

SME opportunities for EU-US collaboration in Horizon 2020

Information guide

Disclaimer:

The current document is based on information available until January 2014 and should as thus be considered as a document with preliminary information on SME opportunities. An official guide from the European Commission is expected to be published in due time.

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Abstract:

This document is a guide with preliminary information regarding opportunities for EU-US collaboration implicating SMEs in the Horizon2020 programme.

The information provided is general in order to introduce H2020 schemes, but gives specific information also for EU-US collaboration to the extent possible where concrete cooperation topics could be identified.

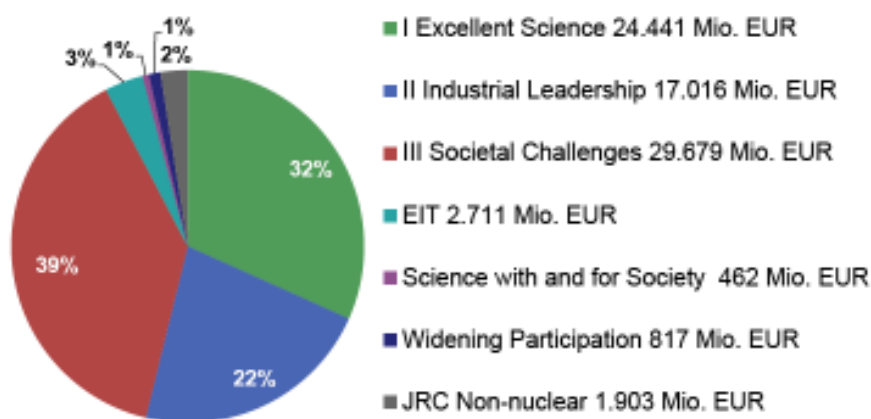
1. Introduction

The European Commission has on December 11th 2013 for the first time presented calls for projects under Horizon 2020. With more than €15 billion over the first two years, the funding is intended to help boost Europe's knowledge-driven economy, and tackle issues that will make a difference in people's lives.

Horizon 2020 is the financial instrument implementing the Innovation Union, a Europe 2020 flagship initiative aimed at securing Europe's global competitiveness. Planned to run from 2014 to 2020 with nearly €80 billion of budget, the EU's new Programme for research and innovation is part of the drive to create the conditions for new growth and jobs in Europe. Horizon 2020 focuses on advancing scientific knowledge and discovery, but also more than ever on making Europe more competitive through research.

The proposed **support for research and innovation under Horizon 2020** will:

- Strengthen the EU's position in science with a dedicated budget of an estimated € 24 441 million. This will provide a boost to top-level research in Europe, including an increase in funding of 77% for the very successful European Research Council (ERC).
- Strengthen industrial leadership in innovation with around € 17 016 million. This includes major investment in key technologies, greater access to capital and **support for SMEs**.
- Provide around € 29 679 million to help address major concerns shared by all Europeans such as climate change, developing sustainable transport and mobility, making renewable energy more affordable, ensuring food safety and security, or coping with the challenge of an ageing population (Societal challenges).



SMEs will be supported across Horizon 2020's pillars / priorities. Their participation in the programme will be particularly encouraged through a **new dedicated SME instrument**. As such, it will create business opportunities in response to major societal challenges. In addition, it will strengthen productivity and innovation capacities and help innovative SMEs to grow.

The **SME definition** according to the European Commission is as follows:

'The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro.'

Extract of Article 2 of the Annex of Recommendation 2003/361/EC

By bringing together the Research & Innovation (R&I) -related SME measures that are currently spread across several programmes, this instrument will provide **one comprehensive and simple scheme adapted to SME needs**. Under Horizon 2020, a single SME or a group of SMEs will be able to apply for funds to finance a project of economic and preferably also societal relevance in a user-friendly manner that puts business first. A large part of the unit's communication efforts will concentrate on providing details of the application of the new instrument from start (idea / concept design) to finish (commercialization / go-to-market). Support networks, expert evaluators and coaches will have the opportunity to attend specific events where their potential role will be clarified. The particulars about such SME support under Horizon 2020 will gradually become available.

Collaboration of SMEs from EU and USA is possible within different H2020 programmes and schemes. Even though not always targeted specifically to SMEs, most calls are open to such structures and their participation in projects is highly recommended by the European Commission.

The same is true for organisations from the USA: the USA being a privileged partner of the EU, participation of US-American organisations is possible in most calls for proposals, however financial support is not automatic. Specific calls apply in particular to US partners (e.g. specific EU-US collaboration projects which then also include financial support) of which of course SMEs.

In the following different measures and programmes open to SMEs in particular will be presented in an informative, but not exhaustive manner.

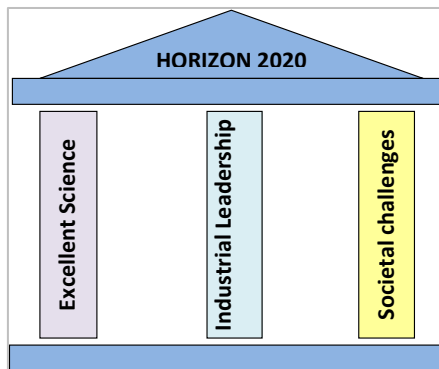
2. Context: Structure of Horizon 2020

[Horizon 2020](#) will be the successor to [FP7](#) and will combine all research and innovation funding currently provided through the [Framework Programmes for Research and Technical Development](#), the innovation related activities of the [Competitiveness and Innovation Framework Programme](#) (CIP) and the [European Institute of Innovation and Technology](#) (EIT).



Horizon 2020 will operate from 2014 to 2020 with the potential for a budget of around [€80 billion](#).

Horizon 2020 objectives are threefold:



- to contribute directly to tackling the major **societal challenges** identified in Europe 2020 and its flagship initiatives.
- to contribute equally to creating **industrial leadership** in Europe.
- to increase **excellence in the science base**, essential for the sustainability and long term prosperity and wellbeing of Europe.

Horizon 2020 sets out plans for a simpler programme which will focus on:

- **Excellent Science** - encompassing European Research Council (ERC), Future and Emerging Technologies (FET), Marie Curie Actions and Research Infrastructures.
- **Competitive Industries** - encompassing leadership in enabling and industrial technologies (ICT, Nanotechnologies, Advanced Materials, Biotechnology, Advanced Manufacturing and Processing, and Space); access to risk finance; and *innovation in Small and Medium-Sized Enterprises (SMEs)*.
- **Better Society** - encompassing Health, demographic change and well-being; Food security, sustainable agriculture marine and maritime research; Bio-economy; Secure, clean and efficient energy; Smart, green and integrated transport; Climate action and resource efficiency including raw materials.



FOR US partners: There is a specific arrangement for US partners to be eligible for funding in the field of “Health, demographic change and well-being” that is part of the societal challenges.

2.1. What's new?

- A single programme bringing together three separate programmes / initiatives
- Coupling research to innovation - from research to retail, all forms of innovation
- Focus on societal challenges facing EU society, e.g. health, clean energy and transport
- Simplified access, for all companies, universities, institutes in all EU countries and beyond.
- Strong participation of SMEs
- One funding rate per project
- Access to risk finance: debt facility and equity facility in order to leverage yet further private high-risk research and innovation (R&I) investments.

2.2. The role and status of US partners in Horizon 2020

The structure and some procedures having changed in Horizon 2020 in comparison to the former framework programme FP7, the eligibility criteria for some countries outside the European Union have changed as well. This is in particular true for some BRICS states which can no longer count on financial support from the EC automatically.

With regards to partners in EU projects from the USA, the rules have however not changed: US structures are eligible for participation in EU projects, but financial support is only true for calls where this is specified, e.g. International Cooperation calls targeting collaboration with the USA or the "Health" programme in general.

The following slide¹ gives an overview of third countries' eligibility criteria:



Researchers from any country can participate in Horizon 2020, but the transfer of funds to a legal entity outside member or associated states depends on their participation being deemed essential to the project, or funding is provided under a bilateral S&T agreement.

¹ Slide from the BILAT US 2.0 webinar on Funding opportunities for US researchers in Horizon 2020

3. SMEs in the international context

Micro, small and medium-sized enterprises (SMEs) play a central role in the European economy. They are a major source of entrepreneurial skills, innovation and employment. In the enlarged European Union, some 23 million SMEs provide around 75 million jobs and represent 99% of all enterprises ([SME user guide](#)).

However, they are often confronted with market imperfections. SMEs frequently have difficulties in obtaining capital or credit, particularly in the early start-up phase. Their restricted resources may also reduce access to new technologies or innovation. Therefore, support for SMEs is one of the European Commission's priorities for economic growth, job creation and economic and social cohesion.

3.1. What SME measures do we build upon (FP7)?

Special attention was given to Small and Medium-sized Enterprises (SMEs) in the last Work programme (2013) for FP7 published in July 2012 with a package worth around €1.2 billion. This included financing for SMEs of around €970 million out of the €4.8 billion call budget for the "Cooperation" (10 thematic research priorities) programme. Ring-fenced budgets for SMEs, in some calls, covering up to 75 % of available funding, exist in nine of the 10 themes. There was also €250 million for the dedicated SMEs programme "Research for the benefit of SMEs", including demonstration actions for FP7 research results.

It is forecast that by the end of FP7 (2007–2013) some 30,000 SMEs will have received around €7.3 billion in EU research funding.

SME support in FP7 has reached 16,9% of the Cooperation budget and as thus overcome the target of 15%. According to recent assessments (presented through the Unit "[Small and Medium-Sized Enterprises](#)", DG Research and Innovation, European Commission):

- Only about 22% of SMEs participating in EU research programs are strategic innovators
- Results are not exploited because projects were not designed for exploitation
- The information environment of (European) R&D programmes is unattractive and repelling SMEs

As thus, the current economic situation shows that there is a need to empower SMEs to innovate.

4. Support to SMEs in Horizon 2020

Since the opening of several framework programmes, the European Commission commits to ensure a stronger involvement of SMEs in future EU R&I programmes (Innovation Union Commitment n°7).

The objective of SME support in Horizon 2020 is to stimulate **growth** by means of increasing the **levels of innovation** in SMEs, covering their **different innovation needs** over the **whole innovation cycle** for **all types of innovation**, thereby creating **more fast-growing, internationally active** SMEs.

SMEs can get involved through different means:

- 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 - Leadership in enabling and industrial technologies)
- 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)

4.1. How can SMEs participate and how will they be funded?

An international conference in 2014 (11th Annual International Conference on SMEs, Entrepreneurship and Innovation: Management – Marketing – Economic - Social Aspects, 28-31 July 2014, Athens, Greece) will launch a debate and collect evidence on how European SMEs are involved in international R&I. It shall bring together all relevant stakeholders to discuss how SMEs can benefit from the dynamics and opportunities of international R&I activities and networks and how they can be supported to engage in globalised innovation processes. SMEs shall be encouraged to internationalise research and innovation activities creating radical innovations by collaborating with partners from different economic, scientific and socio-cultural backgrounds. A win-win situation for both sides should be brought about ensuring for European companies that their knowledge assets are further developed in a way that safeguards their economic interests and promotes their growth.

SMEs will be encouraged to participate across all Horizon 2020 programmes.

For more details on the funding to organisations corresponding to the SME definition, please refer to the SME User guide:

<http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/>

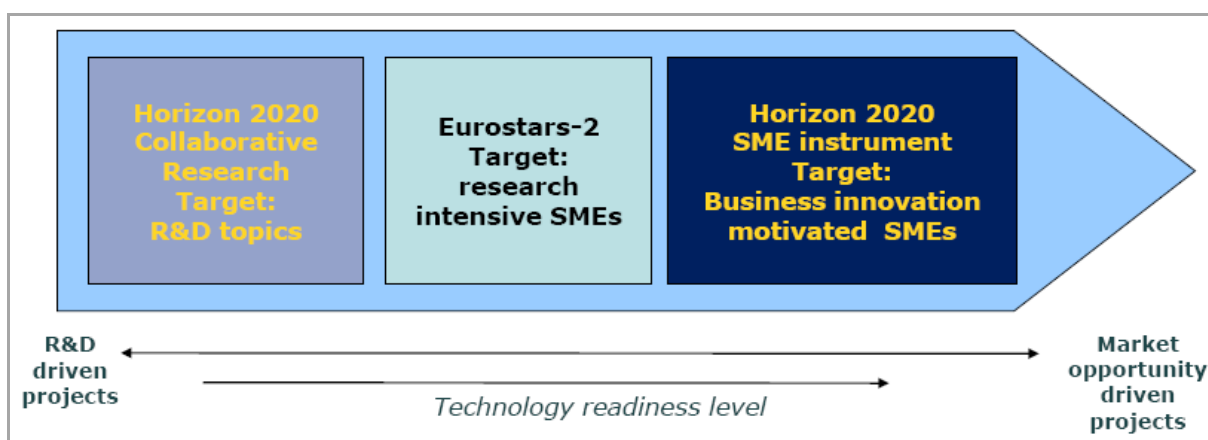
SMEs can participate in Collaborative R&D or innovation projects (in all three priorities). It is expected that through the integrated strategy **a minimum of 20% of the total combined budgets of the 'Tackling societal challenges' Specific Programme and the 'Leadership in enabling and industrial technologies' objective will be devoted to SMEs**. Initially, 5% of the combined budget of LEIT and Societal Challenges will be distributed through the SME instrument, and this will rise to at least 7% average over the duration of the [programme](#).

International Cooperation projects: There is a number of International Cooperation (INCO) calls which specifically target EU-US collaboration. These calls are, even though not targeting them directly, open to SMEs. Whereas funding for US partners is not automatic for most other projects, participants in these INCO projects can apply for a funding contribution from the EC.

Besides participation in collaborative projects, SMEs will be encouraged to participate in the [Marie Skłodowska-Curie Actions](#) through exchange and mobility actions involving researchers and in the activity on **Future and Emerging Technologies** under Horizon 2020. Furthermore, **Access to risk finance** (debt and equity facility; see chapter 4.3), with wider scope is available for SMEs, too.

In addition, a **new dedicated SME instrument** will be supported to fill gaps in funding for close-to-market innovation aspects in SMEs (more details in chapter 5).

The figure below shows the **strategic positioning** of some of the programmes in Horizon 2020 open to SMEs:



4.2. The "Innovation in SMEs" objective

Within the priority area "industrial leadership", a number of activities will be funded from the €619 million budget of the specific objective 'Innovation in SMEs'. It includes:

- A specific action for **research intensive SMEs** building on the [Eurostars joint programme \(Eurostars-2\)](#): Innovation in research intensive start-ups, spin-offs and young companies (Article 185 TFEU initiative building on the Eurostars Joint programme and reorienting it along the lines stated in its interim evaluation)
- Measures to **enhance the innovation capacity of SMEs** through new and experimental types of SME innovation support (Europe INNOVA, former CIP-EIP). Measures may include, for example, projects animated by intermediary organisations to develop and demonstrate new industrial value chains between innovative SMEs and a commitment of regional authorities to put value chains in practice. Furthermore they may comprise assistance to SMEs to connect with research and innovation partners across the Union ('spin-in projects').
- Support for market driven innovation**, for example, through procurement networks.

Eurostars target group: R&D performing SMEs

- R&D performing SMEs strongly contribute to growth and job creation, especially when engaging in transnational collaboration in research
- No other programme specifically targeting those SMEs
- Consortium: at least one R&D performing SME engaging in transnational research collaboration either with another SME and/or including other actors of the value chain (e.g. universities, research organisations)
- Results of activities are expected to be introduced in the market within two years of the completion of an activity
- The current Eurostars programme (2008-2013) is open to participants from 33 countries in the Eureka framework (28 EU Member States and 5 Associated Countries to FP7) + EU; Eurostars 2 is expected to have similar framework conditions (call for this programme is opening in 2014).

In this context, it is also envisaged to strengthen the role and innovation services of the **Enterprise Europe Network - EEN** (under the COSME Programme).

4.3. Access to risk finance

Greater use of financial instruments will help leverage yet further private research and innovation investments, including venture capital investments for innovative, high-tech companies, and in particular SMEs. It is planned that a part of the **Horizon 2020 budget** (3.69%)² will not be provided through grant funding but in the form of **risk-sharing** (for loans and guarantees) **and by providing risk finance** (equity). EUR 3.768 billion in total (reduced in line with overall Horizon 2020 reduction).

The leverage effect of loans (volume of loans divided by EU and other institutions' financial contributions) is expected to be from around 1.5 to 6.5, with a multiplier effect (investments by beneficiaries divided by EU financial contribution) of around 5 to 20. For equity investments, the figures envisaged are around 6 and 18 respectively. Through the leverage effect it is aimed to attract additional finance and multiply HORIZON 2020 budget resources. The idea is to intervene only if there are financing gaps in the R&I delivery chains (e.g. due to high risk).

The “access to risk finance” component is meant to be an effective and cost-efficient way to complement grant funding under Horizon 2020 and translate R&D results to the market and as thus building a bridge from R&D to Innovation. There is a specific [portal “EU Access to Finance”](#).

Two financing facilities will be available:

- **A debt facility** providing loans, guarantees and other forms of debt finance to entities of all forms and sizes, including research and innovation-driven SMEs.

Debt instrument for innovative SMEs:

- Loan guarantees for small and midcaps
- Target: indirect support to 3,000 SMEs

² Actual figure for the budget after the Council/EP/COM negotiations of July 2013.

- **An equity facility** providing finance for early- and growth-stage investments, with a particular focus on early-stage SMEs with the potential to carry out innovation and grow rapidly. (successor to GIF-1)

Equity instrument for innovative SMEs:

- Seed, start-up, early stage, expansion & growth phase
- Target: indirect support to 1,000 SMEs

There will be some accompanying measures such as: Technical and financial assistance (of EIB); improving investor-readiness of start-ups, SMEs and small midcaps; piloting co-investment by Business Angels; prizes for best practices in R&I finance, etc.

They will be implemented via a mandate to, or a partnership with, the European Investment Bank Group and/or other international financial institutions and national intermediaries. 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.

Eligibility criteria of a loan (either or must apply):

- Loan is for **investments in R&D or innovation** with significant technology or application risk
- Or Loan is to a "**fast-growing**" enterprise (meaning >20% p.a. in growth or employees over last 3 years)
- Or Loan is to an "**enterprise with significant R&D or innovation potential**" Catalogue of criteria — just one must be met ...)

4.4. What other financial instruments already exist?

The European Commission has partnered with the **European Investment Bank Group** to launch a loan guarantee facility to support lending by commercial and public banks to innovative SMEs. The **Risk-Sharing Instrument (RSI)** is managed on behalf of the EIB by the European Investment Fund. Guarantee agreements have already been signed in Austria (UniCredit Bank Austria), Czech Republic (Česká spořitelna), The Netherlands (ABN Amro), Germany (Deutsche Bank), Spain (Bankinter), Ireland (AIB) and Italy (Banca Popolare and CR Cento).

The RSI aims to encourage banks to provide loans and leases of between €25,000 and €7.5 million to SMEs and small mid-caps undertaking research, development or innovation, and seeking finance for investments and/or working capital. Some 15 or so banks and 5 guarantee societies are expected to be involved in the pilot phase, allowing the RSI to reach up to 1000 beneficiaries with a total loan volume of up to €2.5 billion.

5. Zoom on the new “SME instrument”

5.1. A new dedicated SME instrument

Eligibility criteria: only SMEs are allowed to apply for funding; in case that they would like to cooperate with universities or others those can only be subcontractors, not partners in the consortium. Specific information on eligibility of collaboration schemes with non-EU partners is currently not announced yet.

The SME instrument is open to highly innovative SMEs showing a strong ambition to develop, grow and internationalise regardless of whether they are high-tech or not. **The SME instrument will be competitive, business-oriented and focused on creating impact, bringing high-potential innovations closer to the market.** Closer to the market activities under the rules of participation has a reimbursement rate of 70%. SMEs may still take part in collaborative R&D projects where the rules of participation state the reimbursement rate is 100%. A good chunk of the Horizon 2020 budgetary target for SMEs will be delivered through the dedicated SME instrument. The exact budget allocation is still to be decided.

The new instrument will **integrate R&I-related SME support** that is currently spread across several programmes and initiatives [notably the EU's current Seventh Framework Programme (FP7) for research and technological development and the Competitiveness and innovation Framework Programme-CIP] into one comprehensive, simple and easily accessible scheme. **Only SMEs will be able to apply for funding**, and even single company support will be possible to ensure market relevance and to increase commercialisation of project results. SMEs can decide how best to organise the project and with whom to collaborate.

The aim of the SME instrument is to:

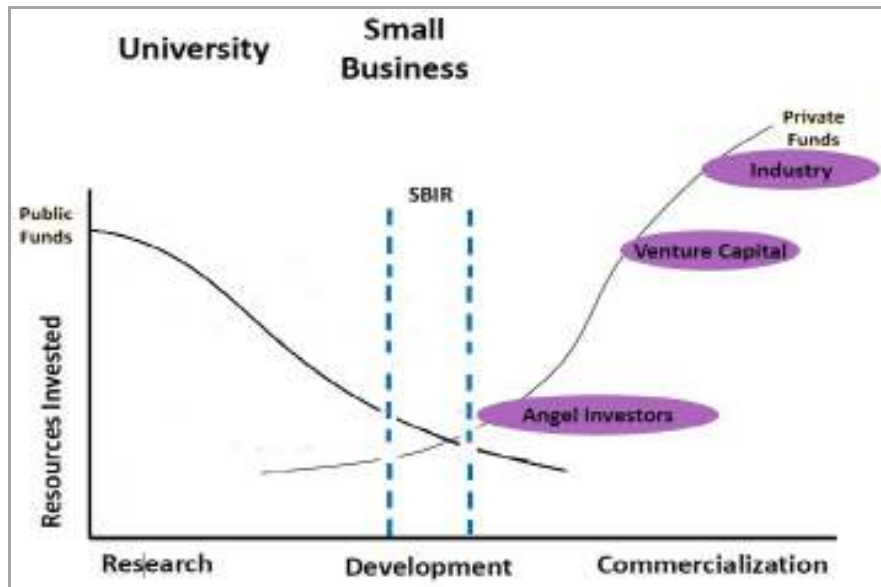
- fill gaps in funding for early-stage, high-risk research and innovation by SMEs as well as stimulating breakthrough innovations.
- target all types of innovative SMEs showing a strong ambition to develop, grow and internationalise.
- provide support to all types of innovation, including non-technological, social and service innovations, given each activity has a clear European added-value.

The SME instrument in brief:

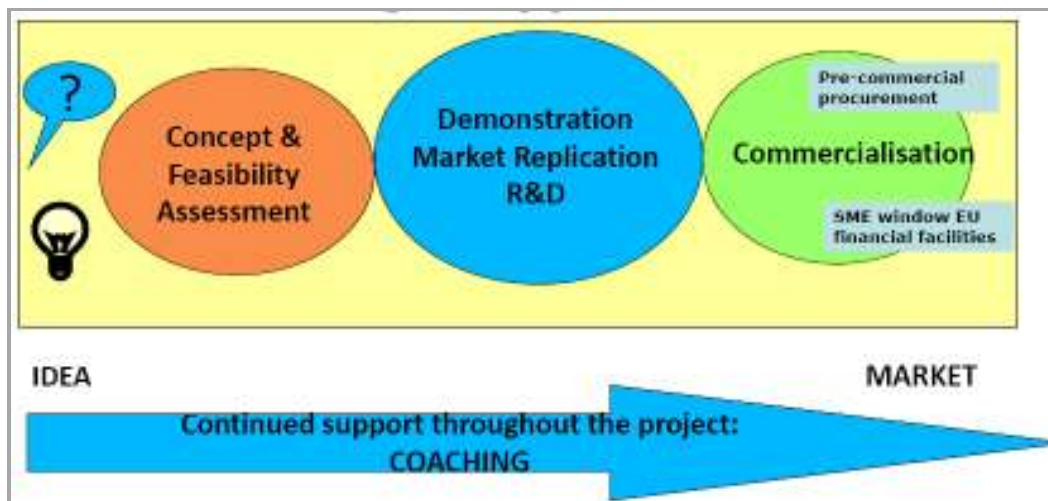
- Target group: Innovative SMEs
- Only SMEs allowed to apply for funding
- Other organisations can be included through sub-contracts
- Single company support possible
- Market-oriented, close to market activities: 70% funding
- 3-phased, but no obligation to cover all three phases; application to each phase is open to all SMEs
- Competitive, EU dimension: only the best ideas pass phase 1
- Coaching along the three phases through professionals with business experience

The SME instrument will cover all fields of science, technology and innovation in a **bottom-up approach within a given societal challenge or enabling industrial technology** so as to leave sufficient room for all kinds of promising ideas, notably **cross-sector and inter-disciplinary projects**, to be funded.

The SME instrument is somehow “inspired” by the US “SBIR model” – see further details in the annexes.



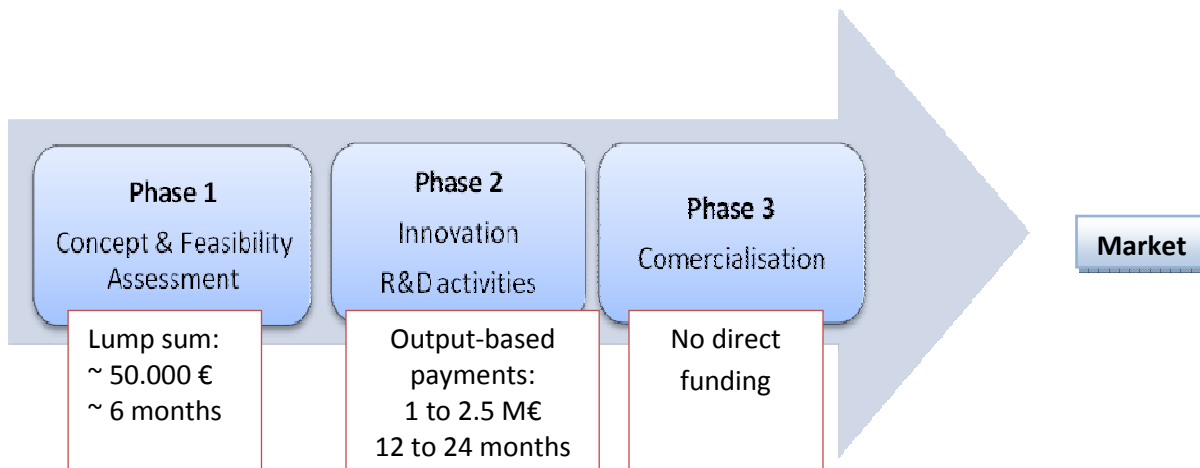
The aim is to bring innovative SMEs closer to the market through a tightly monitored and accompanied approach.



5.2. Phases of the SME instrument

The SME instrument aims to provide easy access with simple rules and procedures, as well as a staged support in 3 phases which will cover the whole innovation cycle.

The 3 phases concept is planned as follows:



Phase 1: Concept and Feasibility Assessment

- Funding: lump sum: 50,000€
- Duration: ca. 6 months
- Call: Open call
- Evaluation: 2 evaluators -> Go/No-go
- Pre-financing rules apply
- Time to Grant is 3 Months

Phase 1 or the feasibility part will allow an assessment of the technological and commercial potential of a project; it will tackle then the feasibility of concept, risk assessment, IP regime, partner search, design study, pilot application intention, business plan II.

Phase 2: Innovation / R&D activities

- Funding: 1 to 2.5 million € (higher if justified)
- Duration: 12 -24 months (longer if justified)
- Call: Open call
- Evaluation: 3 evaluators -> Unanimous Go required
- The funding is 70% of all eligible costs (including overheads) NOT 70% of Direct Costs + overheads on top. This works out as a net rate of 87.5, NOT 95. – Don't get caught out.
- In some instances which will be notified in the call, the funding rate will be upped to 100%. Probably mostly in some Health topics.
- Pre-financing rules apply
- Time to Grant is 6 months

A main grant will be provided to undertake research and development with the emphasis on demonstration and market replication. More in details: development, prototyping, testing, piloting

innovative processes, products and services, miniaturisation/design of products, planning & developing scaling-up (market segments, process etc.), market replication, business plan III.

Phase 3: Commercialisation

- Funding: No direct funding
- Objective: Provide support and facilitate access to private finance -> financing instruments
- Coaching: ~ 20 coaching days (5 days for Phase 1, 15 days for phase 2)

The commercialisation phase will be supported indirectly through simplified access to debt and equity financial instruments as well as various other measures, for example on IPR protection.

Successful completion of one stage will allow an SME to move on to the next, each stage will be open to all SMEs.

The following table shows an overview of the three phases:

Phase 1:	Phase 2:	Phase 3:
Input: Idea/Concept: "Business Plan I" (~ 10 pages)	Input: "Business plan II" plus description of activities under Phase II (~ 30 pages)	<ul style="list-style-type: none"> • 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)
Activities: <ul style="list-style-type: none"> • Feasibility of concept • Risk assessment • IP regime • Partner search • Design study • Pilot application • etc. 	Activities: <ul style="list-style-type: none"> • Development, prototype, test • Miniaturisation/ design • Clinical trials • Up-scaling, market replication • Etc. 	
Output: elaborated "Business plan II"	Output: investor-ready "Business plan III"	

5.3. SME instrument – practical use

The following are some practical application rules that have been discussed within the European Commission and that might be implemented (please refer to officially published information once it becomes available):

Demand

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.

As thus, some measures to "reduce" applications have been planned:

1. Only one application per company per year (in both phases)
2. This implies also: 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

SME validation

SME specific activities include SME status as eligibility criteria. An electronic questionnaire is to be used, ideally integrated into the participant registration tool. The outcome of this "SME test" provides the company with a supported self-declaration and shall be completed by a Declaration of honour.

Random checks and checks in case of doubt should ensure compliance with the SME definition.

Financial Viability Verification: Single beneficiaries are not considered "coordinators" and the verification rules according to Art 14.5 RfP do not apply. For groups of SMEs the general rules apply.

Evaluation

1. Remote evaluation throughout the process
2. Suggestion to abandon consensus meetings
3. Long feedback loops (ESRs) slow down the process
4. Evaluation criteria to focus on excellence in innovation, commercialisation potential, economic impact and the company's potential achieving the envisaged results. They are currently developed by an expert group.
5. Also evaluation of envisaged deliverables and milestones for the output base funding model.
6. The profile and competences of evaluators is highly important.
7. For all innovation actions under Horizon 2020: experts will not be competent to cover all evaluation criteria to the same extent. Their expertise will be complementary - impact on logistics of the evaluation process.

Output based. Funding

1. To avoid problems with subcontracting, auditability and make system more SME friendly (similar to business environment)
2. Learned from experiences in ESA and NASA.
3. In the logic of a business innovation plan with clear milestones to achieve the innovation target.
4. An output-based funding model is based on prior definition and acceptance of output/results and leads to series of lump sums.
5. How to avoid the problematic of non-achievement of deliverables
6. Deliverable is accompanied by milestones, which determine whether the project will continue.

6. Relevant events

The European Commission regularly organizes information events on diverse topics around H2020. Some events relevant to SMEs planned in early 2014 could be identified as follows:

Date	Country	Theme	Website
3 March 2014	Belgium	SME	H2020 for SMEs
10-11 March 2014	Belgium	SME	Innovation Convention 2014
11 March 2014	Belgium	SME	Transport innovation Day for SMEs

7. Publications

The following are some suggestions for further reading (non exhaustive list, authors are responsible for information they provide):



Investing in European Success - Empowering European Small and Medium-sized Enterprises (SMEs) to Innovate and Grow.

Twelve stories about how SMEs made a real difference to EU citizens' everyday lives, in fields as varied as healthcare, construction, eco-tourism or agriculture, thanks to EU support to their research, development and innovation activities. Read and discover how innovation-driven SMEs managed to create business opportunities from responding to societal challenges!

Related document: [Investing in European Success](#)



For US partners: Italy invites US to benefit from H2020



The Italian Ambassador to America is encouraging US-based professors to form links with his home country to help benefit from the EU's next research and innovation funding programme. [Read more here.](#)

What's in it for SMEs ?



What's in it for SMEs ?

SMEs in many Member States are severely hit by the crisis. Creating new SMEs or helping them to grow has become ever more important because we need thriving and innovative enterprises to get the European economy back on track, to provide growth and jobs. [Read more here.](#)

Annex 1: The SBIR Program (USA) – brief overview

The Small Business Innovation Research (SBIR) program is a highly competitive program that encourages domestic small businesses to engage in Federal Research/Research and Development (R/R&D) that has the potential for commercialization. Through a competitive awards-based program, SBIR enables small businesses to explore their technological potential and provides the incentive to profit from its commercialization. By including qualified small businesses in the nation's R&D arena, high-tech innovation is stimulated and the United States gains entrepreneurial spirit as it meets its specific research and development needs.

SBIR Mission and Program Goals

The mission of the SBIR program is to support scientific excellence and technological innovation through the investment of Federal research funds in critical American priorities to build a strong national economy.

The program's goals are four-fold:

- Stimulate technological innovation
- Meet Federal research and development needs.
- Foster and encourage participation in innovation and entrepreneurship by socially and economically disadvantaged persons.
- Increase private-sector commercialization of innovations derived from Federal research and development funding.

SBIR-Participating Agencies

Each year, Federal agencies with extramural research and development (R&D) budgets that exceed \$100 million are required to allocate 2.5 percent of their R&D budget to these programs. Currently, eleven Federal agencies participate in the program:

- **Department of Agriculture**
- **Department of Commerce - National Institute of Standards and Technology**
- **Department of Commerce - National Oceanic and Atmospheric Administration**
- **Department of Defense**
- **Department of Education**
- **Department of Energy**
- **Department of Health and Human Services**
- **Department of Homeland Security**
- **Department of Transportation**
- **Environmental Protection Agency**
- **National Aeronautics and Space Administration**
- **National Science Foundation**

Each agency administers its own individual program within guidelines established by Congress. These agencies designate R&D topics in their solicitations and accept proposals from small businesses. Awards are made on a competitive basis after proposal evaluation.

<http://www.sbir.gov/about/about-sbir>

Annex 2: List of references

The following references have been used in order to prepare the information guide:

- ✓ General website European Commission H2020:

<http://ec.europa.eu/programmes/horizon2020/>

- ✓ Publication “DG Research and Innovation’s SME Unit reaches out to EU citizens, SMEs”:

http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item_id=6470&lang=fr

- ✓ Draft Horizon 2020 Work Programme 2014-2015 In the area Innovation in SMEs.

http://ec.europa.eu/research/horizon2020/pdf/work-programmes/innovation_in_sme_draft_work_programme.pdf

- ✓ FP7: the future of European Union research policy:

http://ec.europa.eu/research/fp7/index_en.cfm

- ✓ Website Cordis FP7 :

http://cordis.europa.eu/fp7/home_en.html

- ✓ website EC “Competitiveness and Innovation Framework Programme (CIP)”:

<http://ec.europa.eu/cip/>

- ✓ Website EIT “European Institute of Innovation & Technology:

<http://eit.europa.eu/>

- ✓ Website Enterprise Europe Network:

<http://www.brusselsnetwork.be/eu-funding-m/1338-the-new-dedicated-sme-instrument-under-horizon-2020.html>

- ✓ Website EC “Innovation & SMEs”:

<http://ec.europa.eu/research/sme/leaflets/en/>

- ✓ Slides presentation “SME participation in collaborative projects: Industrial Technologies”:

ec.europa.eu/research/sme-techweb/pdf/h2020_programme/leitsmes18-10-2013.ppt

- ✓ Slides presentation “Access to risk finance”:

ec.europa.eu/research/sme-techweb/pdf/h2020_programme/access-to-risk-finance_smes.ppt

- ✓ Slides presentation “Participation through Marie Skłodowska-Curie Actions: how to raise SME potential through EU researcher mobility”:

ec.europa.eu/research/sme-techweb/pdf/h2020_programme/msca_smes.ppt

- ✓ Press release “Questions and answers on support for Small- and Medium-sized Enterprises (SMEs) in Horizon 2020- The EU Framework Programme for Research and Innovation”:

[http://europa.eu/rapid/press-release MEMO-13-181_en.htm](http://europa.eu/rapid/press-release_MEMO-13-181_en.htm)

- ✓ Agenda “SMEs and Horizon 2020 – Information Day – October 18

http://ec.europa.eu/research/sme-techweb/index_en.cfm?pg=h2020_event_programme

- ✓ Website “Small Business Innovation Research (SBIR) program”

<http://www.sbir.gov/about/about-sbir>