

THE FRAMEWORK PROGRAMME FOR RESEARCH AND INNOVATION

HORIZON 2020



SME INSTRUMENT

Dariusz Janusek, evaluator

SensoriumLab Sp. z o. o.

www.sensoriumlab.com

Who can apply?

1. Exclusively for **small and medium-sized enterprises** (SMEs) (employment < 250 and turnover ≤ €50m or balance sheet ≤ €43 m)
2. Only „**for profit**” enterprises
3. **No consortium required** (but allowed – with another SMEs)
4. SMEs from the EU Member States or countries associated with the program H2020

SME Instrument target

1. SME with **innovative solution** – disruptive innovation, radical change on international market
2. High **growth** potential companies, interested in implementing their innovations **on the European and international (global) markets**
3. Clear **European dimension**
4. For profit SMEs of the **EU and associated countries**

The SME Instrument 3-stage support



Phase 1 - Concept & Feasibility Assessment



- ✓ **€50.000** in EU funding as a lump sum
- ✓ **Feasibility study** (risk assessment, design or market studies, customer engagement analysis, intellectual property exploration, regulatory barriers analysis, partner research)
- ✓ Initial **10 page business proposal** to be drafted
- ✓ **6 months** in duration
- ✓ Outcome: a feasibility study (technical and commercial), including a business plan

Phase 2 – From concept to market



- ✓ Between **€0.5M & €2.5M** of EU funding, support intensity 70% of eligible costs
- ✓ Develop project through **innovation activities** (business concept development into a market-ready product: prototyping, validation, demonstration, testing in real-environment, piloting, scaling up, and miniaturization)
- ✓ Draft a more developed **30 pages business plan**
- ✓ **1-2** years in duration
- ✓ Identification of eligible costs, obligatory to provide accounting documents/invoices

Phase 2 – From concept to market

Eligible costs :

1. **Direct personnel costs** – real costs related to personnel working for the beneficiary under an employment contract (or equivalent appointing act)
2. **Depreciation costs for equipment** – depreciation costs incurred within the project
3. Costs of **other goods and services** necessary for the project
4. **Direct costs of subcontracting** – subcontracts awarded in accordance with the principle of best value for money. Not awarded to other Beneficiaries of a consortium.

Phase 3 – Market launch



Coaching & business support

- ✓ No stand-alone phase!
- ✓ No direct funding
- ✓ Business **coaching** (SMEs will receive extensive support, training, mentorship)
- ✓ Facilitate **access to risk finance**
- ✓ Additional **support & networking** opportunities
- ✓ SMEs “**Business Club**”

Cut-off dates

Phases	2019	2020
Phase 1	13 February 2019 07 May 2019 05 September 2019 - final deadline	
Phase 2 EIC Accelerator	09 January 2019 03 April 2019 05 June 2019 09 October 2019 - grant only or blended finance	08 January 2020 - grant only or blended finance 18 March 2020 - grant only or blended finance 19 May 2020 - grant only or blended finance 07 October 2020 - grant only or blended finance

blended finance: combining grant and equity

Open call: proposals can be **submitted any time**

Received proposals are **evaluated after each cut-off date**

<https://ec.europa.eu/easme/en/section/sme-instrument/how-apply>



Further rules



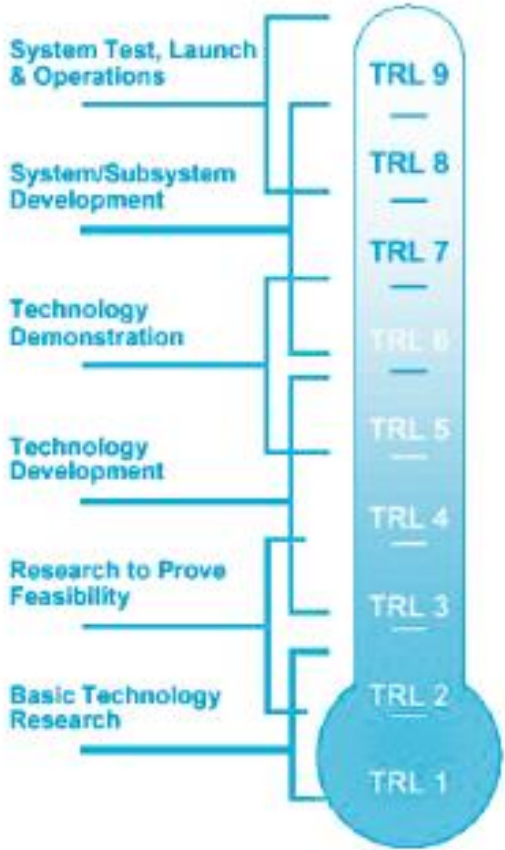
Only **one proposal** submitted **at the same time** – phase I **or** phase II

Another application – on receipt of the results of the evaluation or completion of the project

Submission of applications, signing contracts (Grant Agreement) is done electronically, through the **Funding and Tender Opportunities** portal

Technology Readiness Level (TRL)

TRL	Definitions
TRL 1	basic principles observed
TRL 2	technology concept formulated
TRL 3	experimental proof of concept
TRL 4	technology validated in lab
TRL 5	technology validated in relevant environment
TRL 6	technology demonstrated in relevant environment
TRL 7	system prototype demonstration in operational environment
TRL 8	system complete and qualified
TRL 9	actual system proven in operational environment



Minimum TRL for SME Instrument proposals: 6

Proposal templates, evaluation forms and model grant agreements

5. Proposal templates, evaluation forms and model grant agreements (MGA):

SME instrument (phase 1):

Standard proposal template

Standard evaluation form

MGA SME Ph1 - Mono-Beneficiary

MGA SME Ph1 - Multi-Beneficiary

Annotated Grant Agreement

SME instrument (phase 2):

Standard proposal template

Standard evaluation form

MGA SME Ph2 - Mono-Beneficiary

MGA SME Ph2 - Multi-Beneficiary

Annotated Grant Agreement

during the project duration.

The legal requirements for projects participating in this pilot are in the article 29.3 of the Model Grant Agreement.

8. Additional documents:

1. Introduction WP 2018-20

4. Research infrastructures (including e-Infrastructures) WP 2018-20

5. Introduction to Leadership in enabling and industrial technologies (LEITs) WP 2018-20

5i. Information and communication technologies (ICT) WP 2018-20

5ii. Nanotechnologies, advanced materials, advanced manufacturing and processing, biotechnology WP 2018-20

5iii. Space WP 2018-20

6. Access to risk finance WP 2018-20

7. Innovation in SMEs WP 2018-20

optionally

8. Health, demographic change and well-being WP 2018-20

9. Food security, sustainable agriculture and forestry, marine and maritime and inland water research and the bioeconomy WP 2018-20

10. Secure, clean and efficient energy WP 2018-20

11. Smart, green and integrated transport WP 2018-20

12. Climate action, environment, resource efficiency and raw materials WP 2018-20

13. Europe in a changing world - inclusive, innovative and reflective societies WP 2018-20

14. Secure societies – protecting freedom and security of Europe and its citizens WP 2018-20

optionally

17. European Innovation Council (EIC) WP 2018-20

18. Dissemination, Exploitation and Evaluation WP 2018-20

optionally

General annexes to the Work Programme 2018-2020

optionally

Legal basis: Horizon 2020 Regulation of Establishment

Legal basis: Horizon 2020 Rules for Participation

Legal basis: Horizon 2020 Specific Programme

SME Instrument - Guidelines for applicants

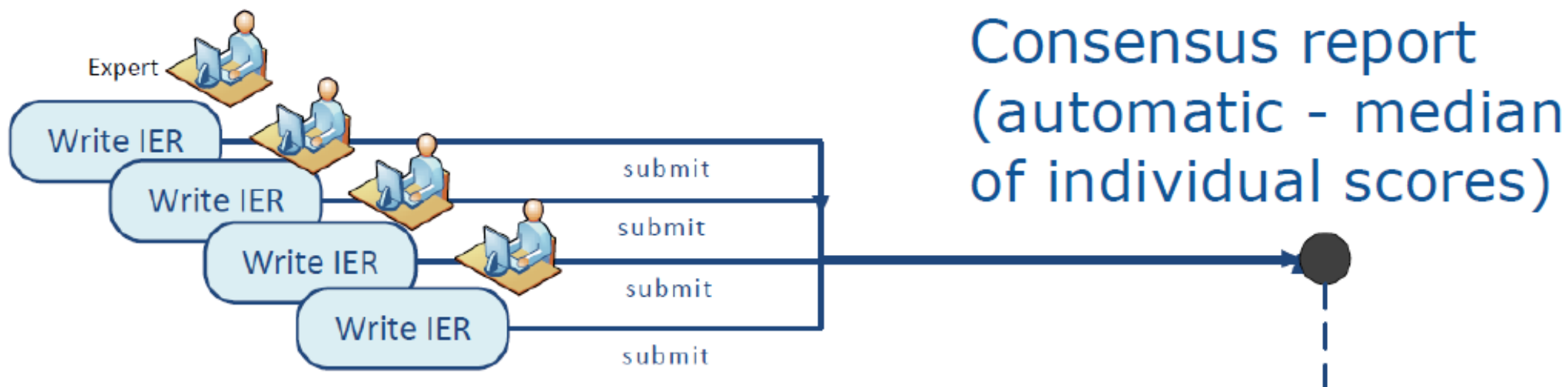
optionally

Application form, Work program, Standard Evaluation Form:

https://ec.europa.eu/research/participant_s/portal/desktop/en/opportunities/h2020/topics/eic-smeinst-2018-2020.html

The evaluation process

4 experts / proposal



Evaluation criteria: scorings, weights and thresholds

- Economic **impact** (weighting factor 0.5)
- **Excellence** in innovation (weighting factor 0.25)
- Quality and efficiency of the **implementation** (weighting factor 0.25)
- Threshold 13 out of 15

After conversion to 0-5 scale:

0 - 1.49 poor

1.50 - 2.49 fair

2.50 - 3.49 good

3.50 - 4.49 very good


4.50 - 5.00 excellent

„only the very best innovative business propositions”




Funding and tender opportunities portal

Online application submission system





European
Commission

Funding & tender opportunities
Single Electronic Data Interchange Area (SEDIA)


English 

RegisterLogin


SEARCH FUNDING & TENDERS ▾ HOW TO PARTICIPATE ▾ PROJECTS & RESULTS WORK AS AN EXPERT SUPPORT ▾

select programme 

The Funding & Tenders Portal is the entry point (the Single Electronic Data Interchange Area) for participants and experts in funding programmes and tenders managed by the European Commission and other EU bodies.

Feedback 

Find calls for proposals and tenders

Search calls for proposals and tenders by keywords, programmes...  Search

What are calls for proposals? >

What are calls for tenders? >

How to participate in 5 steps >

Calls for proposals by EU Programme ▾

3rd Health Programme

Asylum, Migration and Integration Fund

Consumer Programme

Creative Europe

Erasmus+ Programme

European Maritime and Fisheries Fund

HERCULE III

Horizon 2020 Framework Programme

<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/home>

Form A: applicant's administrative data

European Commission - Research - Participants
Proposal Submission Forms

Proposal ID Acronym Go to

1 - General information

Topic	Type of action
Call Identifier	Acronym <input type="text"/>
Proposal title*	<input type="text"/> <small>Max 200 characters (with spaces). Must be understandable for non-specialists in your field. Note that for technical reasons, the following characters are not accepted in the Proposal Title and will be removed: < > * &</small>
Duration in months	<input type="text"/> <small>Estimated duration of the project in full months.</small>
Free keywords	<input type="text"/> <small>Enter any words you think give extra detail of the scope of your proposal (max 200 characters with spaces).</small>

Abstract

Short summary (max. 2,000 characters, with spaces) to clearly explain:

- Summarise your business innovation project and its objectives.
- Describe the expected outcome (product/solutions), the advantages and achievements, its novelty, and state of development.
- Describe the commercial potential and its European dimension, the market application, the end users and/or customers and their needs and how these needs are met via the outcome of this project.
- Describe how the business innovation project is aligned with the business strategy of the SME(s) participating in the project. Will be used as the short description of the proposal in the evaluation process and in communications with the programme management committees and other interested third parties.

Do not include any confidential information.

Use plain typed text, avoiding formulae and other special characters.

For the European/International dimension of the action, it is common practice to submit proposals in English. (If the proposal is written in another language than English, please include an English version of this abstract in the "Technical Annex" section.)

Remaining characters: 2000

Has this proposal (or a very similar one) been submitted in the past 2 years in response to a call for proposals under the 7th Framework Programme, Horizon 2020 or any other EU programme(s)? ☒ Yes ☐ No

Please give the proposal reference or contract number.

European Commission - Research - Participants
Proposal Submission Forms

Proposal ID Acronym Go to

Declarations

1) The coordinator or sole applicant declares to have the explicit consent of all applicants on their participation and on the content of this proposal.	<input type="checkbox"/>
2) The information contained in this proposal is correct and complete.	<input type="checkbox"/>
3) This proposal complies with ethical principles (including the highest standards of research integrity — as set out, for instance, in the European Code of Conduct for Research Integrity — and including, in particular, avoiding fabrication, falsification, plagiarism or other research misconduct).	<input type="checkbox"/>
4) The coordinator or sole applicant confirms: - to have carried out the self-check of the financial capacity of the organisation on https://ec.europa.eu/research/participants/portal4/desktop/en/organisations/ivy.html . Where the result was "weak" or "insufficient", the coordinator confirms being aware of the measures that may be imposed in accordance with the H2020 Grants Manual (Chapter on Financial capacity check); or - is exempt from the financial capacity check being a public body including international organisations, higher or secondary education establishment or a legal entity, whose viability is guaranteed by a Member State or associated country, as defined in the H2020 Grants Manual (Chapter on Financial capacity check); or - as sole participant in the proposal is exempt from the financial capacity check.	<input type="checkbox"/>
5) The coordinator or sole applicant hereby declares that each applicant has confirmed: - they are fully eligible in accordance with the criteria set out in the specific call for proposals; and - they have the financial and operational capacity to carry out the proposed action.	<input type="checkbox"/>

The coordinator is only responsible for the correctness of the information relating to his/her own organisation. Each applicant remains responsible for the correctness of the information related to him and declared above. Where the proposal is to be retained for EU funding, the coordinator and each beneficiary applicant will be required to present a formal declaration in this respect.

According to Article 131 of the Financial Regulation of 25 October 2012 on the financial rules applicable to the general budget of the Union (Official Journal L 298 of 26.10.2012, p. 1) and Article 145 of its Rules of Application (Official Journal L 362, 31.12.2012, p.1) applicants found guilty of misrepresentation may be subject to administrative and financial penalties under certain conditions.

Personal data protection

Four reply to the grant application will involve the recording and processing of personal data (such as your name, address and CV), which will be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Unless indicated otherwise, your replies to the questions in this form and any personal data requested are required to assess your grant application in accordance with the specifications of the call for proposals and will be processed solely for that purpose. Details concerning the processing of your personal data are available on the [privacy statement](#). Applicants may lodge a complaint about the processing of their personal data with the European Data Protection Supervisor at any time.

Four personal data may be registered in the Early Warning System (EWS) only or both in the EWS and Central Exclusion Database (CED) by the Accounting Officer of the Commission, should you be in one of the situations mentioned in:
- the Commission Decision 2008/969 of 16.12.2008 on the Early Warning System (for more information see the [Privacy Statement](#)), or
- the Commission Regulation 2008/1302 of 17.12.2008 on the Central Exclusion Database (for more information see the [Privacy Statement](#)).

Form B: parts 1-3

The application: key elements

1. EXCELLENCE

- Challenge and solution
- Approach

Phase I – up to 10 pages

2. IMPACT

- Entering the market
- Business model
- Financing
- Intellectual Property Right (IPR) and legal framework
- (**phase II**) Communication and access to research data

Phase II – up to 30 pages

3. IMPLEMENTATION

- Team
- Work plan – Work package and deliverable
- Resources

Excellence

Challenge and solution

- Business needs, technological challenges, market opportunity
- Description of your innovation
- What is the market's state of the art.? → compare with available solutions

Approach

- What's unique in your solution
- Historical evolution of your category and recent trends on the market
- Current development stage – prototype, trials, pilot studies
- What do you want to achieve in the project
- Further stages to commercialization of your innovation
- (**phase II**): current TRL
- (**phase II**): which milestones led to the current development stage (PoC completed, early field trials under way?), results obtained on technological, practical and economical feasibility
- (**phase II**): Expected outcomes of the Phase 2 project, success criteria

Impact (1)

Entering the market

- Users/customers; relation with them (e.g. market survey, testing/feedback, letters of intent); unique selling point;
- Type and size of the market (e.g. niche,/high volume, new/mature, size: volume, value, geographical scope)
- Main direct and indirect competitors
- Barriers to entry; how to overcome them

Business model

- Describe your value chain (suppliers & customers)
- What is your business model, including revenue model (**phase II**: + your commercialization plan with an approximate time-to-market)
- Why is your model scalable? How do you intend to scale-up and reach European and/or global markets?

Impact (2)

Financing

- Company's ownership and capital structure
- Expected growth potential of your solution in terms of turnover, profit and jobs
- (**phase II**): Innovation's impact on company financials (profit/loss, turnover, cash flows), jobs, efficiency/ productivity improvement in 3 years following the project's launch
- Estimated funding requirements, plans to ensure subsequent financing (**phase II**: + timeline to reach the commercialization stage, how to finance the 30% co-financing rate)

Intellectual Property Right (IPR) and legal framework

- Legal and regulatory requirements for exploitation of your innovation
- Description of your IPR assets, key knowledge items, strategy for knowledge management and protection
- Your measures to ensure commercial exploitation (freedom to operate)

Impact (3)

Phase II: Communication and access to research data

- How will you publicly communicate about your innovation during the period of the grant
- How will you manage/ exploit/ share the research data generated during project measures to provide open access to peer-reviewed scientific publications to result from the project

3. Implementation (1)

Team

- Describe your team & their achievements & experience
- Describe roles of the team; role of the company's owners; main strengths and weaknesses of the team

Phase I: Work plan – Work package and deliverable

- One work package: feasibility study
- One deliverable: feasibility report including a business plan
- Work package description – objectives, description of work

Phase II: Work packages, deliverables, milestones, risks

- Overall structure of the work plan, timing of work packages, their components
- Detailed work description (list of WPs, description of each WP, list of deliverables)
- List of milestones, critical risks & mitigating actions

3. Implementation (2)

Resources

- Budget table
- (**phase II**): Description of your resources, equipment, facilities required - how you will access them; summary of staff effort; "other direct costs" items

Form B:

Part 4-5 (no page limit)

Company (or, if applicable: members of the consortium)

- Participants (applicants)
- Third parties involved in the project (including subcontracting and use of third party resources)

Ethics and security

- Ethics
- Security

Letters of intent

Usefull links

Funding and tender opportunities portal:

<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/home>

Cut-off dates:

<https://ec.europa.eu/easme/en/section/sme-instrument/how-apply>

Standard proposal template - phase 1:

http://ec.europa.eu/research/participants/data/ref/h2020/call_ptef/pt/2018-2020/h2020-call-pt-sme-1-2018-20_en.pdf

Standard proposal template - phase 2:

http://ec.europa.eu/research/participants/data/ref/h2020/call_ptef/pt/2018-2020/h2020-call-pt-sme-2-2018-20_en.pdf