

# How Horizon 2020 Supports Aims of Small Businesses

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#### **Horizon 2020**

**Key objectives** 

Support EU's position as a world leader in science (77%– ERC)

€24.6 billion billion E31.7 billion

Help secure industrial leadership in innovation (incl. €13.7 billion for KET, and greater access to capital and support for SMEs)

Towards addressing major concerns shared by all Europe, across:

HEALTH
FOOD
ENERGY
TRANSPORT
CLIMATE
SOCIETY





#### **Horizon 2020 - Priorities**

- > Generating excellent science
- Fostering industrial leadership
- ➤ Supporting activities: research → market
- Responding to challenges of the Europe 2020



Use and dissemination of knowledge up to its commercial exploitation!





#### **Horizon 2020 - Priorities**

SUPPORT —→ All Stages in

**Innovation Chain** 

Activities closer to market New financial instruments Non-technological & social innovation





## **Innovation Impact on SMEs**

# 1. Simplification

- in design, rules, financial management & implementation
- attract strong participation of industry
- simpler funding rules
  - ⇒ lower administrative costs for participation
  - ⇒ unit (average) personnel costs

# 2. Synergies

 develop close synergies with other Union programmes (e.g. SMEs)





# **Innovation Impact on SMEs**

# 3. Participation of SMEs

– Quantitative and qualitative assessments  $\rightarrow$  part of evaluation and monitoring

# 4. Specific actions

- Dedicated SME instrument for all types of SMEs
- Instrument implemented consistently and tailored to SMEs

# 5. Integrated approach

**15% of the total budget** (for SMEs)

"Leadership in enabling & industrial technologies"

"Societal challenges"





# **Industrial Leadership**

**Horizon 2020** → help innovative EU SMEs to grow into world leading companies

Industrial technologies leadership

**Support** ICT, NANO, materials, BIO, manufacturing, processing, space

**Convergence** between technologies

Innovation in SMEs

Stimulate all forms of innovation in SMEs

<u>Target</u> SMEs with potential to grow & internationalise across Single Market

Access to risk finance

Overcome deficits

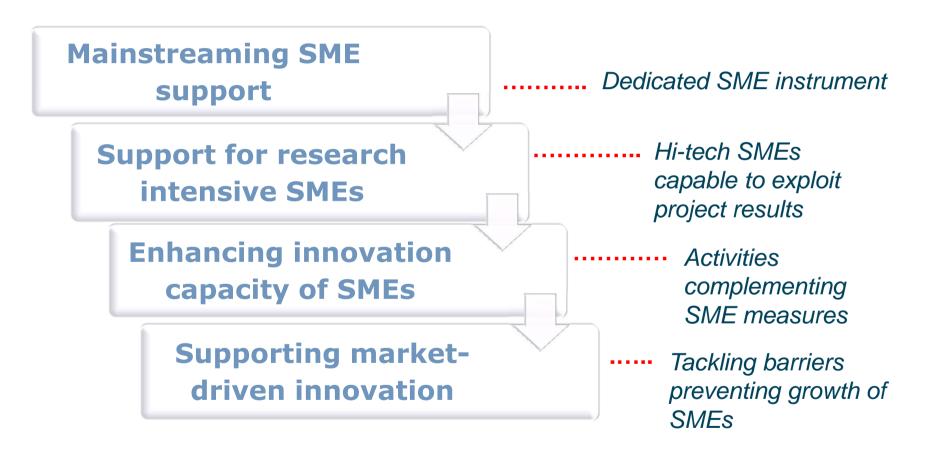
Debt & Equity finance
for innovative
companies & projects

**Develop** EU level of venture capital





# Research & Innovation in Small Businesses







#### **Access to Risk Finance**

#### **Activities**

- Improve access to debt financing— loans, guarantees, counter-guarantees & other forms
- **Target SMEs**, mid-caps, large firms, universities and research institutes, R&I infrastructures, PPP...



**Demand-driven** – on a first come, first-served basis

**Targeted** – policies & key sectors for tackling societal challenges

Competitivness

Sustainability

Low carbon economy





#### **Access to Risk Finance**



#### Focus on & Use

- Early-stage venture capital funds providing venture capital and quasiequity to individual portfolio enterprises
- Portfolio approach- venture capital funds select firms to be invested in

**Start-up window** – seed and early stages investments in knowledgetransfer organisations, seed capital funds, cross-border seed funds, business angel vehicles, IP assets,...

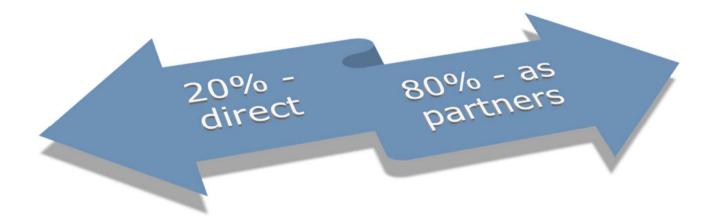
**Growth window** – growth-stage investments under the COSME (in funds-of-funds across borders, venture capital funds)





# **Support for SMEs**

#### **Participation:**



- **Stimulate SMEs to lead** R&D collaborative project where product launched in market within short time
- Assistance in connecting to research and innovation partners across EU
- Allow to spin in technology and build on existing intermediaries
- Link with EEN: information services → mentoring, coaching, partner searchers





## **Targeted SME Instrument**

#### **3 Phases of Calls for SMEs:**

- Proof of concept
- 6–12 months
- 50,000 100,000 EUR lump sums given directly

Feasibility of project

Part I

#### Part II

# R&D Demonstration Market replication

- Testing, scaleup studies
- Research might be necessary
- Up to 2 years
- 2–3 mil. EUR

- No direct funding
- Access to private capital
- Positive outcome
   → funding under
   Part II
- Networking, training, coaching

Commercialisation

Part III





# **Business Innovation Friendly Environment**



**Cross-border collaborations:** innovation strategy of SMEs

**Regional and national programmes:** essential in promoting SMEs

**Projects:** in line with companies' innovation strategies

**Demand driven**, bottom up logic, no predetermined priorities

Focus on policies and key sectors: crucial for tackling societal challenges

**KETs & FETs:** basis for industrial competitiveness





# Thank you for your attention!

Find out more:

www.ec.europa.eu/enterprise www.ec.europa.eu/research/horizon2020

