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# SMEs in the



European Commission  
DG Research - Unit T4: SMEs





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## SMEs in FP7 - why?

SMEs are at the core of European industry and key players in the innovation system.

SMEs have to respond increasingly to a strong competition in the internal market and globally.

- Need to increase their knowledge base and their research efforts in transnational cooperations.
- Actions at EU level are necessary to complement and enhance the impact of actions taken at national and regional level.





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# SMEs in FP7

## Main initiatives

<b>Complementary pillars of SME support in FP7</b>		
<b>Optimized participation of SMEs</b>	<b>Dedicated scheme with special emphasis on SMEs</b>	<b>Budget increase for the SME specific measures</b>
<b>"Cooperation"</b>  Research performing SMEs  Thematic areas	<b>"People"</b>  Research performing SMEs  Industry-academia pathways	<b>"Capacities"</b>  SMEs outsourcing research  Bottom-up approach





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# SMEs in FP7 “Cooperation”

- **Dedicated SME strategy** under each Theme
- **Identification of areas of particular interest** to SMEs in the individual work programmes
- Simplified financial and administrative procedures (e.g. 75% funding rate for SMEs, no bank guarantees)
- Greater flexibility in choosing the appropriate project type





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# SMEs in FP7 “Cooperation”

## Collaborative projects targeted to SMEs

3 different types of projects including

**"projects targeted to special groups such as SMEs"**

- Stimulate the participation of SMEs
- Research-intensive SMEs should play a leading role in such projects
- Requested EC contribution to participating SMEs must in all cases be substantial





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## SMEs in FP7 “People”

Industry-academia partnerships and pathways support cooperation between academia and industry encourage SME participation through

- Staff secondments between academia and industry
- Temporary hosting of experienced researchers from outside





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# SMEs in FP7 “Capacities”

## Research for the benefit of SMEs: Objectives

Strengthen the innovation capacities of SMEs to develop new products and markets by **outsourcing of research:**

- Increase their research effort
- Acquire technological know-how
- Extend their networks
- Improve the exploitation of research results





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# Research for the benefit of SMEs Provisional work programme

## 1. Supporting SMEs outsourcing research activities

- Research for SMEs
- Research for SME associations

## 2. Developing and coordinating support to SMEs at national level

- Eurostars Article 169 Initiative
- ERA-NET
- Support to national and/or regional “exploratory awards”
- NCP-network

## 3. Support measures

- Coordination and Support Actions
- Studies

**Total budget within FP7: Million €1.336**





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# 1. Supporting SMEs outsourcing research activities: Target group

## Research for SMEs:

- Low to medium technology SMEs with little or no research capability
- Research intensive SMEs that need to outsource research to complement their core research capability

## Research for SME associations:

- SME associations representing their members and their common technical problems

→ bottom-up approach, no thematic focussing

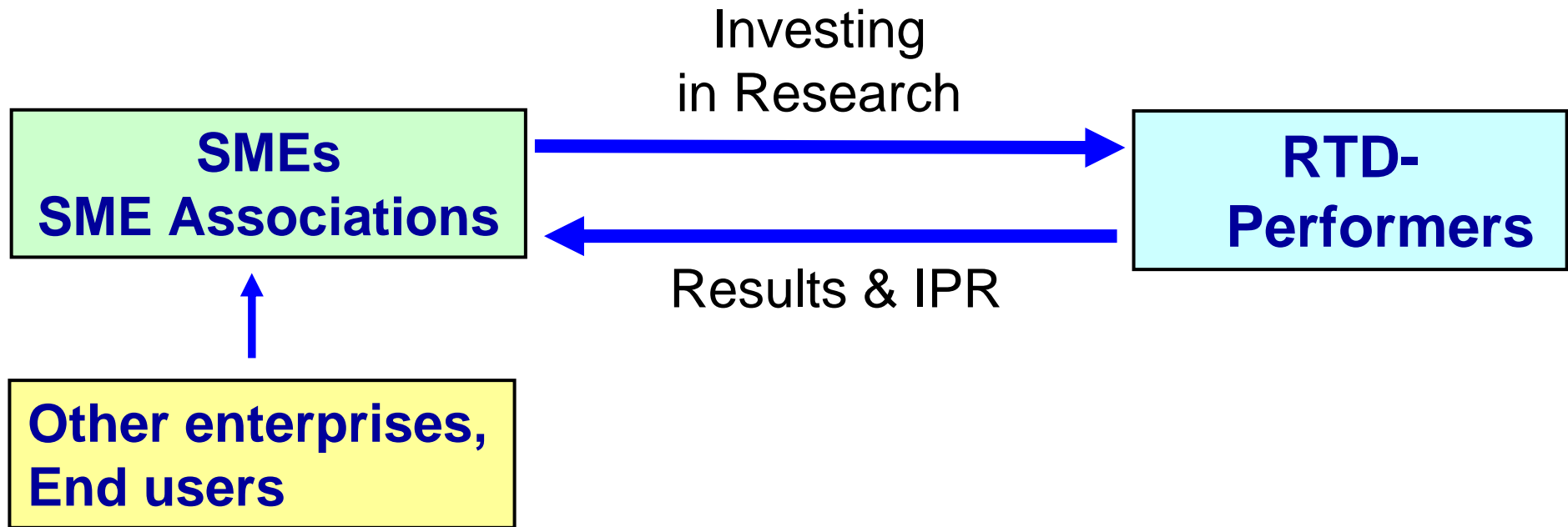




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# Principle: Outsourcing scheme “customer-seller” relationship





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## Clear principle: SMEs invest in R&D

- “Customer-seller” relationship between SMEs\* and RTD-performers.
- SMEs\* invest in the RTD project and outsource part of the research activities to “RTD performers”.
- RTD performers **invoice** their services to SMEs\*.
- EC contribution: Grant to the project (and not to individual participants) which covers only part of the total investment.
- SMEs\* and “Other participants and end users” contribute with own resources to the project.
- Collective leadership of the SMEs\* in the project.

\* including SME associations





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# Funding Scheme - principles

- The financial support of the Community in accordance with the Rules for participation will be capped at a value **not exceeding 110% of the estimated price to be invoiced by RTD providers** to SMEs or SMEs Associations.
- **The default IPR regime remains full ownership by the SMEs or SME Associations.**
  - ➔ The consortium may however reach a different agreement in their own best interests, as long as the SMEs and SME associations are provided with all the rights that are required for their intended use and dissemination of the project results.





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# Funding Scheme Simplified example

	Costs	Value of EC contribution
<b>SMEs - Activities</b>		
RTD (funding rate: 75%)	130	97,5
SUBC [invoice RTD performers] (50%/75%)	650	487,5
DEMO (50%)	50	25
OTHER (100%)	50	50
MANAG (100%)	0	0
<b>Subtotal SMEs</b>	<b>880</b>	<b>660</b>
<b>RTD performers - Activities</b>		
OTHER (100%)	50	50
MANAG (100%)	70	70
<b>Subtotal RTDP</b>	<b>120</b>	<b>120</b>
<b>Total</b>	<b>1000</b>	<b>780</b>
<b>Maximum EC contribution: 110 % of SUBC to RTD performers excl. VAT</b>		<b>715</b>
<b>Final EC contribution*</b>		<b>715</b>
<b>Own contribution SMEs</b>	<b>285</b>	

\*lowest of the two values for the EC contribution





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## Funding Scheme Recommendations

	Research for SMEs	Research for SME associations
<b>Duration</b>	1-2 years	2-3 years
<b>Number of partners</b>	5-10	10-15
<b>Total budget</b>	€ 0.5 – 1.5 Million	€ 1.5 – 4 Million
<b>Activities</b>	R&D, demonstration, management, other activities	R&D, demonstration, management, other activities





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# Number of partners Minimum requirements, coordination

## Research for SMEs

- At least **three independent SME participants**, established in three different Member States or Associated countries.
- At least **two RTD performers**.
- **Other enterprises and end-users optional**.

## Research for SME associations

- At least **three independent SME association/groupings**, established in three different Member States or Associated countries, **or one European SME association/grouping**.
- At least **two RTD performers**.
- **Other enterprises and end-users with at least two SMEs**.

*SMEs or SME associations may entrust coordination to organisations specialised in professional project management.*





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# Proposal submission Guide for applicants (GfA)

## Submission: only electronically!

### Part A: Forms

- Information on proposal, partners, budgets and requested EC contribution.
- SMEs have to take into account the remuneration ("invoices") for the subcontracting to the RTD performers

### Part B: Description of work

- New structure: detailed in Annex 4 of the GfA, along the evaluation criteria.
- Economic benefit for the individual SMEs and collective leadership must be clearly described.
- Consequences of the invoice-approach:  
Who acquires which results? Which remuneration?

**→ Consortium agreement only required as deliverable**





# Evaluation criteria

<b>S/T QUALITY</b> “Scientific and/or technological excellence (relevant to the topics / activities addressed by the call)”	<b>IMPLEMENTATION</b> “Quality and efficiency of the implementation and the management”	<b>IMPACT</b> “Potential impact through the development, dissemination and use of project results”
<ul style="list-style-type: none"><li>▪ Sound concept, and quality of objectives</li><li>▪ Innovative character in relation to the state-of-the art</li><li>▪ Contribution to advancement of knowledge / technological progress</li><li>▪ Quality and effectiveness of S/T methodology and associated work plan</li></ul>	<ul style="list-style-type: none"><li>▪ Quality of the consortium as a whole (including complementarity and balance)</li><li>▪ Appropriate allocation and justification of the resources to be committed (budget, staff, equipment)</li></ul>	<ul style="list-style-type: none"><li>▪ Contribution, at the European [and/or international] level, to the expected impacts listed in the work programme under the relevant topic/activity</li><li>▪ Appropriateness of measures envisaged for the dissemination and/or exploitation of project results, and management of intellectual property</li></ul>





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# Research for the benefit of SMEs Work programme

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## 2. Developing and coordinating support to SMEs at national level

### **EUROSTARS: Article 169 Initiative**

- EUREKA initiative with a joint programme, based on national schemes.
- Supporting trans-national, multi-partner R&D projects initiated and led by at least two R&D-performing SMEs (bottom-up approach).
- Complements other SME-targeted actions at national and EU-level.
- Up to twenty-two Eureka countries have agreed to participate in the joint programme.





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## 2. Developing and coordinating support to SMEs at national level

### ERA-NET

- Continuation of FP6 ERA-NET projects: ERA-SME & CORNET
- Increase integration, coverage and number/budget of common calls.

### Support to national and/or regional “exploratory awards”

- Establish durable schemes and services to increase the number of awards provided by the national and/or regional schemes.
- A first preparatory Coordination and Support Action dedicated to the development of implementation modalities.

### Network of National Contact Points (NCPs)

- Identifying and sharing good practices, developing common tools.
- Supporting less experienced NCPs to rapidly acquire the know-how accumulated in other countries.





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## 3. Support measures: Coordination and Support Activities

- Support to dissemination and exploitation of research results and exchange of good practices by e.g.:
  - a) clustering of projects on common topics to improve interaction and joint dissemination and exploitation activities and
  - b) developing and implementing strategies aiming at a reinforced exploitation of results.
  
- Contributing to the identification of priority research topics for SME associations, especially by establishing a dialogue with European Technology Platforms (ETP).





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# SMEs specific actions Advisory and Support Structures

- **FP7 Advisory Group on SMEs**  
Provides advice to the Commission and informs constituencies on implementation of SME specific actions, horizontal SME aspects and synergies with other SME related Community actions
- **SME Inter-service Taskforce**  
Identifies and disseminates best practice on strategies for SME participation to enhance coherence and monitors SME participation with respect to targets.
- **Programme Committee**  
Member states representatives review and approve work programmes and major policy issues and receive information on each individual grant funded.
- **SME National Contact Points (NCP)**  
Dedicated SME NCP network assists SMEs participating in the various Themes and the SME specific actions.





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# Research for the benefit of SMEs Call planning

## **Research for SMEs Call 1**

- Closure date: 4 September 2007
- Indicative budget: € 100 Million

## **Research for SMEs Associations Call 1**

- Closure date: 1 June 2007 (first stage)
- Indicative closure date second stage: November 2007
- Indicative budget: € 10 Million [€ 58 Million]

## **Coordination and Support Activities Call 1**

- Closure date: 10 May 2007
- Indicative budget: € 2 Million





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# FP7 – CIP: Complementarity

**FP7-RTD**

**CIP**

Funding of projects	<ul style="list-style-type: none"> <li>• Research, technological development and demonstration (collaborative research projects)</li> </ul>	<ul style="list-style-type: none"> <li>• Market take-up of proven technologies: environmental, ICT and renewable energy, energy efficiency</li> </ul>
SMEs participation in Research	<ul style="list-style-type: none"> <li>• Simplification</li> <li>• Definition of thematic content</li> <li>• Specific schemes for SMEs</li> </ul>	<ul style="list-style-type: none"> <li>• Actions promoting SMEs participation in FP7, via horizontal networks (Article 21(c))</li> </ul>
Access to finance	<ul style="list-style-type: none"> <li>• « Risk Sharing Finance Facility » for large European RTD projects and infrastructures (with EIB)</li> </ul>	<ul style="list-style-type: none"> <li>• Risk capital (seed, start-up, expansion)</li> <li>• SMEs Guarantee facility</li> <li>• SMEs loan securitisation</li> <li>• Capacity building</li> </ul>
Dissemination of Knowledge	<ul style="list-style-type: none"> <li>• Within projects</li> <li>• In thematic areas</li> <li>• Mobility of researchers</li> </ul>	<ul style="list-style-type: none"> <li>• Networks providing horizontal business &amp; innovation support services (IRCs, IPR Helpdesk) (Article 21)</li> <li>• Promotion projects to remove non-technical barriers (Article 43)</li> </ul>
Regions	<ul style="list-style-type: none"> <li>• Research-driven clusters</li> </ul>	<ul style="list-style-type: none"> <li>• Networking clusters of ind. sectors</li> </ul>

CAPACITIES





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## More information

### Research for the benefit of SMEs:

[http://cordis.europa.eu/fp7/capacities/research-sme\\_en.html](http://cordis.europa.eu/fp7/capacities/research-sme_en.html)

### CORDIS/SME TechWeb:

[sme.cordis.lu/research/fp6\\_support.cfm](http://sme.cordis.lu/research/fp6_support.cfm)

### National Contact Points

<http://cordis.europa.eu/fp6/ncp.htm>

