



HORIZON 2020 for SMEs

An Overview

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*@ "Horizon 2020 Kick-Off Event",
March 11, Thessaloniki, Greece*



SMEs - *driving force of economic growth and job creation in Europe:*

- *20.35 Million SMEs in the non-financial business economy (~99.8 % EU enterprises)*
- *85 % of new jobs in the private sector created by SMEs that provide 66.5% of employment in the private, non-financial sectors (more than 87M jobs total)*
- *SMEs account for close to 58% of the total gross-value added*



Barriers to Innovation & Growth

- *Inadequate Access to Finance (additionality of public support)*
- *Inadequate Access to Skills / Knowledge (// innovation management capacity)*
- *Weakness in Networking and Cooperation with External Partners (Open Innovation)*
- *Lack of Internationalisation*



Towards Horizon 2020: political foundations

Innovation Union, in particular Commitment n° 7

Ensure stronger involvement of SME in
future EU R&I programmes

*

European Council 4 February 2011

Commission is invited to explore the
feasibility of a Small Business Innovation
Research Scheme



Supporting SMEs throughout the innovation cycle...

... to stimulate growth by means of increasing the levels of innovation in SMEs, covering their different innovation needs in each phase of the cycle, for all types of innovation, thereby creating more fast-growing, internationally active SMEs.



All types of innovation



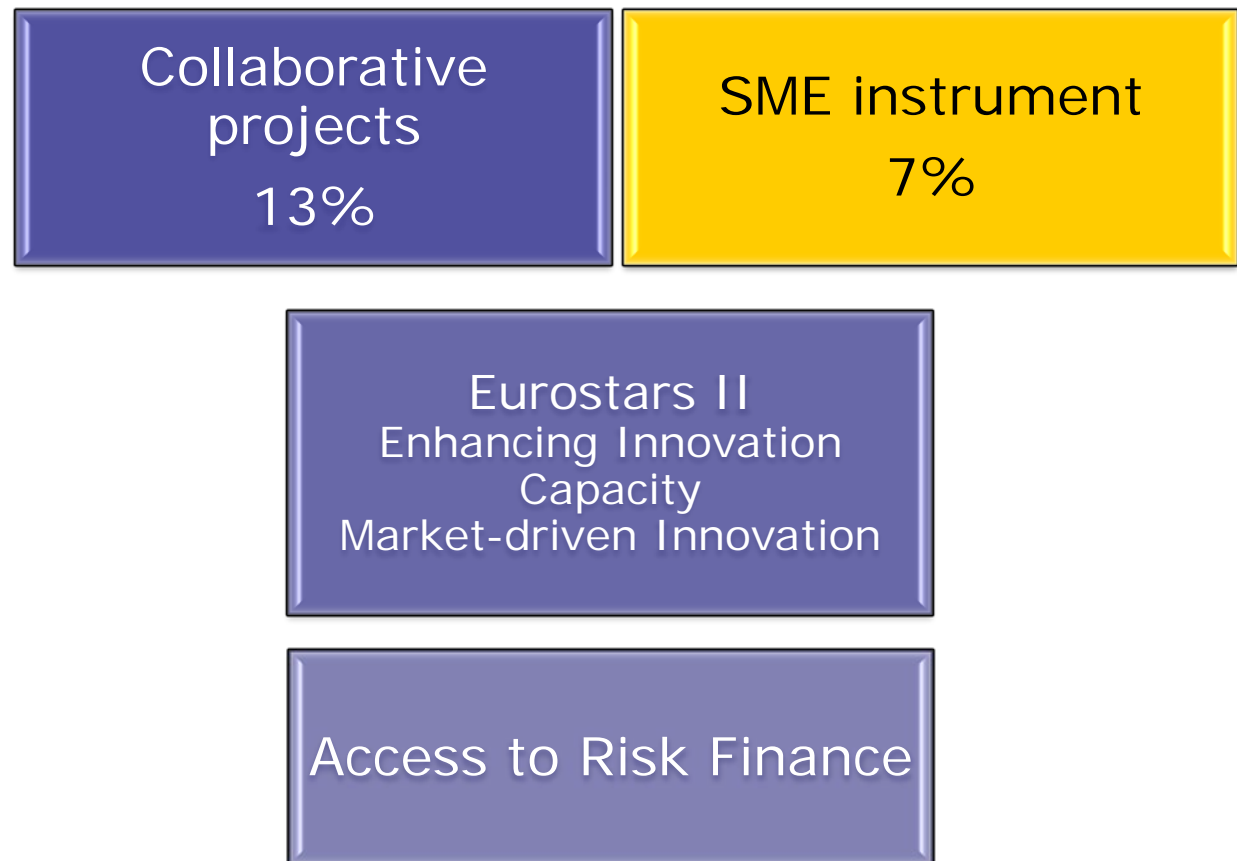
More impact!!



Integrated Approach to SME Support

20 %
budgetary
target in
LEITs &
SC*

'Innovation
in SMEs'



* = EUR 8.65 billion (in current prices) of direct SME support, incl. approximately EUR 3 billion to be allocated to the SME Instrument over the period 2014-2020



Overall proposed funding in M €*

<p><i>Leadership in enabling and industrial technologies (LEITs)</i> (ICT, nanotechnologies, materials, biotechnology, manufacturing, space)</p>	13 557
<p><i>Access to risk finance</i> Leveraging private finance and venture capital for research and innovation</p>	2 842
<p><i>Innovation in SMEs</i> Fostering all forms of innovation in all types of SMEs</p>	616 + complemented by expected 20% of budget of societal challenges + LEITs and ' <i>Access to risk finance</i> ' with strong SME focus

* In current prices

Societal Challenges



Overall proposed funding in M €*

Health, demographic change and wellbeing	7 472
Food security, sustainable agriculture and forestry, marine and maritime and inland water research and the Bio-economy	3 851
Secure, clean and efficient energy **	5 931
Smart, green and integrated transport	6 339
Climate action, environment, resource efficiency and raw materials	3 081
Inclusive, innovative and reflective societies	1 310
Secure societies	1 695
<i>Science with and for society</i>	<i>462</i>
<i>Spreading excellence and widening participation</i>	<i>816</i>

* In current prices

** Additional funding for nuclear safety and security from the Euratom Treaty activities (2014-2018)



SME Support what continues and improves

- SME participation in **collaborative** R&D or innovation projects
- **Eurostars (II)**
- Enhancing the **innovation capacity** of SMEs (Europe INNOVA former CIP-EIP)
- Exchange and **mobility** of researchers involving SMEs (Marie Skłodowska-Curie actions)
- Access to **finance, but wider scope!**

what stops

- **Research for the benefit of SMEs** scheme



SME support – what is new

- **Integrated approach** to SME support (Article 22 of Framework Regulation)
- **"Minimum of 20%" budgetary target** for the specific objectives 'Leadership in enabling and industrial technologies' and societal challenges (Article 18 of Framework Regulation) – around 8.65 billion €
- **SME instrument** accompanied by **coaching** with a minimum of **7% budget allocation** from LEITs and societal challenges – at least 3 billion €
- **More monitoring and performance assessment**



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SMEs in Collaborative Projects



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Collaborative projects for SMEs

- ❑ Continuation of the Cooperation Programme under FP7. Intended to facilitate collaborative research across Europe through transnational consortiums of industry, that consist of minimum of three different partners (legal entities) from three different EU member-states or countries associated to Horizon 2020.
- ❑ Same reimbursement rate for all*: Up to 100% of eligible cost (limited to maximum of 70% for innovation actions), 25% flat-rate for indirect costs
- ❑ Simplifying participation for SMEs:
 - ❑ A unit cost system in the rules for SME owners and physical persons without a salary
 - ❑ Simplification regarding personnel costs like simplified provisions on productive hours and clear minimum rules on time-recording

* Exception for non-profit organisations



Horizon 2020 is different

- ❑ A strong challenge-based approach, allowing applicants to have considerable freedom to come up with innovative solutions
- ❑ Emphasis on innovation, with continuing support for R&D
- ❑ Less prescriptive topics, strong emphasis on expected impact
- ❑ A strategic approach, with two-year work programmes
- ❑ Focus areas bring together different technologies, along entire innovation chain
- ❑ Cross-cutting issues mainstreamed (e.g. social sciences, gender, international cooperation)



Ambitious Targets

- ❑ **13 % of the total combined budget** for all **societal challenges** and the enabling and industrial technologies (**LEITs**) – or at least EUR 5.5 billion* – should be directly invested into collaborative research and innovation activities conducted by SMEs.
- ❑ The major initiatives that favor the involvement of SMEs include selection of SME-relevant topics, SME dedicated Calls, a budget earmarked for SMEs within specific Calls, and coordination and support actions. SME participation is expected not to be uniform across the different priorities of Horizon 2020, but **the ambition is clearly to enhance SME participation across the board.**
 - An example: Future and Emerging Technologies (FET) Open (Excellent Science-pillar): fosters collaboration across disciplines on **radically new, high-risk ideas and accelerates development of the most promising emerging areas of science and technology**; recognises and stimulates the driving role of new high-potential actors in research and innovation, such as women, young researchers and **high-tech SMEs**, is also important for nurturing the scientific and industrial leaders of the future. No thematic restrictions. Call budget for 2014-2015: EUR 154 million.



Innovation in SMEs

Eurostars

**Building Innovation
Capacity & Value Chains**

The SME Instrument



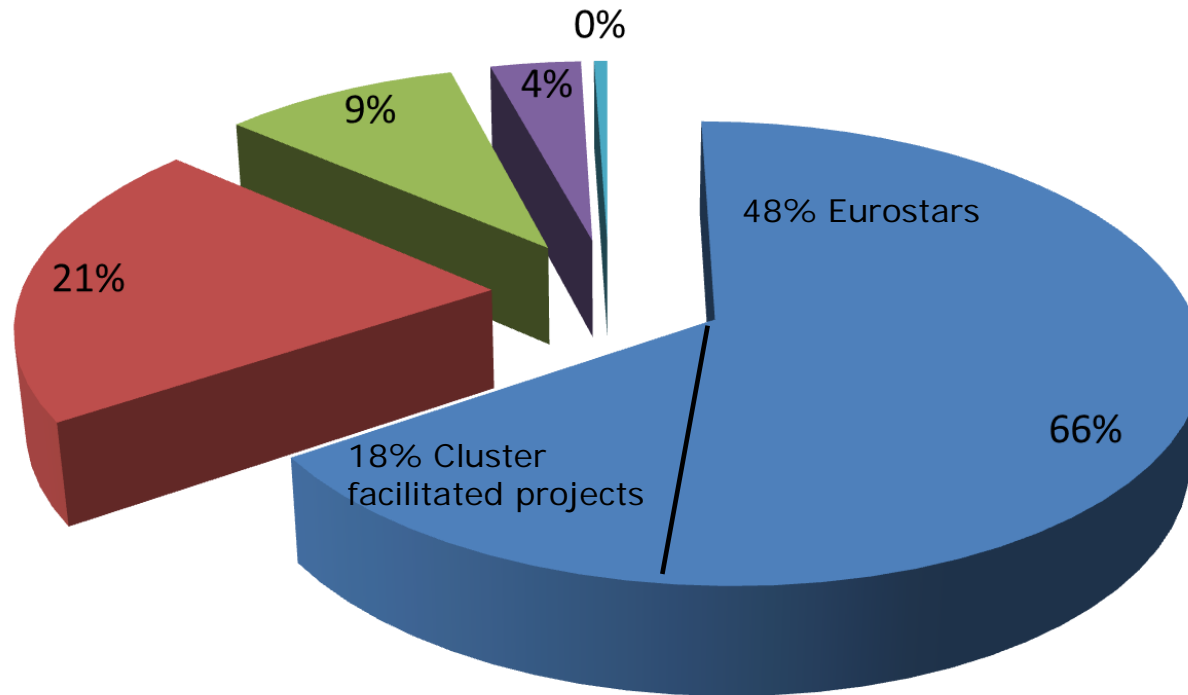


Overall proposed funding in M €*

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* In current prices

Innovation in SME 2014/15 - type of activity - total €140.0



- Direct project support for SME (EUREKA / Cluster)
- Service directly for SME (EEN, IPR helpdesk)
- Better service designs (concrete projects for tools)
- Analytical + learning activities
- Other



The Basics

WHAT IS IT?

A joint programme initiative between EUREKA Member States (at present 33 countries involved) and the European Union (= a Public-Public Partnership)

GOAL AND TARGET GROUP:

"The goal is to promote transnational market-oriented innovation of R&D performing SMEs. A specific action shall target research intensive SMEs in any sectors that show the capability to commercially exploit the project results."

IMPLEMENTATION:

"The action will be implemented by an Article 185 TFEU initiative building on the Eurostars Joint programme (2008-2014) and reorienting it along the lines stated in its interim evaluation"



Looking Forward...

▪ Expected Improvements of Eurostars 2:

- ❑ Quicker progress towards more scientific, management and financial integration, including a better synchronisation of funding.
- ❑ Shorter time to contract
- ❑ Respect of the Eurostars rules by all participating countries
- ❑ Increased Focus on SMEs with no previous international research experience

▪ Foreseen Funding (in COM proposal) considerably higher than E*1:

- ❑ E*2 participating states (33 countries) = **856 M€***
- ❑ EU contribution = max. **287M€**

➡ Possible public budget increase from 400M€ in E*1 to almost **1.2 billion €** in E*2

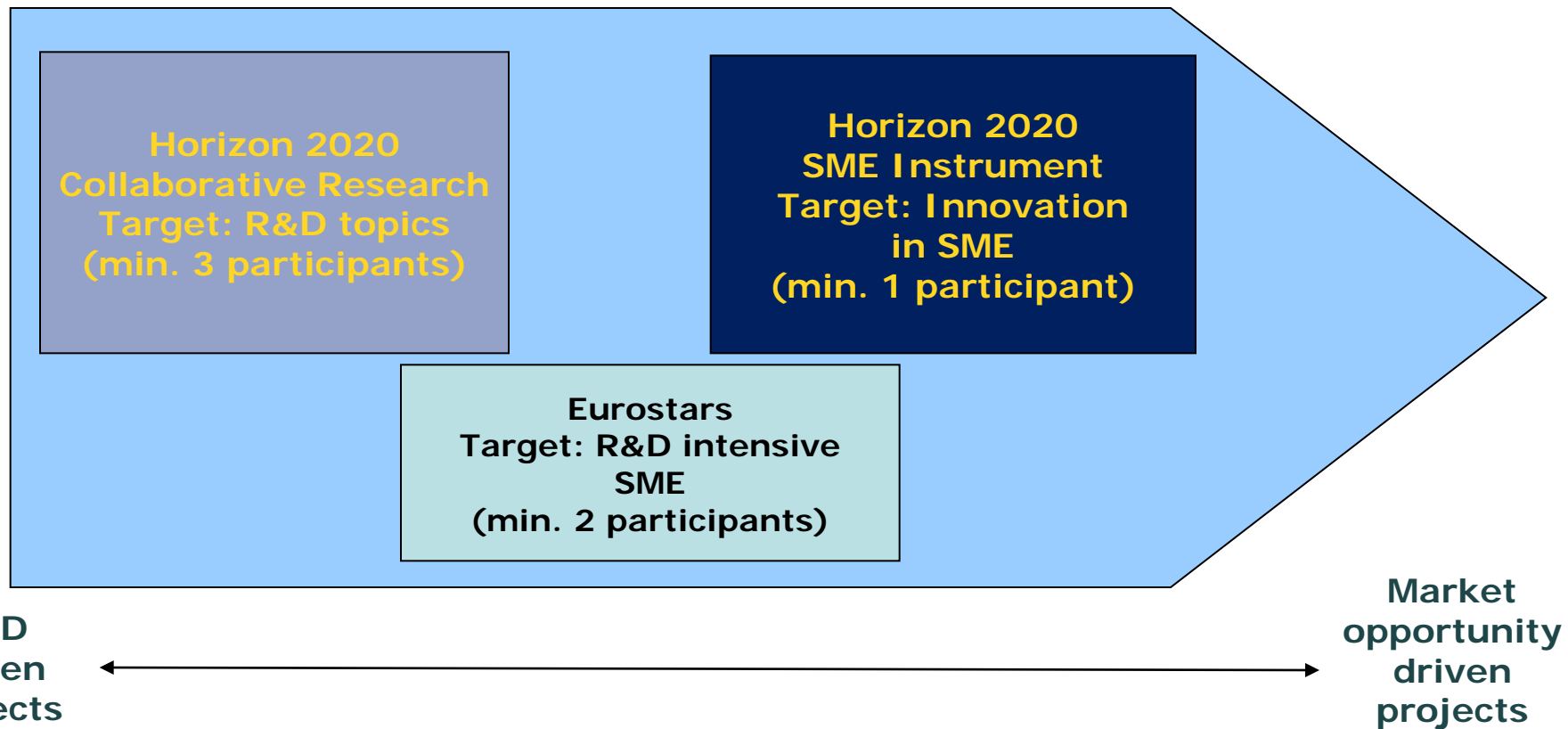
▪ Status of decision-making process

- ❑ Expected adoption by Council and EP: April 2014
- ❑ First call in 2014

* Earmarked budget, status of 21/1/2014



Positioning in the Innovation Cycle...





Objectives

- Enhancing the innovation capacity of SMEs (policy learning)
- Supporting market driven innovation (cluster /value chain creation and development)

Principles

- Support the implementation of the SME-instrument (for instance via Enterprise Europe Network)
- Recognize better 'non-technological drivers' of innovation
- Continue to develop and test better innovation support services and related tools
- Capitalizing "Innovation Ecosystems" such as clusters and other business networks for innovation of value chains
- Typically the actions do not address SMEs directly – but 'support providers'



SME support in Horizon 2020

The SME Instrument



University

Small
Business

Funding Gap
(range: 1-3 M€)

Private
Funds

Industry

Venture Capital

Angel Investors

Public
Funds

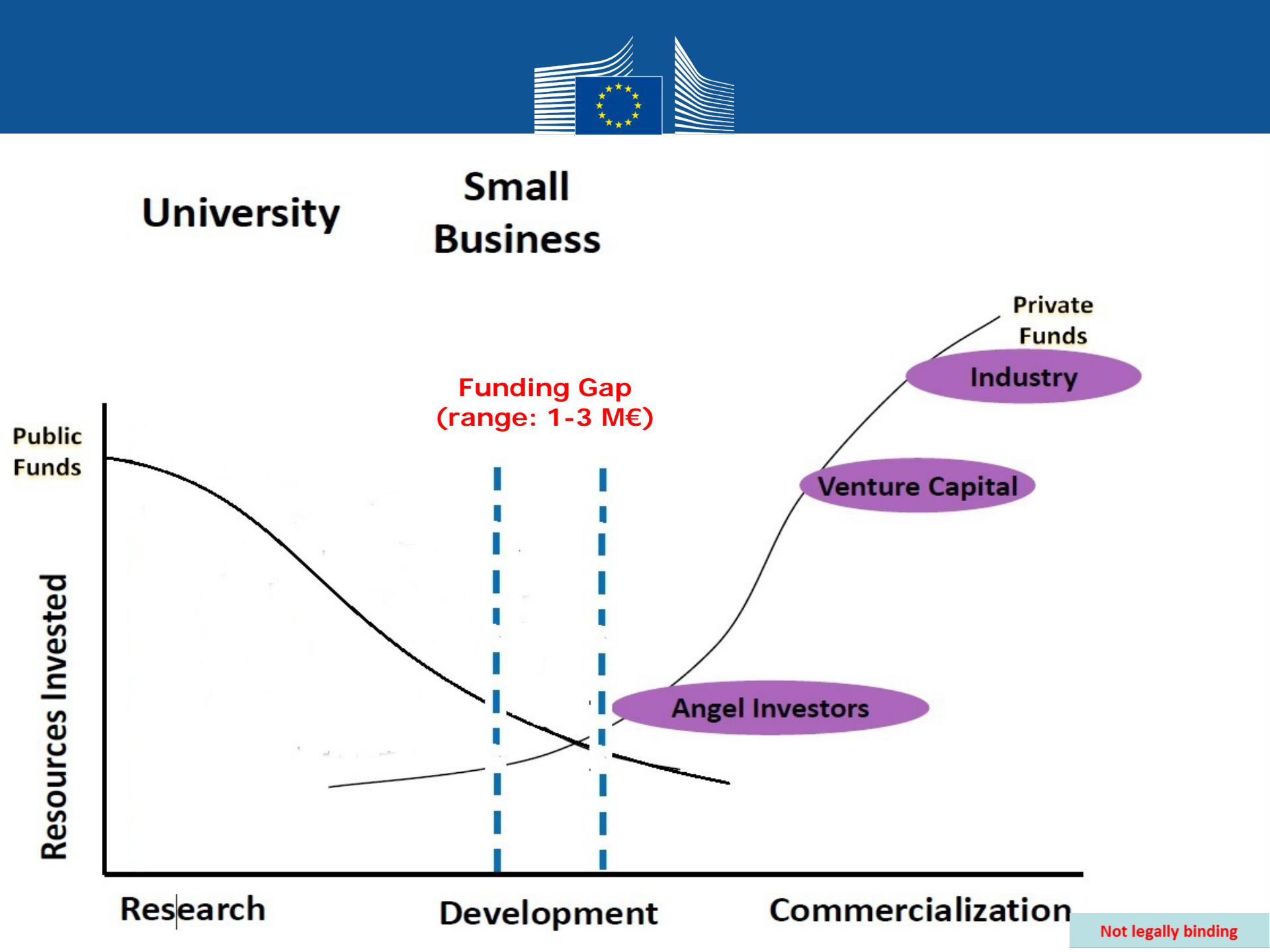
Resources Invested

Research

Development

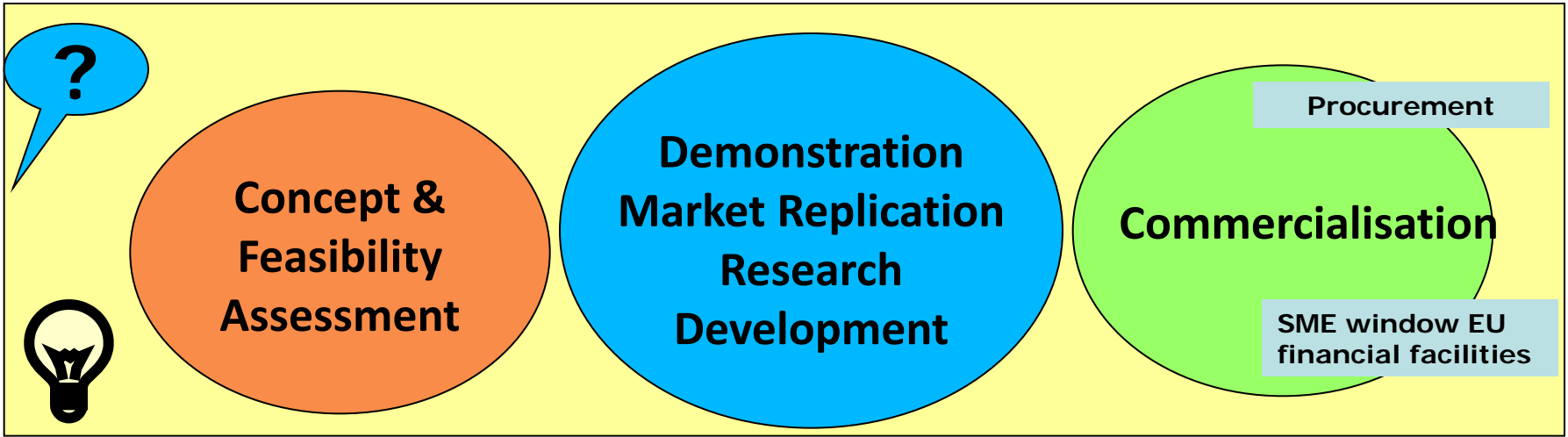
Commercialization

Not legally binding





SME instrument





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



Main features

- 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	
LEIT ICT	Open Disruptive Innovation (2014: 45 M€ / 2015: 45 M€)
LEIT NMP	Accelerating the uptake of nanotechnologies , advanced materials or advanced manufacturing and processing technologies by SMEs (21.8 M€ /23.8 M€)
LEIT Biotech	SME boosting biotechnology-based industrial processes driving competitiveness and sustainability (3.8 M€ /2.4 M€)
LEIT Space	SME Instrument (8.5 M€ /8.75 M€)
SC1 Health	Clinical research for the validation of biomarkers and/or diagnostic medical devices (66.1 M€ / 45M€)
SC2 Bio-economy	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€)
SC3 Energy	Stimulating the innovation potential of SMEs for a low carbon and efficient energy system (33.95 M€ /37.26 M€)
SC4 Transport	Small business innovation research for Transport (35.87 M€ /38.96 M€)
SC5 Climate	Boosting the potential of small businesses for eco-innovation and a sustainable supply of raw materials (17 M€ /19 M€)
SC6 IIIS	Innovative mobile e-government applications by SMEs (2015: 4M€) & SME business model innovation (2015: 11M€)
SC7 Security	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€)

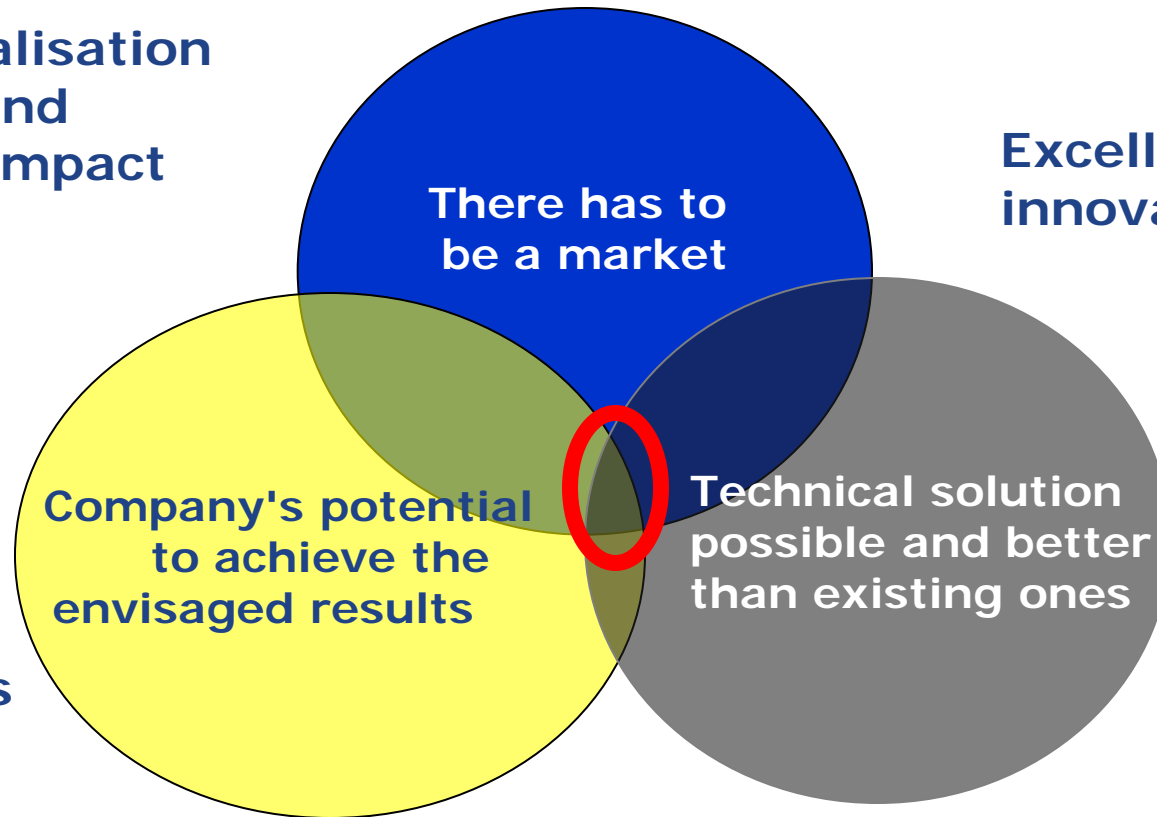
ca. 1,700 Phase 2 projects with an average size of 1.5 M€
(or 2550 of an average size of 1 M€; 1250 of an average size of 2 M€)



Profile and competences of evaluators are highly important.

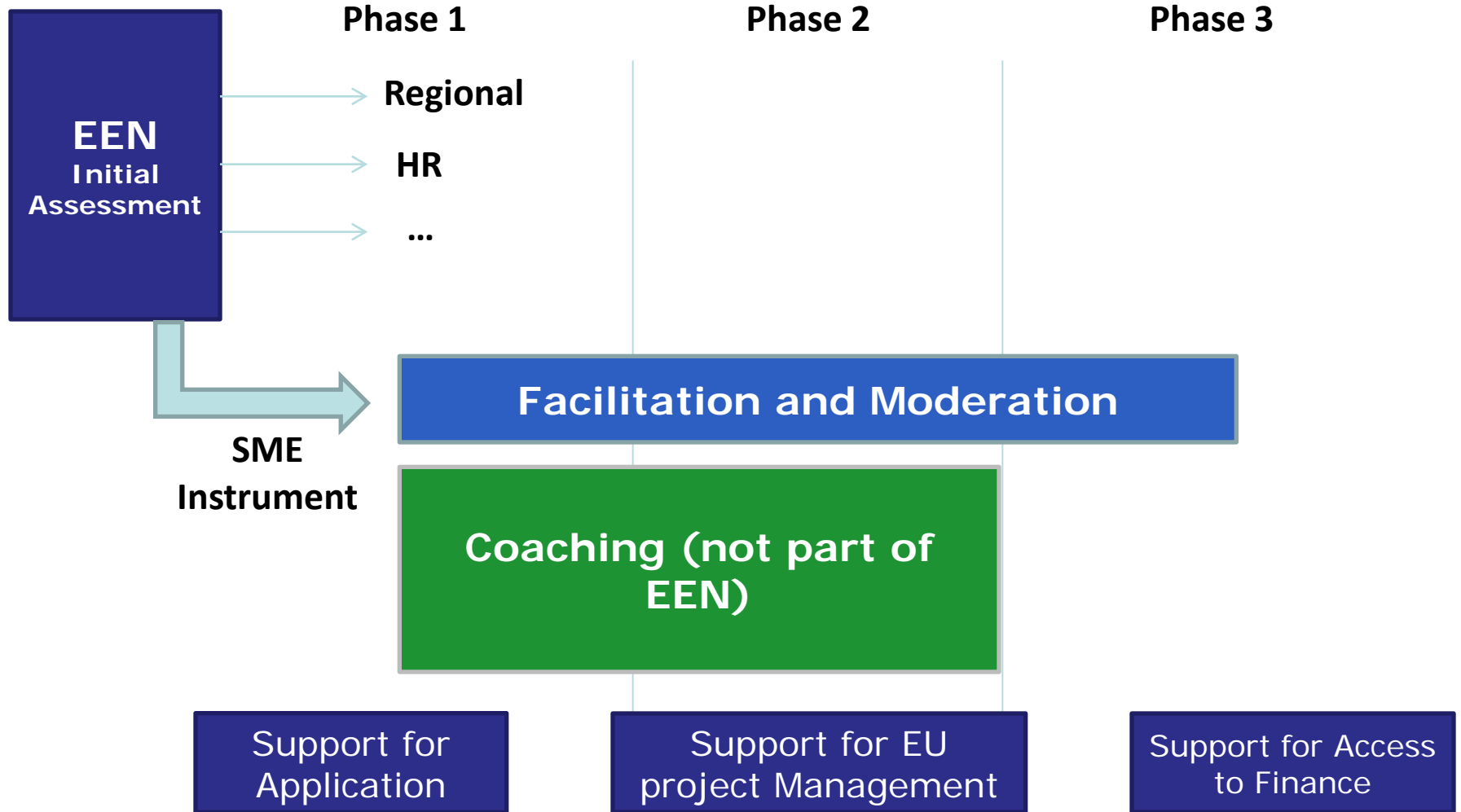
**Commercialisation
potential and
economic impact**

**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



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Access to Risk Finance for SMEs



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Why EU intervention is needed

- ❑ Continued market failures and deficiencies in debt and equity markets supporting R&I and growth
- ❑ Need to encourage more private investment in growth and R&I and to complement national and regional “access to finance” schemes for SMEs
- ❑ Answering to banks/investors increasingly risk-averse behaviour in a context of reinforced prudential rules (Basel III, Solvency II) and difficult economic/financial times
- ❑ Significant gap in the market between the demand and the supply of loans and guarantees for enterprises’ growth and R&I
- ❑ Enduring difficulties for SMEs in accessing start-up / growth finance
- ❑ Equity finance scarce for early / growth-stage investments; VC fund sizes sub-critical; need to build an integrated European VC market

Commitments in Europe 2020 Strategy, Single Market Act, Innovation Union Flagship Initiative, Action Plan on SME Access to Finance, SBA

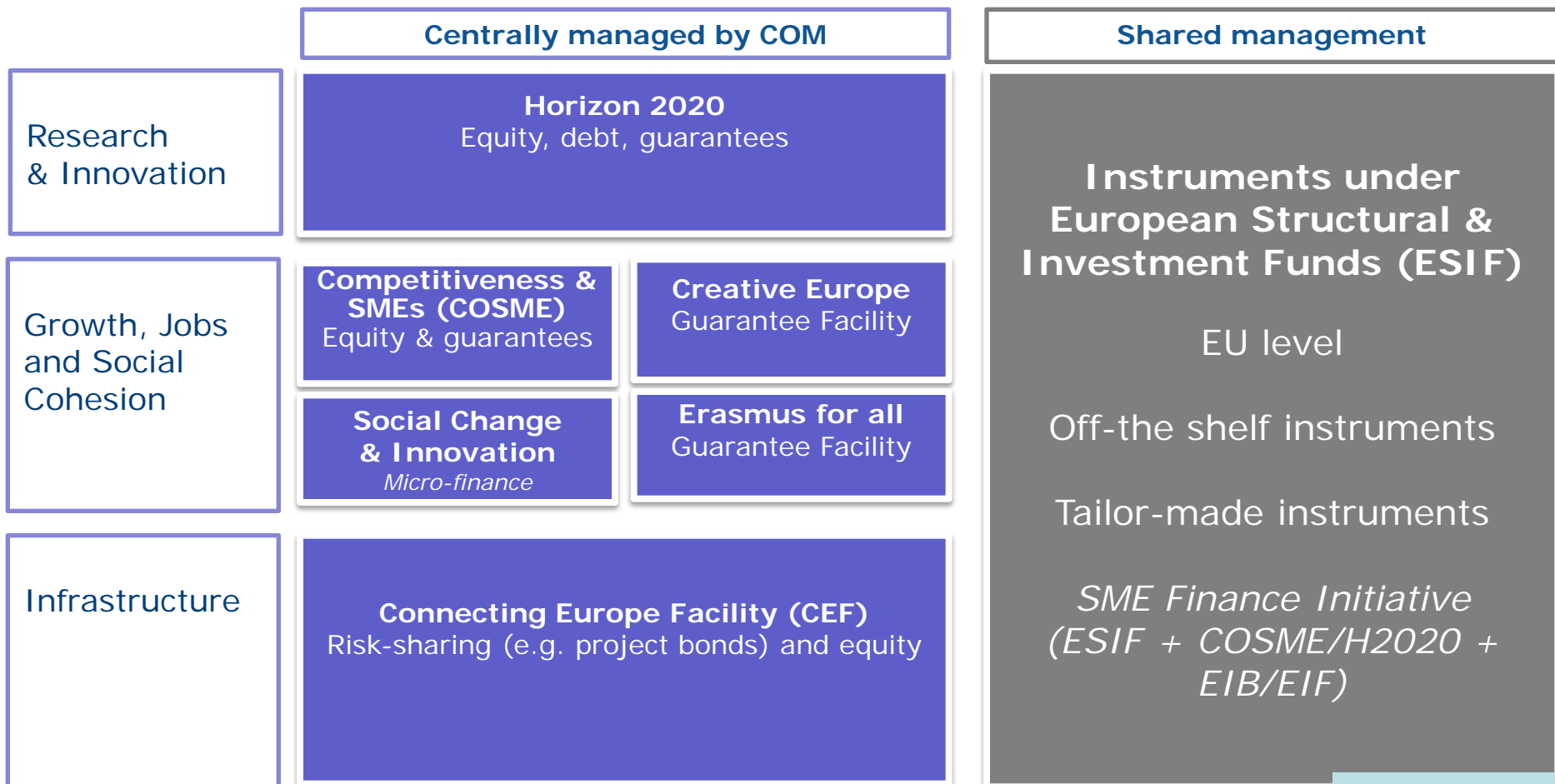


What do they entail?

- ❑ Part of the EU means for **over a decade** to support real economy
- ❑ Efficient way of implementing the EU budget as they have **leverage / multiplier effects**
- ❑ Cover a broad range of interventions, such as:
 - Guarantees to mutual guarantee societies and banks lending to companies (including SMEs)
 - Equity participations for early and growth-stage investments
- ❑ Common features:
 - Aim to **improve access to finance, especially for SMEs**
 - Typically delivered via **financial intermediaries** (mutual guarantee societies, banks, funds, etc) on behalf of (or in partnership with) the European Commission, but also **directly**
 - Typically operated by the **EIB Group** (EIB, EIF), but may also be operated by **other financial institutions**



Financial Instruments proposed





Overall proposed funding in M €*

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* In current prices



Key Features

- ❑ Part of the Horizon 2020 budget (**3.69%**) ; will usually not be provided through grant funding but in the form of risk-sharing (for loans and guarantees) and by providing risk finance (equity)
- ❑ **Objectives:** Facilitate access to finance for (1) RDI-driven/ innovative SMEs & small midcaps and (2) ambitious RDI projects carried out by a variety of recipients (companies, stand-alone projects etc.) / Addressing financing gaps: Intervention only if there are financing gaps in the R&I delivery chain (e.g. due to high risk)
- ❑ **Around EUR 2.7 billion in total** (net of administrative costs) for market-driven financial instruments
- ❑ **One Debt instrument; one Equity instrument; Accompanying measures**
- ❑ At least 1/3 of the budget to support **RDI-driven SMEs and small midcaps**
- ❑ **Top-up budget**, from other parts of Horizon 2020 or the Multiannual Financial Framework, possible for policy-driven financing facilities addressing specific policy needs (i.e. the SET Plan implementation)



Principles of Implementation

- ❑ Continue and refine proven facilities that have supported R&I in 2007-2013: **RSFF, RSI, GIF-1**
- ❑ Continue to run facilities in a demand-driven way (no earmarking; "**first come, first served**"), coupled with targeted awareness-raising
- ❑ Encourage **top-up funding** to target sectors/policies ("policy-driven")
- ❑ Keep focused on **attracting private investments**
- ❑ As now, Implementation via **entrusted entities** (EIB/EIF/other IFIs) (NB: exploratory talks with other financial institutions)
- ❑ As before, selected financial intermediaries after **open calls for expressions of interest** launched by entrusted entities
- ❑ Complementarity with other FIs in particular **COSME**



Debt Finance

□ Loans Service for R&I ("**RSFF II**"):

Loans and guarantees for investments in Research & Innovation; targeted at midcaps, larger companies, research institutes, stand-alone projects, PPPs, other entities; particular approach for innovative midcaps; loan amounts above EUR 7.5 million ; direct and indirect implementation. *[budget 2014-2015: around €200 million (*)]*

□ SME & small midcaps R&I Loans Service ("**RSI II**"):

Loan guarantee facility for loans to research-intensive and innovative SMEs & small midcaps; loan amounts between EUR 25,000 to 7.5 million ; indirect implementation (banks; guarantee societies ; ...) *[budget 2014-2015: around €160 million (*)]*

() subject to budget availability/final allocation decision*



FP7 RSI Results

Access to Debt

More than € 1.2 billion in guarantees...

As of 31-December-13

#	RSI - Financial Intermediary Names	Country	Guarantee Amount (EUR m)	Signature date
1	Unicredit Bank Austria	Austria	60.0	03-Oct-12
2	Ceska Sportelna (Erste)	Czech Republic	45.0	08-Nov-12
3	ABN Am ro	Netherlands	60.0	26-Nov-12
4	Bankinter	Spain	60.0	27-Nov-12
5	AIB	Ireland	40.0	28-Nov-12
6	Banco Popolare (joint application - 2 FIs)	Italy	60.0	07-Dec-12
7	Cassa Di Risparmio di Cento	Italy	20.0	07-Dec-12
8	Deutsche Bank	Germany	60.0	23-Jan-13
9	Komerční banka	Czech Republic	50.0	15-Mar-13
10	BPI	Portugal	30.0	17-Apr-13
11	Bank Pekao	Poland	40.0	27-May-13
12	BPCE (joint application - 17 FIs)	France	125.0	24-Jun-13
13	Credito Valtellinese Group (joint application - 4 FIs)	Italy	50	24-Jul-13
14	Raiffeisen Leasing Polska	Poland	30	31-Jul-13
15	Halkbank	Turkey	50	17-Sep-13
16	Bpifrance financement	France	80	25-Sep-13
17	Sparbanken Öresund AB	Sweden	17.5	09-Oct-13
18	Bankinter (increase)	Spain	20	15-Oct-13
19	Alba Leasing	Italy	60	17-Oct-13
20	BES	Portugal	80	24-Oct-13
21	Deutsche Bank PBC	Poland	25	29-Oct-13
22	FiBank	Bulgaria	7.5	08-Nov-13
23	BPI increase	Portugal	50	18-Nov-13
24	IKB Leasing	Hungary	25	26-Nov-13
25	Unicredit Bank Austria (increase)	Austria	20	06-Dec-13
26	Komerční banka increase	Czech Republic	30	06-Dec-13
27	AWS (counter-guarantee)	Austria	11.5	13-Dec-13

Total Signed

Research and Innovation

1206.5

#	Countries covered*
1	Austria
2	Czech Republic
3	Germany
4	Ireland
5	Italy
6	Netherlands
7	Poland
8	Portugal
9	Spain
10	Turkey
11	France
12	Sweden
13	Hungary
14	Bulgaria
15	Slovakia
16	Croatia
17	Estonia
18	Denmark
19	Switzerland

* including applications in process

Regular update on EIF's Website:
http://www.eif.org/what_we_do/guarantees/RSI/Rsi_intermediaries.htm

Not legally binding



RSI EXAMPLE: ZETA BIOPHARMA (AUSTRIA)



- **Zeta Biopharma**: a plant construction company in Austria with **237 employees** providing process technology for biopharmaceutical applications by supplying global pharmaceutical companies with individually designed plants
- The company is one of only two in Europe to use freeze and thaw containers for storage and transport of substances for the pharmaceutical industry. These liquids can be frozen in a controller storage facility for years and are often sent to markets worldwide.
- The working capital loan covers Zeta's high working capital requirements during the long lead times in plant engineering and manufacturing. It helps the company to implement additional R&D projects and to achieve faster growth.
- RSI Intermediary: **UniCredit Bank (Austria)**
- Loan Amount: **EUR 2.5 million**



Equity Finance

- ❑ **Early stage finance** for innovative enterprises (notably seed and start-up companies); limited growth-stage finance also possible together with COSME; indirect implementation (i.e. via VC funds mainly) / ("**GIF 1.2**") [*budget 2014-2015: around €75 million(*)*]
- ❑ **Pilot facility for technology transfer** (*under development*) to bring R&D results from public research organisations and universities to the market (licensing; creation of spin-off companies) ("**TTFF**") [*budget 2015; around €60 million(*)*]

() subject to budget availability / final allocation decision*

"Top-up"/Policy targeted contributions (2014-2015)

Principle: additional budget coming from another part of Horizon 2020, another EU MFF programmes, ...

□ Under Debt facilities

- *Joint Guarantee Instruments for R&I-intensive SMEs and Small Midcaps ("SME Initiative") (ESIF-COSME-H2020) (2014-2016) (up to €60 million / year) [TBC]*
- *First-of-a-kind, commercial-scale industrial demonstration projects in the field of competitive low-carbon energy (2015 – tbc) (p.m.) [TBC]*

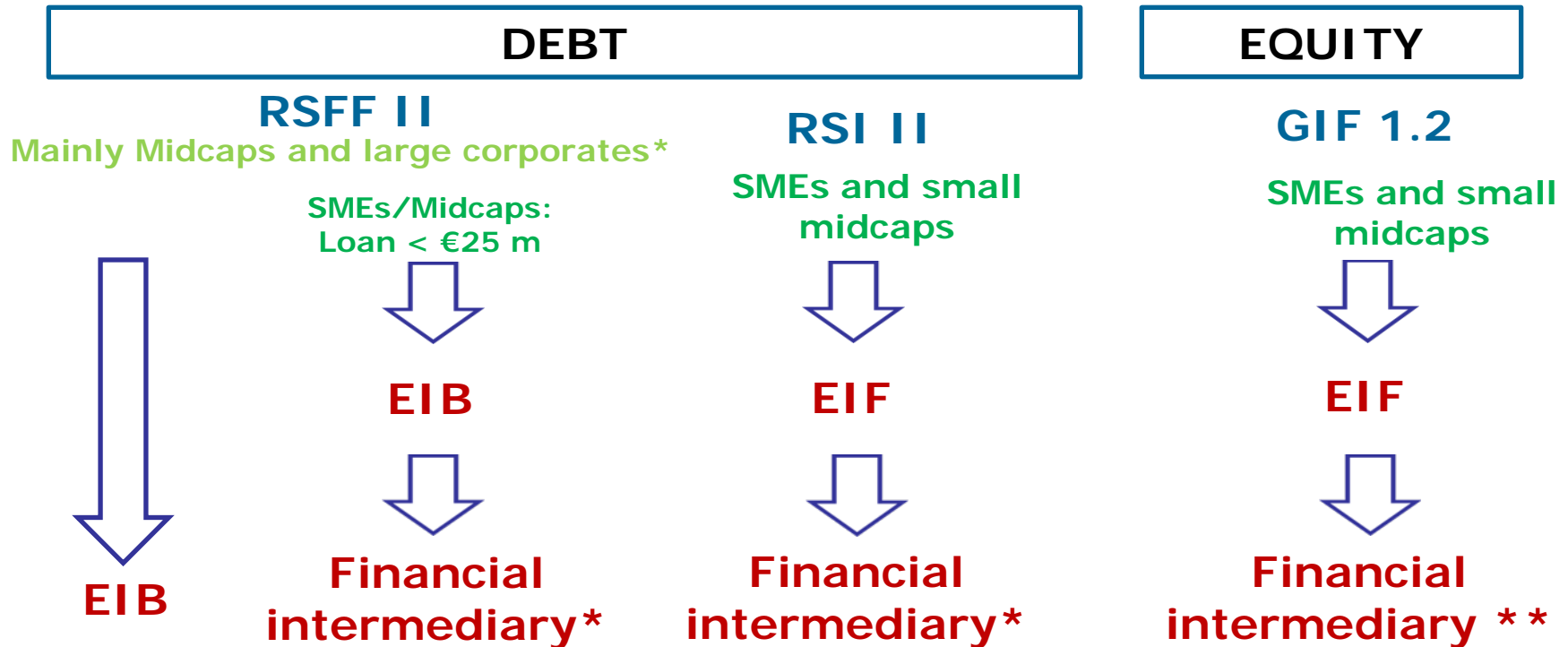
□ Under Equity facilities

- *Piloting Co-Investments by Business Angels in Innovative ICT Firms (2015) (€15 million)*

Nota Bene: subject to agreement of relevant governing bodies (like related H2020 programme committees; individual MS decision regarding SME initiative)



Whom should companies contact? (starting phase)



*Bank or a financial institution selected on the basis of the call for expression of interest that signed an agreement with the EIF

**Fund selected on the basis of a call of expression of interest that signed an agreement with the EIF

*All entities will be eligible also PPPs, universities, research infrastructures, etc, provided they can borrow money

Accompanying measures (2014/15)

- **Expertise**

- Technical assistance** [Named beneficiary(EIB) – 2014 – 4 years
- €16 million for 2014-2017(*)]

Improving 'bankability' and investment-readiness of large, complex projects suffering from sub-optimal investment conditions and needing substantial, long-term investments in order to come to fruition

- Assessing the Investment Potential of SMEs Emerging from Phase I of the SME Instrument** (starting in 2014/2015)

Establishing a group of investment specialists, operating in a personal capacity, to assess the investment potential of SMEs emerging from Phase I of the SME Instrument and ease/speed up for promising SMEs access to risk finance.

() subject to budget availability / final allocation decision*



Accompanying measures (2014)

- **Studies**

- ❑ **Understanding the Nature and Impact of Angel and Crowd-Funding in R&I** [2014 – €0.75 million (*)]

This study should produce a comprehensive picture of what is happening in these rapidly developing areas and pave the way for possible EU-level action in 2015/2016.

- ❑ **Assessing the Potential for EU Investment in Venture Capital Funds-of-Funds** [2014 – €0.27 million (*)]

The study should deliver concrete recommendations for a potential pan-European Fund-of-Funds ("ideal house") in view of EU-level action, if relevant, starting in 2016 following preparations in 2015.

- **Greek Presidency Conference on financial instruments**
[June 2014 – €0.1 million (*)]

() subject to budget availability / final allocation decision*



Calls for Proposals / Grants (2014)

- **Capacity-Building in Technology Transfer (CBTT 1)** [CSA – 15/4/2014 – €2.5 million (*)]
 - ❑ Increasing the skills-base
 - ❑ Spreading best practices and tacit knowledge
 - ❑ Strong emphasis on mentoring, coaching, twinning, secondments
 - ❑ Complements Technology Transfer Financing Pilot

- **Boosting Investment-Readiness of SMEs and Small Midcaps (BIR 1)** [CSA – 15/4/2014 – €2.5 million (*)]
 - ❑ Addresses 'investment readiness' of SMEs and small midcaps
 - ❑ Builds on FP7 experience
 - ❑ Strong emphasis on both training entrepreneurs and sensitising potential investors
 - ❑ Complements Investment Potential of SMEs expertise measure

() subject to budget availability / final allocation decision*



Links to other EU programmes: COSME

Horizon 2020 and COSME are complementary programmes to generate growth and jobs

Different focus:

- Horizon 2020 = innovation-driven growth
- COSME = support to create favourable business environment and competitiveness

Closely coordinated with for instance:

- Complementary financial instruments (debt and equity), with facilities in both programmes serving complementary objectives
- Enterprise Europe Network set up under COSME, but support to SMEs in terms of advice on EU funding



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Fast Track to Innovation



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Basic Features

Objectives:

- Increase the participation of industry, SMEs and first time applicants in Horizon 2020
- Stimulate private sector investment in research and innovation
- Promote research and innovation with a focus on value creation and accelerate the development of technologies into innovative products, processes and services

Roll-out:

- Full-scale pilot starting in 2015
- In-depth assessment as part of interim evaluation



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More Information, and Action!



HORIZON 2020



- **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>

- **SME Techweb – http://ec.europa.eu/research/sme-techweb/index_en.cfm**

- **Financial Instruments**

- RSFF**
<http://www.eib.org/products/rsff/>
- RSI**
www.eif.org/what_we_do/guarantees/RSI/index.htm

- **EU Access to Finance - www.europa.eu/youreurope/business/index_en.htm**



- **Participant Portal:**
http://ec.europa.eu/research/participants/portal/desktop/en/funding/sme_participation.html
 - ❑ **Calls for proposals**
 - ❑ **Horizon 2020 documents**
 - ❑ **Support services**
 - ❑ **Evaluation experts**

The screenshot shows the 'SME Participation' page on the European Commission website. The navigation bar includes 'HOME', 'FUNDING OPPORTUNITIES', 'HOW TO PARTICIPATE', 'EXPERTS', and 'SUPPORT'. A sidebar on the left contains links to 'H2020 Online Manual', 'Reference Documents', 'Beneficiary Register', 'Financial Capacity Self-Check', and 'SME Participation'. The main content area is titled 'SME Participation' and includes an 'SME Instrument' section with a detailed description and three phases: Phase I (proof-of-concept), Phase II (development & demonstration), and Phase III (go-to-market). Below this are sections for 'Collaborative Projects (SME + partners)' and 'Access to Debt and Equity Financing', each with an 'APPLY' button. At the bottom, there is a 'Support to SME' section with a description and an 'APPLY' button.



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**Thank you
for your attention!**

Find out more:
www.ec.europa/research/horizon2020



Background slides:

Midcaps

parenthesis **How do we define 'midcaps'?**

❖ **small midcaps** *working definition*

- **250 to 499 employees in full-time equivalents**

❖ **medium & large midcaps** *working definition*

- **500 to 3000 employees in full-time equivalents**

facts on 'innovative midcaps' *PWC report*

- **NACE-based definition used – autumn 2012 data**
- **ca. 28 000, of which half bringing innovations to market**
- **these 'active innovators' employ over 9 mn people**
- **Germany, UK, France ... Austria, Belgium, Spain, Sweden**
- **most are small midcaps, but the most demand for finance comes from medium & large midcaps**



Background slides:

**State of play of RSI (Risk-Sharing Instrument)
pilot under FP7**



SMEs and Small Midcaps

Who or what is eligible for a loan?

- Loan is for **investments in R&I with significant technology or application risk**
or
- Loan is to a **"fast-growing" R&I-driven enterprise**
(meaning >20% p.a. in growth or employees over last 3 years)
or
- Loan is to an **"enterprise with significant R&I potential"** —
which means what, practically?
 - ❖ **Catalogue of criteria — just one must be met (below)...**

*** Actual criteria, subject to fine-tune**



"Enterprise with significant R&I potential"

- Expenditure in **innovation** in last balance-sheet is at least **20%** of loan volume
- At least **90% of loan is earmarked in business plan** over next 2 years for R&I expenses or investment
- Firm awarded **grants, loans or guarantees from EU or national R&I support schemes** within last 2 years
- Firm awarded an **innovation prize** within last 2 years
- Firm registered a **patent** within last 2 years
- Firm has been invested in by **high-tech VC fund**
- Firm is based in **science, technology or innovation park**
- Firm received **tax benefits linked to R&I** investment within last 2 years

Status of RSI implementation (as of 31/12/2013)

- **47** applications (including **4** increase)
 - **44** for the direct guarantee
 - **3** applications for the counter-guarantee
- **27** guarantee contracts signed
 - covering **14** countries
 - for a total guarantee amount of EUR **1,206** million
- Enabling > EUR 2,5 bn of loans/leases to innovative SMEs and small mid-caps
- **14** guarantee contracts under process (including **5** new countries not yet covered by RSI)

Supporting “Innovative SMEs and Small Mid-Caps”

As of 30/09/2013

Eligibility criteria	Nbr Transaction	Committed Amount in EUR
1 - Innovation products/processes	129	70,571,360.50
5 - Innovation support	76	59,436,005.14
3 - Innovation expenses	52	27,799,005.39
10 - Innovation tax credit	29	17,372,223.34
2 - Fast-growing enterprise	28	14,137,203.29
4 - 90% R&D and/or innovation	20	13,863,056.36
7 - Patent	13	12,697,391.97
6 - Innovation prize	12	11,320,160.00
9 - Techno park	22	10,486,918.14
8 - Investment from a venture capital fund	1	650,000.00
Grand Total	382	238,333,324.14

Committed Amount to SMEs per RSI criteria

