



# SME instrument

## *Guide to SME instrument in*

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**National Contact Point**

FOR RESEARCH PROGRAMMES OF THE EU  
Institute of Fundamental Technological Research PAS



**SME Instrument is a new funding instrument (not available under the previous Framework Programme – FP7)**

It is based on SBIR model (<http://www.sbir.gov>) 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.





## Who can apply?

The instrument is designed to fund:

- Innovative SMEs showing a strong ambition to grow, develop and internationalise
- Both single companies and consortia are eligible (provided that all of the members of the consortium have SME status)
- SMEs that are highly competitive and market-oriented, their projects need to have a EU dimension
- Partners that perform research activities (such as research centers and universities) have to be listed as subcontractors and may not become members of the consortium
- Beneficiaries must be based in member states or associated states





# Who can apply?

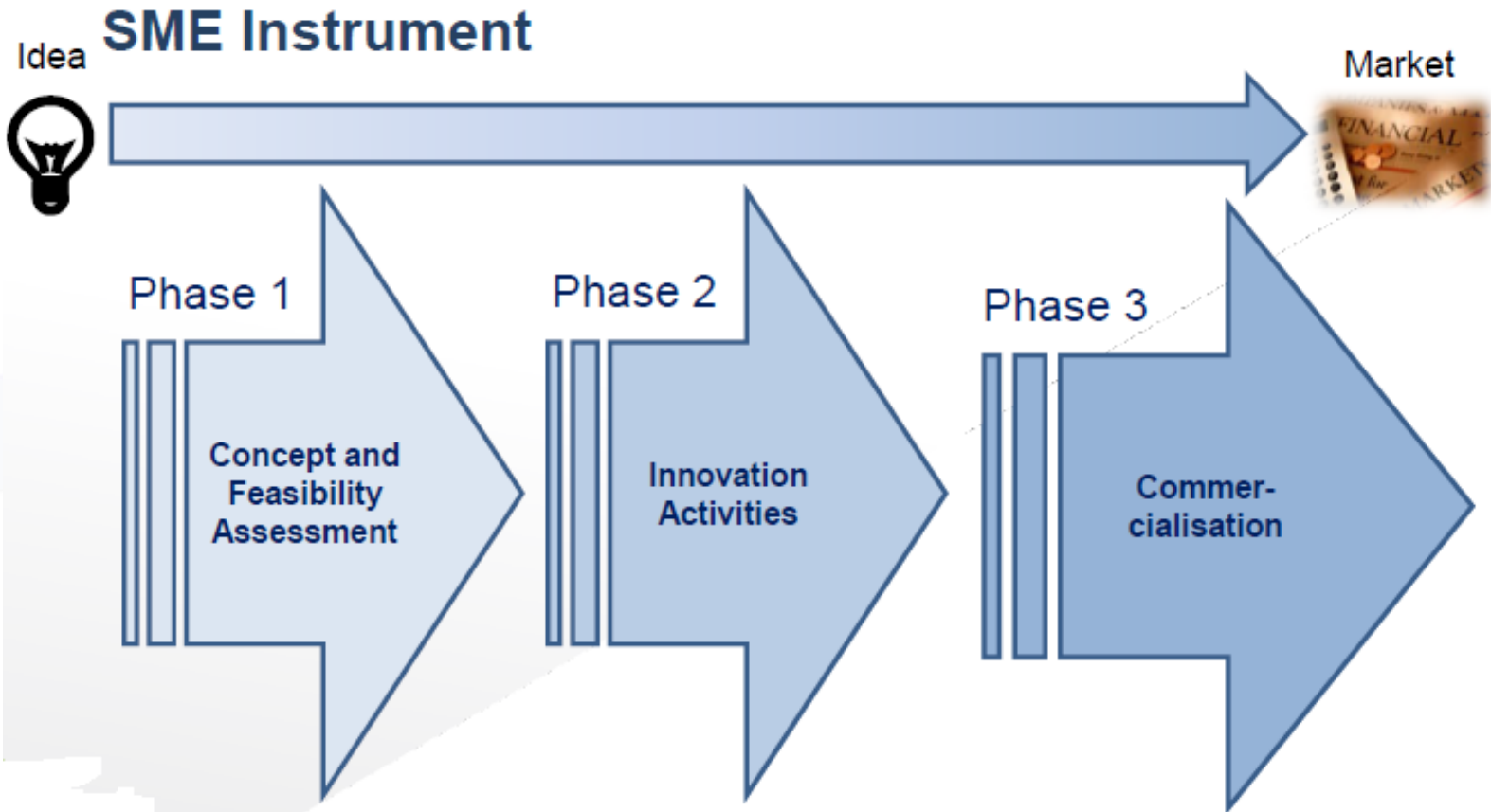
- **Start-ups:**

Companies without a balance sheet are legally not excluded, but the SME Instrument is not foreseen as support to create and bring up a company but to increase the growth potential from already established ones





# Three phase based system





## Concept and feasibility assessment

A **feasibility part** will allow an assessment of the technological and commercial potential of a project; a feasibility study based business plan should be prepared as a result of the project.

- **Duration:**

6 months (could also be shorter, could be longer if desired and justified)

- **Time to grant:**

About 3 months

- **Success rate:**

About 10% (estimation!)

- **Funding:**

Lump sum: 50.000€



## Innovation

A **main grant** will be provided to undertake research and development with the emphasis on demonstration and market replication; In this part, the business plan shall be implemented with the help of EU funding.

- **Duration:**  
1-2 years (could be longer if desired and justified)
- **Time to grant:**  
About 6 months
- **Success rate:**  
About 30-50% (estimation!)
- **Funding:**  
70 % funding rate: 0.5-2.5 Mio €



## **Commercialisation**

Promotion instrument - quality label for successful projects  
Facilitates access to private finance; support via networking , training, information, addressing – for example: IP management, knowledge sharing, dissemination SME window in the EU financial facilities (debt facility and equity facility).

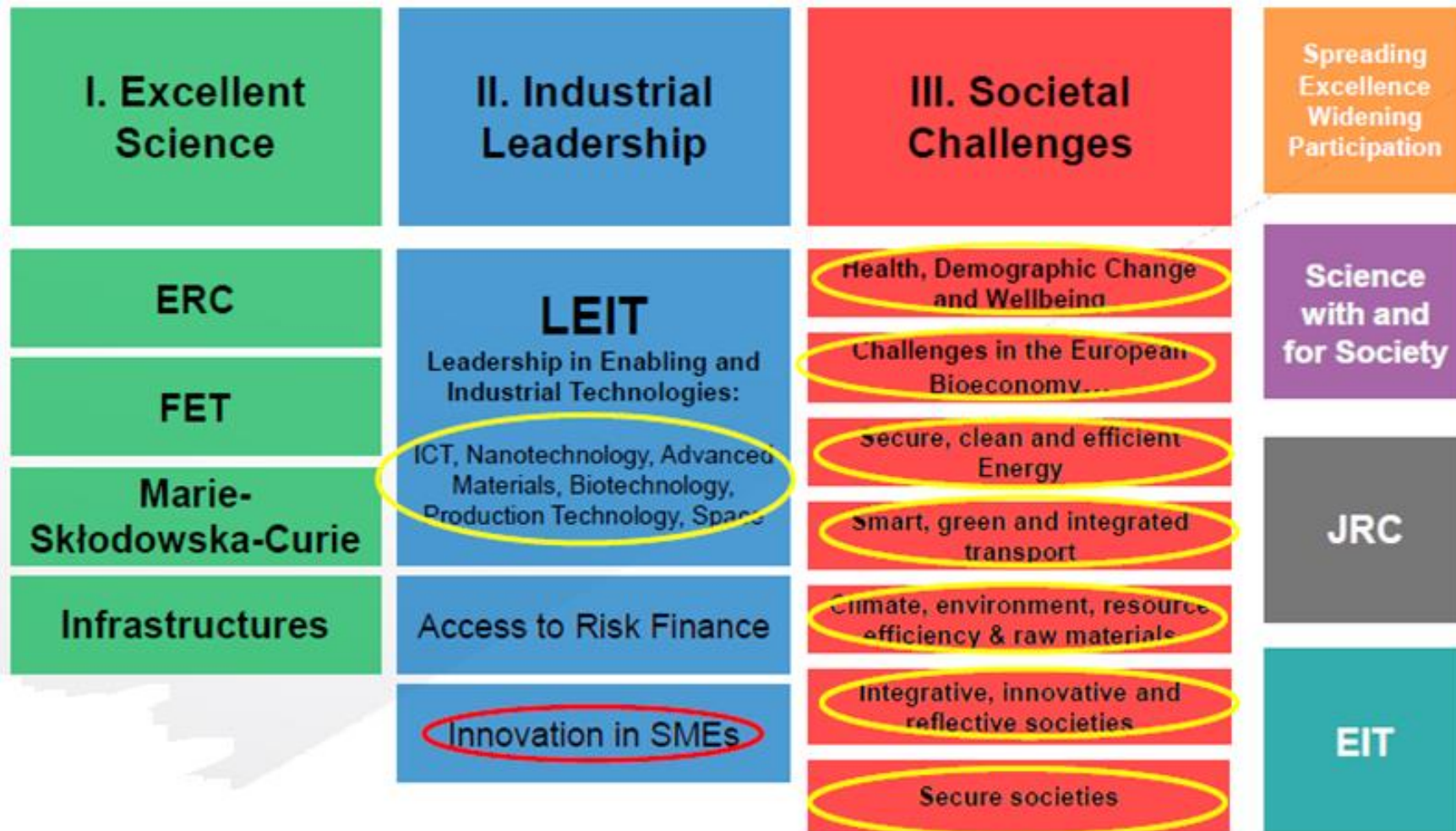
### **Financial instruments (equity and debt) within this scope:**

- € 3.5 billion is budgeted for financial instrument facilities, and accompanying measures, for research and innovation At least one-third of this amount will be dedicated to SMEs and small mid-caps.
- A leverage of up to 5 is envisaged, meaning that for every Euro provided through the financial instruments, additional finance of up to 5 Euro will be generated.





# In what parts of H2020 is SME Instrument found?





## Main requirements (both Phase 1 and Phase 2)

- Reducing energy consumption and carbon footprint by smart and sustainable use (including energy-efficient products and services as well as ‘Smart Cities and Communities’),
- Low-cost, low-carbon electricity supply (including renewable energy as well as CCS and re-use),
- Alternative fuels and mobile energy sources,
- A single, smart European electricity grid,
- New knowledge and technologies, and robust decision making and public engagement.



## **Expected impact:**

- Enhancing profitability and growth performance of SMEs by combining and transferring new and existing knowledge into innovative, disruptive and competitive solutions seizing European and global business opportunities.
- Market uptake and distribution of innovations tackling the specific challenges outlined in the legal base of the Horizon 2020 Societal Challenge 'Secure, Clean and Efficient Energy' in a sustainable way.
- Increase of private investment in innovation, notably leverage of private co-investor and/or follow-up investments.
- The expected impact should be clearly described in qualitative and quantitative terms (e.g. on turnover, employment, market seize, IP management, sales, return on investment and profit).



# Deadlines and Budget

Topic	Deadlines			
	2014		2015	
SIE 1	Phase 1	Phase 2	Phase 1	Phase 2
[SME]	18/06/2014	09/10/2014	18/03/2015	18/03/2015
Open call cut-off dates	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

\*note that proposals are submitted for a given cut-off date and may not be resubmitted even if the deadline has not been reached yet



# Deadlines and Budget

	2014 EUR million	2015 <i>EUR million</i>	
SIE 1 [SME] Open call cut-off dates	33.95 out of which 3.40 for phase 1, 29.89 for phase 2, 0.68 for mentoring & coaching support and phase 3	34.76 out of which 3.48 for phase 1, 30.58 for phase 2, 0.70 for mentoring & coaching support and phase 3	Single stage for both phase 1 and phase 2.  The budget available for phase 1 and phase 2 will be divided equally between each cut-off date.



# Thank you for your attention

## Questions?

### Other team members:

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