims to fill gaps in funding for:

- early-stage, high-risk research and innovation by SMEs;
- stimulating breakthrough innovations.

HORIZON 2020 BUDGET (in current prices)

€79 Billion



All forms of R&D and all forms of innovation, towards exploitation and commercialisation

- *SME participation in collaborative R&D or innovation projects (all three priorities)*
- **SME instrument** *(budget from all societal challenges as well as from the LEITs)*
- *Innovation in start-ups, spin-offs and young companies (Eurostars and other measures)*
- *Access to risk finance (debt and equity facility)*
- *Exchange and mobility of researchers involving SMEs (Marie Curie actions)*
- *Links for access to procurements...*

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

SMEs in Horizon 2020

A new dedicated SME instrument

- Similar to the SBIR.
- The new instrument model (<http://www.sbir.gov>). It will provide easy access with simple rules and procedures.
- It will be used across all **societal challenges** and **the enabling and industrial technologies** will encourage SMEs to put forward their most innovative ideas with an EU dimension. It will target highly innovative SMEs showing a strong ambition to develop, grow and internationalise, regardless of whether they are high-tech and research-driven or non- research conducting, social or service companies.

Industrial Leadership (M€, 2014-20)

Leadership in enabling and industrial technologies (<i>ICT, nanotechnologies, materials, biotechnology, advanced manufacturing, space</i>)	€13781
Access to risk finance <i>Leveraging private finance and venture capital for research and innovation</i>	€3,538
Innovation in SMEs <i>Fostering all forms of innovation in all types of SMEs</i>	€619

Priority 2 Industrial leadership

23,11%

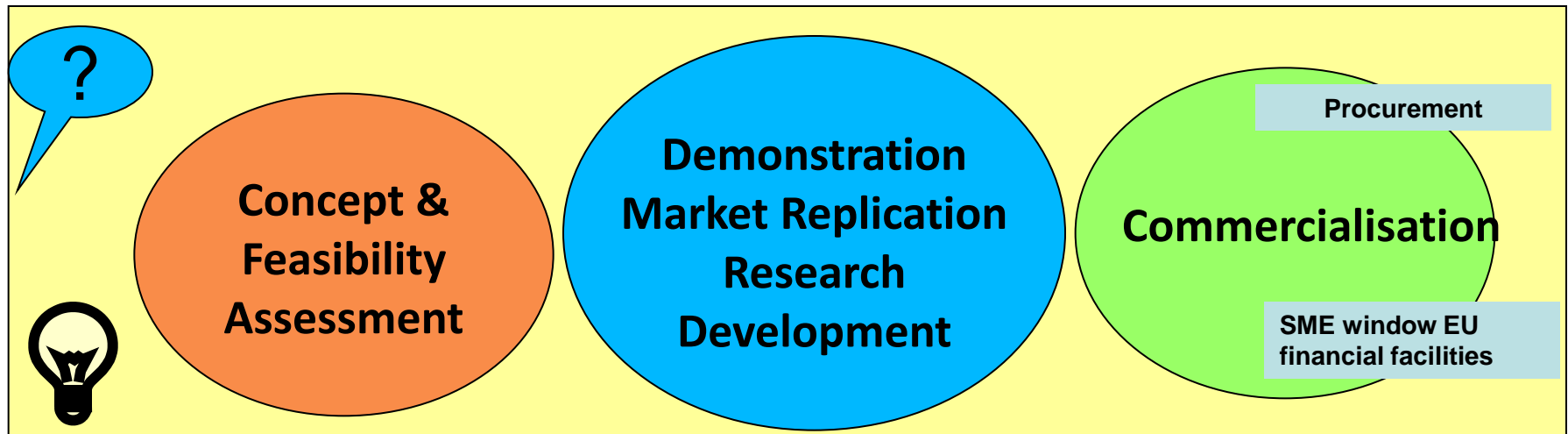
Why:

- Europe needs more innovative SMEs to create growth and jobs
- Strategic investments in key technologies (e.g. micro-electronics) underpin innovation across existing and emerging sectors
- Europe needs to attract more private investment in research and innovation

Horizon 2020 will have a strong focus on developing European industrial capabilities in *Key Enabling Technologies* (KETs) These include:

- Micro - and nano-electronics; photonics
- Nanotechnologies
- Advanced materials
- Biotechnology
- Advanced manufacturing and processing
- Development of these technologies requires a multi-disciplinary, knowledge and capital-intensive approach.

SME instrument



IDEA

business coaching throughout the project

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.

10-15% success

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)
90% budget

Activities:

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

~ 50 success

Output: "investor-ready
Business plan 3"

1-2.5 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
public procurement activities

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
- Bottom-up approach within the frame of the societal challenges and enabling technologies → each SC & LEIT defines a broad topic
- No obligation for applicants to sequentially cover all three phases; each phase open to all SMEs
- Combination of demonstration activities (testing, prototyping, ...), market replication encouraging the involvement of end users or potential clients, and research

- **Budget**

Funded by LEITs and SC. Initially 5%, will rise to at least 7% averaged over H2020

- **Specific Programme: Mainstreaming SME support**

[...] All of the societal challenges and the enabling and industrial technologies shall apply the dedicated SME instrument and allocate an appropriate amount to it,...

Based on various surveys (EVCA, EIM, NESTA), it is estimated that about 1 to 6 % of all SMEs belong to the target group, i.e. 200,000 to 1.2 million SMEs.

Without restrictions it is estimated to receive 10 to 15,000 SME applications for Phase 1 every year.

This number is limited in case of topic oriented calls

Measures to "reduce" applications:

1. Only one application per company (in both phases)
2. This implies: no possibility to apply for Phase 1 during the submission and/or implementation of a Phase 2 project and vice versa.
3. Advice by **the support network(s)**
4. SMEs should be encouraged to enter the scheme in Phase 1

- **Article 18(2) Regulation**
- [...] a dedicated SME instrument that is targeted at all types of SMEs with an innovation potential, in a broad sense, shall be created under a **single centralised management system** and shall be **implemented primarily in a bottom-up manner** via a **continuously open call** [...]
- Implemented centrally by EACI based on Commission declaration (SI(2013)428/2).
- 4 cut-off dates will be organised per year.
- Phase 1 is opened ~1/1/2014, first cut-off around March,
- opening of phase 2 in July 2014, first cut-off in November 2014.

Phase 1: fixed lump sum of 50 k€

Phase 2: assumed average project size 1.5 M€, in order to guarantee short Time-to-Grant it is suggested to fund projects with below 2.5 M€

↓ Over 7 years:

5,200 Phase 1 projects will be funded

1,700 Phase 2 projects with an average size of 1.5 M€ can be funded (or 2550 of an average size of 1 M€, 1250 of an average size of 2 M€)

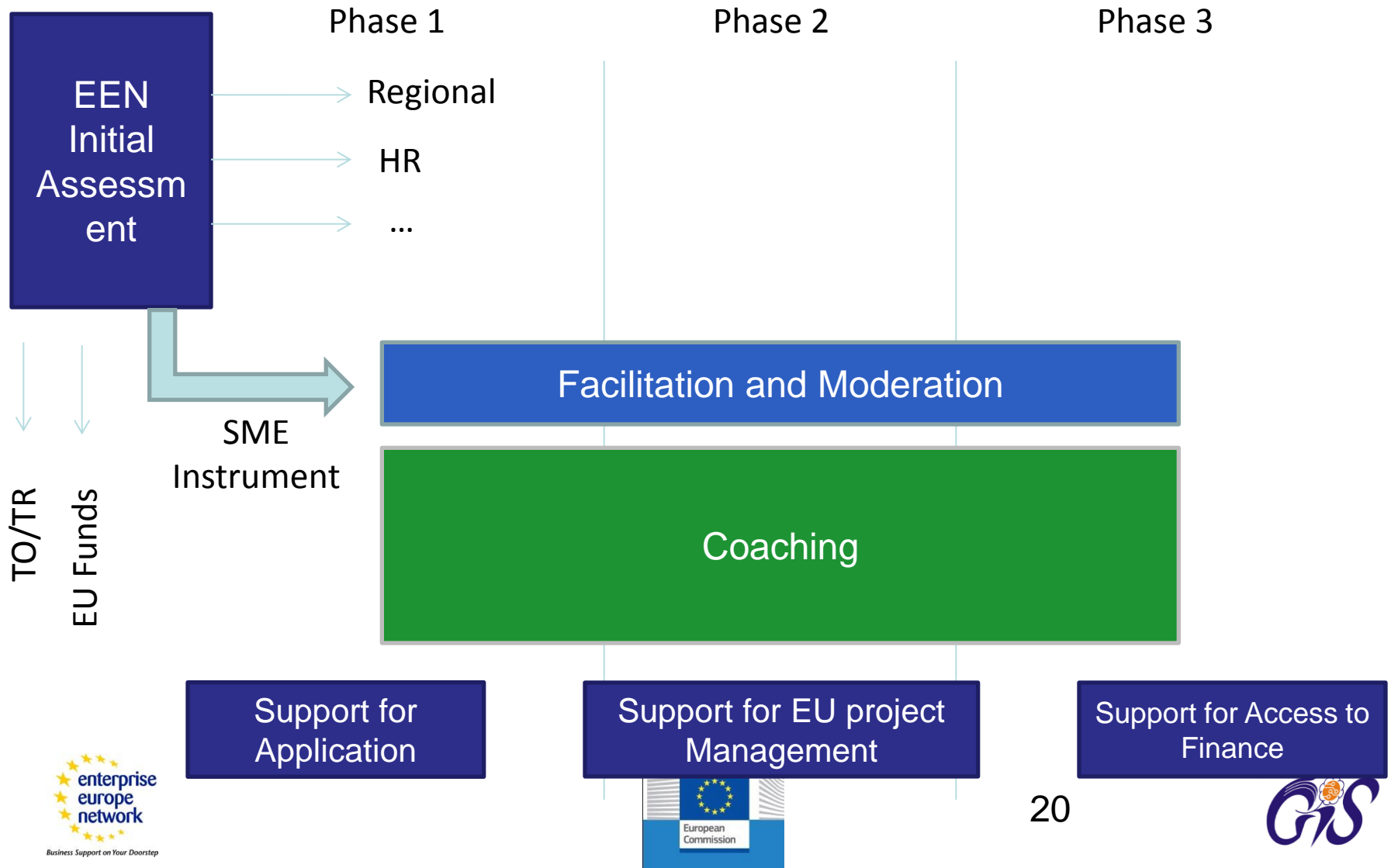
SMEs in Horizon 2020

How it works

- Relying on existing SME support networks (Enterprise Europe Network), a **mentoring and coaching scheme** shall be provided to beneficiaries so as to accelerate impact from funding under the SME instrument.
- SME Associations may continue to assist and to support their member companies in a European project as part of an SME-led consortium formed under the SME instrument. Such Associations will thus be able to play an important role in the dissemination of project results.

Coaching and EEN support

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SMEs in Horizon 2020

- These Horizon 2020 facilities will be operated in conjunction with the financial instrument facilities of **COSME**, the Programme for the Competitiveness of Enterprises and SMEs, where €1.4 billion has been allocated to debt and equity financing in support of SMEs.

What to do now...

- **Read the Work Programme....**
- **Read the General Introduction to H2020 ...**
- Register on the participant portal... (ECAS Number)
- Does your company have a PIC Number?
- Attend Technology Platforms Ad-hoc groups and plenary / work groups..etc. Open calls for members..
- Attend Information Days in Brussels and other Brokerage Events – organized also by EEN
- BG – Horizon2020 grant & coordinator grant schemes (???)

You can lead a horse to water....

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Благодаря за вниманието!

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