



The EU Framework Programme  
for Research and Innovation

# HORIZON 2020



## H2020 Programme

## Guide for Applicants

SME Instrument

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### Disclaimer

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## HISTORY OF CHANGES

Version	Date	Change	Page
1.0	22.11.2017	<ul style="list-style-type: none"> <li>▪ Initial version</li> </ul>	
1.1	04.04.2018	<ul style="list-style-type: none"> <li>▪ Removal of the 10 pages limitation for the pitch deck</li> <li>▪ Removal of the specific indication of the number of juries</li> <li>▪ Removal of the link to briefing material on EASME webpage</li> <li>▪ Removal of planned Annex 1 with template ESR since there is no reference in the text,</li> <li>▪ Placed a template of the invitation letter as foreseen (now Annex 2)</li> <li>▪ Removal of the indication that the panel is composed by 30 experts</li> </ul>	<p>11</p> <p>11</p> <p>7</p> <p>21</p> <p>10, 21</p> <p>11</p>
1.2	23.05.2018	<ul style="list-style-type: none"> <li>▪ Additional information on the preparation of the ESR Step 2 by the expert-evaluators</li> </ul>	11, 12
1.3	25.10.2018	<ul style="list-style-type: none"> <li>▪ Updated name of the Participant Portal to the new name Funding &amp; Tenders Portal</li> <li>▪ Updated dates of the interviews for 2019</li> <li>▪ Updated information on reimbursement of interview applicants' as from July 2018</li> </ul>	<p>10</p> <p>11</p>

# SME INSTRUMENT

## What we offer?

The SME Instrument, as part of the Horizon 2020 programme, acts as an accelerator programme at EU level offering funding, coaching and business acceleration services to innovative small or medium-sized business with global ambitions.

The SME Instrument supports high-risk, high-potential small and medium-sized enterprises to develop and bring to the market new innovative products, services and business models that could drive economic growth.

## Who are we looking for?

We invest in for-profit SMEs (single companies or consortia) established in the EU or in countries associated to Horizon 2020 that have ground-breaking ideas that could shape new markets or disrupt existing ones.

## How to participate?

The SME Instrument consists of two separate grant-based phases along with business coaching and business acceleration services for beneficiaries. Participants can apply to Phase 1 with a view to applying to Phase 2 at a later stage, or directly to Phase 2 if the idea has sufficient maturity and proven feasibility.



The SME Instrument is a continuously open call until the end of 2020 with 4 cut-off dates a year per phase – this means you can submit your proposal at any time.

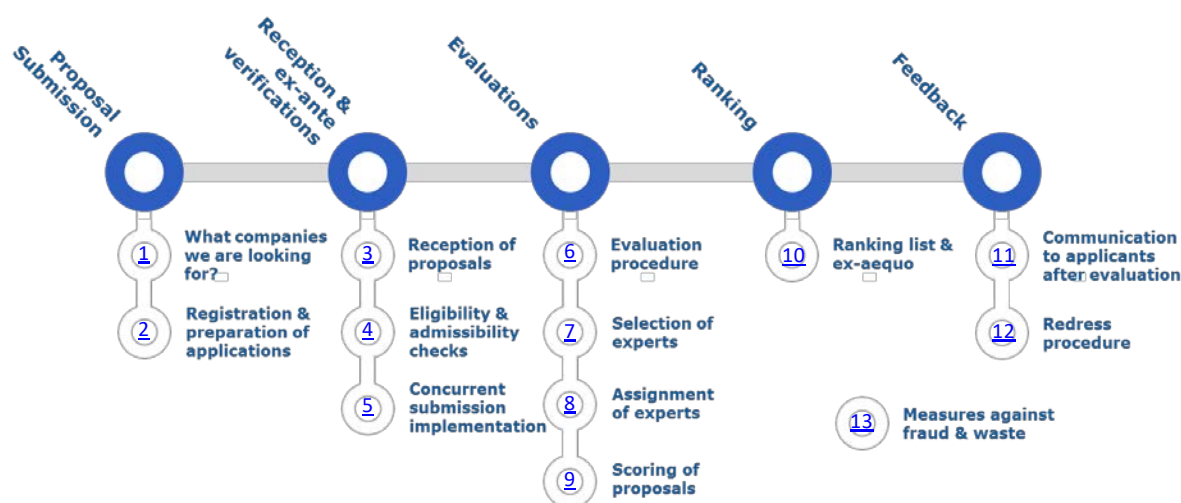
After each cut-off date all the proposals submitted are evaluated by external expert-evaluators and, if your proposal is successful, you will be invited to prepare the Grant Agreement.

## Content of this document

In this document, you will find information on:

- how to submit your proposal;
- reception & ex-ante verifications;
- the evaluation of proposals;
- the ranking of results;
- feedback to applicants.

Figure 1: Structure and content of the document



## 1. What kind of companies are we looking for

For-profit SMEs<sup>1</sup>, single or in consortium, can apply for funding under the SME Instrument. All applicants need to be legally established in the EU-28 or in a [country associated to Horizon 2020](#). Other partners, such as research providers or larger companies, cannot be direct beneficiaries but can be involved as third parties, usually in a subcontracting relationship, and do not necessarily need to be established in the EU or countries associated to Horizon 2020.

In order to assess your SME status, you can refer to the [EU user guide](#).

## 2. Registering your company

To be able to apply to the SME Instrument, you must first register your company on the Participant Portal – newly renamed as the Funding and Tenders Portal (hereafter the [F&T Portal](#)). Once you have completed the first part of your Participant Identification Code (PIC) registration process, you will be given the option to fill out the section “*programme specific data*”. If you mark your organisation as an SME, you will automatically be transferred to the [SME self-assessment questionnaire](#), which will determine your SME status. You should ensure that you have all the required financial accounts readily available when you start the SME self-assessment. A [user guide](#) is available.

If you disagree with the outcome of the SME self-assessment, you can request a full assessment via the H2020 participants' validation service.

Upon completion of the SME self-assessment, you will be able to finalise your registration and will be assigned a PIC.

<sup>1</sup> For-profit SMEs’ means micro-, small- and medium-sized enterprises, as defined in Commission Recommendation 2003/361/EC, that are not 'non-profit legal entities' as defined in the Horizon 2020 Rules for Participation (Regulation No 1290/2013): i.e., a 'legal entity which by its legal form is non-profit-making or which has a legal or statutory obligation not to distribute profits to its shareholders or individual members'


### 3. Prepare and submit your proposal

Your proposal should consist of three main parts:

- PART A – Administrative section;
- PART B – Annex 1-3 – Proposal description;
- PART B – Annex 4-5 – Company.

In order to prepare your SME Instrument proposal, you are strongly advised to use the new PART B templates prepared for [Phase 1](#) and [Phase 2](#) of the EIC pilot that also include guidance concerning the information requested, the format and the number of pages.

In the preparation of your proposal, you are requested to select associated keywords from a predefined list. It is of the utmost importance that you select the highest number of relevant keywords that correspond to your proposal with a maximum of three **main** keywords and three **sub**-keywords. By selecting the most appropriate keywords, you ensure that your proposal is attributed to expert-evaluators who have the most relevant thematic knowledge to evaluate it adequately.

 For more information on the selection of keywords and assignment of expert-evaluators, see Section 8 of this document.

The maximum length of a proposal (Part B annexes 1 to 3) is 10 pages for Phase 1 and 30 pages for Phase 2. For the latter, an executive summary<sup>2</sup> of 1 page maximum must also be provided.

If a proposal exceeds the page limits, the applicant will receive an automatic warning and will be advised to replace it with a version that conforms. After the cut-off date, excess pages will be automatically made invisible and will not be considered during the evaluation of the proposal.

The proposal is a self-contained document. Expert-evaluators will be instructed to ignore hyperlinks to information that is specifically designed to expand the proposal, thus circumventing the page limit. Likewise, expert-evaluators will be instructed to ignore any information that is manifestly irrelevant to the section where it is placed.

If you have completed a Phase 1 project and intend to submit a Phase 2 proposal, experts will have access to your feasibility study from Phase 1 in the evaluation system.

Once you have prepared all three parts and selected the cut-off date that corresponds best to your company's needs, you must submit your proposal via the F&T Portal.

If during the final days of the submission process there is a fault in the system, we may decide to postpone the cut-off date accordingly.

If you think that the submission of your proposal was not entirely successful due to a technical error on the side of the Commission, the proposal coordinator may lodge a complaint through the IT Helpdesk on the F&T Portal. For the complaint to be admissible, it must be filed within four calendar

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<sup>2</sup> This executive summary is different from the proposal abstract. The latter can will be released to the public and is focused on a technical description of the innovation while the former will be for the exclusive use of the evaluators (i.e. not disclosed) and should cover the different subjects addressed in the proposal description.

days following the cut-off date. For more information, see the section on how to lodge a complaint about failed submission on the [Electronic Proposal Submission part](#) of the F&T Portal.

Directly after the submission, the proposal reception date and time are recorded and a confirmation e-mail is sent to all applicants. If you do not receive this confirmation e-mail, it means that the proposal has not been successfully submitted.

While you may submit a proposal at any time, proposals are only collected and processed by the SME instrument team after each cut-off date.

Changes or additions are no longer possible after the cut-off date, unless we ask you to clarify any obvious clerical errors on your part.

## 4. Admissibility and Eligibility checks

The evaluation process starts with the evaluation of the admissibility and eligibility status for the proposals submitted.


**Admissibility** conditions are set out in the [Horizon 2020 Work Programme 2018-2020](#). A proposal will be considered admissible if both of the following two conditions are met:

- it was submitted via the F&T Portal before the cut-off date – page 14 of WP;
- it is readable, accessible and printable.

Incomplete proposals may be considered inadmissible. Completeness checks cover the administrative data (Part A) and the proposal description (Part B).

**Eligibility** conditions are set out in the Horizon 2020 Work-Programme 2018-2020. A proposal will be considered eligible if all three of the following conditions are met:

- the applicant is a for-profit SME<sup>3</sup>, including newly created companies and start-ups, from any sector;
- the applicant is established in an EU Member State or a Horizon 2020 associated country ([link](#));
- the applicant is not found in a situation of concurrent submission/implementation with another SME Instrument proposal/project.

 For more information on the concurrent submission/implementation assessment, see Section 5 of this document.

If your proposal is eligible and admissible, it will be evaluated by expert-evaluators.

If your proposal is considered inadmissible or ineligible, you will receive a rejection letter through the F&T Portal including the reasons for the rejection and a reference to the Redress Procedure that should be used if the applicant wishes to appeal the rejection decision.

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<sup>3</sup> See Footnote 1.

 For more information on the Redress Procedure, see Section 12 of this document.

## 5. Assessment of concurrent submission/implementation

An SME<sup>4</sup> cannot submit a proposal singly or as part of a consortium if it has already submitted another proposal for which the evaluation feedback hasn't yet been provided or if it is currently benefiting from an SME Instrument grant, being in Phase-1 or Phase-2.

**Concurrent submission** exists when an SME submits, singly or as part of a consortium, more than one proposal for evaluation. This includes multiple submissions in the same cut-off date but also in different cut-off dates when the evaluation feedback is not provided for the earliest submission.

If a case of concurrent submission is identified after a cut-off date, only the proposal submitted first will be evaluated and the subsequent submissions will be declared ineligible.

If you have already submitted a proposal and wish to amend it prior to the identified cut-off date, you should withdraw the earlier version and submit the most recent one in order to avoid concurrent submissions.

**Concurrent implementation** exists when an SME submits, singly or as part of a consortium, a Phase 1 or Phase 2 proposal while currently being the beneficiary of an SME Instrument grant for Phase-1 or Phase-2—singly or as part of a consortium.

If a case of concurrent implementation is identified after a cut-off date, the proposal will be declared ineligible.

When an SME submits a proposal, singly or as part of a consortium, it will be considered ineligible if another SME Instrument project related to the SME has not been completed, meaning that the related actions are finalised and the final report is uploaded and submitted by the beneficiary on the F&T Portal. Please ensure that the report shows the official registration number (the ARES number on the top right corner of the cover page).

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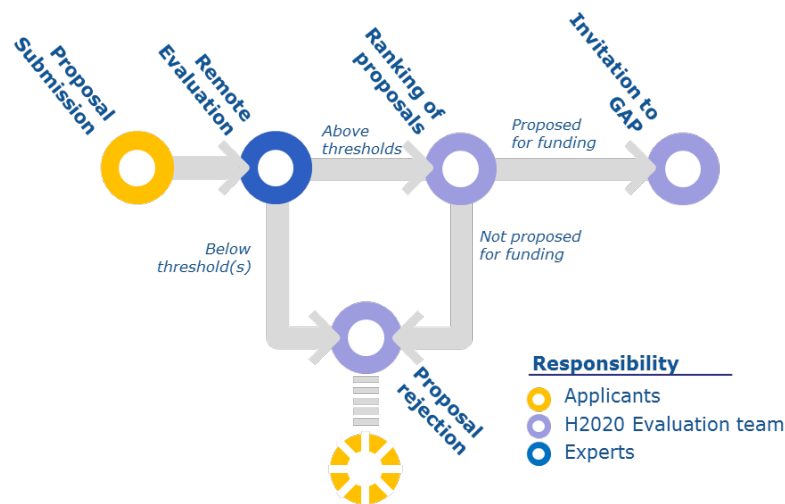
<sup>4</sup> Acting as coordinator or partner in the proposal

## 6. Evaluation procedure

If your proposal is eligible and admissible, expert-evaluators will evaluate it.

### Phase 1

Figure2: Overview of Phase-1 Evaluation Process



In phase 1, your proposal is evaluated remotely and scored by at least four expert-evaluators with different profiles, such as technology/industry sector, business and finance expertise.

Expert-evaluators are briefed on the evaluation process. An example of briefing material for expert-evaluators is available [here](#).

#### Evaluation and scores

Proposals are evaluated as they were submitted, rather than on their potential if certain changes were to be made. This means that only proposals that successfully address all the required aspects will have a chance of being funded. There will be no possibility for significant changes to content, budget and consortium composition during grant preparation

All expert-evaluators will prepare an Individual Evaluation Report (IER) that will contain scores for each of the three award criteria – Excellence, Impact and Quality & efficiency of the implementation – from 0 to 5 with a resolution of one decimal.


Based on these Individual Evaluation Reports, the Overall Consensus Score is automatically calculated by:

1. applying the median to the individual scores per criterion to obtain the Consensus Scores at criteria level;
2. applying the weighting to the Consensus Scores at criteria level;
3. summing the weighted Consensus Scores at criteria level to obtain the Overall Consensus Score from 0 to 15 with a resolution of two decimals.

The final score of the evaluation is the Overall Consensus Score which will be part of the Evaluation Summary Report (ESR). The ESR is the final result of the evaluation process for Phase 1.



Your proposal must reach the quality thresholds in order to be ranked. The quality threshold of Consensus Scores at criteria level is 4 out of 5 and the quality threshold of the Overall Consensus Score is 13 out of 15.

 For more information on the score calculation, see Section 9 of this document.

### Ranking:

Proposals above all thresholds are ranked in descending order according to their Overall Consensus Score. The ranking list contains:

- proposals proposed for funding;
- proposals that cannot be funded because of insufficient budget.

### Feedback to applicants:


Approximately 8 weeks after the cut-off date, you will receive via SEDIA Portal either:

- an invitation letter to prepare a grant agreement if your proposal is on the list of proposals to be funded; or
- a rejection letter if your proposal cannot be funded for one of the following reasons: the available budget is insufficient to fund your proposal; your proposal is below threshold; your proposal is not eligible and/or not admissible.

In both cases, the letter will contain the Evaluation Summary Report (ESR) indicating the Overall Consensus Score and a quality assessment per criteria.

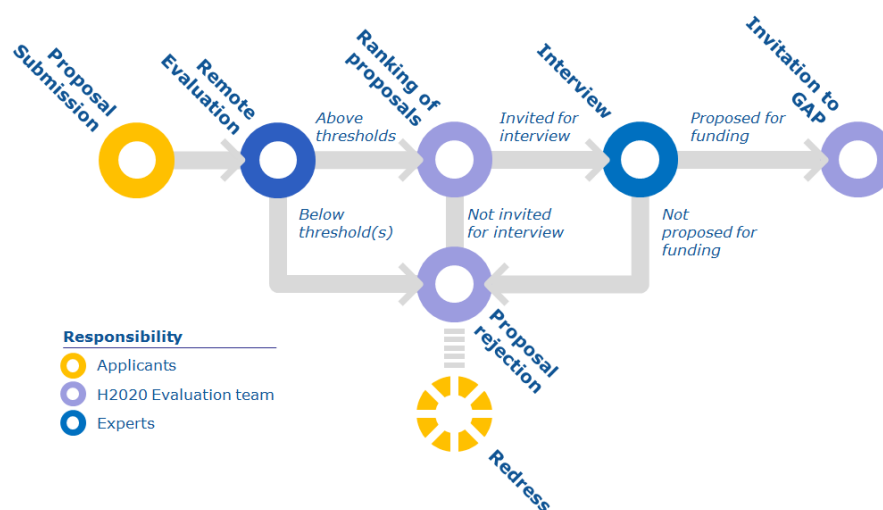
### Complaints:

The Rejection letter will refer to the Redress Procedure that should be used if the applicant wishes to appeal the rejection decision.

 For more information on the Redress Procedure, see Section 12 of this document.

## Phase 2

Figure 3: Overview of Phase-2 Evaluation Process



Phase 2 evaluation is composed of two sequential steps, the remote evaluation and the interview.

## Step 1 – Remote evaluation

In step 1 of Phase 2 evaluation, the proposal is evaluated remotely by at least four expert-evaluators with different profiles, such as technology/industry sector, business and finance expertise.

Expert-evaluators are briefed on the evaluation process. An example of briefing material for expert-evaluators is available [here](#).

### Evaluation and scores:

Each expert-evaluator will prepare an Individual Evaluation Report (IER) that will contain:


- scores for each of the three award criteria – Excellence, Impact and Quality & efficiency of the implementation – from 0 to 5 with a resolution of one decimal;
- an assessment of the operational capacity of the participant – page 16 of the [WP](#);
- an assessment of the best-value-for-money for the subcontracted tasks;
- an evaluation of the Technology Readiness Level (TRL) – page 18 of the [WP](#).

On the basis of these Individual Evaluation Reports, the Overall Consensus Score is automatically calculated by:

1. applying the median to the individual scores per criterion to obtain the Consensus Scores at criteria level;
2. applying the weighting to the Consensus Scores at criteria level;
3. summing the weighted Consensus Scores at criteria level to obtain the Overall Consensus Score – from 0 to 15 with a resolution of two decimals.

The final result of step 1 is the Overall Consensus Score, which will be part of the Evaluation Summary Report.

Your proposal must reach the quality thresholds in order to be ranked. The quality threshold of Consensus Scores at criteria level is 4 out of 5 and the quality threshold of the Overall Consensus Score is 13 out of 15, similarly to Phase 1 evaluation.

 For more information on the score calculation, see Section 9 of this document.

### Ranking:

**Only the proposals above all thresholds are ranked** in descending order according to their Overall Consensus Score. The ranking list contains:

- proposals to be invited to step 2 - interview;
- proposals that cannot be invited to step 2.

Starting with the proposal that received the highest Overall Consensus Score and in descending sequential order, proposals are passed to step 2 until the cumulated amount of EU funding requested in the proposals is as close as possible to twice the available budget.

### Feedback to applicants

Approximately 4-5 weeks after the cut-off date, you will receive via the SEDIA Portal either:

- an invitation to participate in the interview if your proposal is on the list of proposals to pass to step 2; or
- a rejection letter if your proposal is rejected because: your proposal is above threshold but the available budget is insufficient to invite you to step 2; your proposal is below threshold;

your proposal is not eligible and/or not admissible. The letter will be accompanied by the Evaluation Summary Report (ESR) that contains the final weighted scores and a quality assessment per criteria.

### Complaints

The rejection letter will make reference to the Redress Procedure that should be used if the applicant wishes to appeal the rejection decision.


 For more information on the Redress Procedure, see Section 12 of this document.

## **Step 2- Interview**

### Invitation to the interview

Applicants whose proposal has passed to step 2 will receive an invitation letter for a face-to-face interview in Brussels. You will be invited on very short notice since interviews will normally take place one week after you receive the invitation letter. The invitation letter will include:

- date, room and time of the interview - interview times will not be changeable;
- address and directions where the interview will take place – please note that however all interviews will take place in Brussels;
- details and [template of a pitch document](#) that you need to prepare prior to the interview;
- instructions on how to appoint up to three company representatives for the interview and which information you must provide in order to demonstrate their role in the company.

 For more information on the Invitation to the interview, see a template of the invitation letter in Annex 1.

### Participation in the interview

If you submit a Phase 2 proposal for one of the cut-off dates, you should ensure that you are available and able to travel to Brussels during the corresponding interview weeks as indicated below.

For 2018

- interview week for 4th cut-off date: November 12-16.

**For 2019**

- interview week for 1st cut-off date: February 11-15;
- interview week for 2nd cut-off date: May 13-17;
- interview week for 3rd cut-off date: July 8-12;
- interview week for 4th cut-off date: November 11-15.

You are allowed to send a maximum of 3 company representatives per proposal, preferably the CEO or, alternatively, other senior staff, to the interview. Only staff legally employed by the applicant company(ies) are allowed to participate in the interview. Representation by third parties (i.e. external advisors or sub-contractors) is forbidden. When appointing a person to represent the company in the interview, you are also required to send documents that prove their link with the company (i.e. employment contracts, most recent salary slip, company statutes).

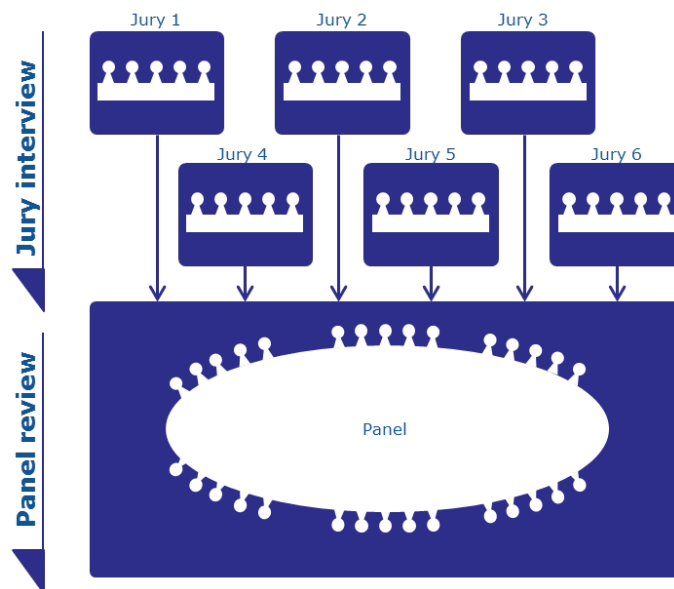
If the appointed representatives fail to appear or if no one is appointed, the interview will remain scheduled and proceed only on the basis of the documents already provided.

In order to ensure equal opportunities to all applicants to present their proposal during step 2 of the evaluation of the SME instrument phase 2, applicants invited to interview as from July 24, 2018 will receive a contribution to travel, accommodation and subsistence expenses. The reimbursement of applicants' expenses is only applicable as from the adoption of the new Work Programme on 24 July 2018 and therefore interviews conducted before that date are not covered by this new measure.

### Interview format

The interview process includes the jury interview and panel review as described below.

*Figure 4: Overview of interview process (illustrative)*



#### Jury interview:

Each of the interview juries will be composed of at least 5 international high-level expert-evaluators selected on the basis of their high profile and level of expertise in investment, business or innovation. The names of the expert-evaluators involved in the jury interviews will be published on the SEDIA Portal each year prior to the interviews.

The interview will last no longer than 30 minutes including:

- 10 minutes (maximum) of presentation supported by a pitch document (slide format in pdf) A [template](#) will be attached to the invitation letter;
- 20 minutes of questions and answers to clarify aspects of the proposal evaluated in Step 1, in particular those under 'Award Criteria' including the commercialisation strategy, the team/company, the technological feasibility, the projected results and the market creating

potential. There will be no pre-set questions, the jury may ask any question related to the proposal.

After the interview and the departure of the company representatives, the expert-evaluators in the jury collectively prepare the Evaluation Summary Report for the proposal in step 2 that includes the final score (A or B) and specific comments related to the three award criteria and replying to the following questions:

- **Implementation – The team:** Does the team have the capability and motivation to implement the innovation proposal and bring it to the market?
- **Impact - Commercial strategy:** Are the business model and commercialization strategy well thought through? How sound are the financial planning and projections?
- **Excellence - The feasibility of the idea:** Does the innovation –through its degree of novelty or disruptiveness –have the potential to create a new market or significant impact in existing ones? Is the timing right for this innovation (i.e. feasibility, market readiness)?

All comments included in the Evaluation Summary Report for the proposals in step 2 refer to the jury's assessment based on the interview.

#### Panel review:

The panel is composed of all the expert-evaluators who participated in the jury interviews. The panel will review all the proposals from the interview stage to ensure that the interview juries have been consistent in their evaluation. The panel may adjust scores or change the comments if necessary.

The panel review will approve a panel report that will comprise the Evaluation Summary Report for each proposal in step 2 and a ranking list.

#### Ranking:

The ranking list is determined by the Panel report and contains:

- proposals proposed for funding – final score A;
- proposals rejected due to insufficient budget – final score B.

#### Feedback to applicants

Approximately 9 weeks after the original cut-off date, via the SEDIA portal, you will receive either:

- an invitation to prepare a grant agreement if your proposal is on the list of proposals to be funded. Only proposals that have passed all quality thresholds and received an "A" mark are proposed for funding; or
- a rejection letter if your proposal cannot be funded because the available budget is insufficient.

In both cases, the letter will contain an Evaluation Summary Report (ESR) that will indicate the Overall Consensus Score and a quality assessment per criterion. The ESR of proposals evaluated in step 2 will also contain their final score of the interview - A or B - and feedback per criterion.

The rejection letter will make reference to the Redress Procedure that should be used if the applicant wishes to appeal the rejection decision.

 For more information on the Redress Procedure, see Section 12 of this document.


## 7. How expert-evaluators are selected

Proposals are evaluated by independent expert-evaluators selected from a proprietary database of the European Commission. Different profiles are selected in order to ensure a variety of high-level skills, knowledge and experience in different domain and sectors.

For each specific call and programme a unique "pool" of expert-evaluators is appointed. When selecting expert-evaluators, special attention is given to their experience and knowledge in project management, innovation, investment and finance. A balance in terms of geographical diversity, gender, private and public sectors is also ensured. A yearly rotation rule guarantees that at least 25% of expert-evaluators included in a 'pool' are renewed every year<sup>5</sup>.

As part of a European Innovation Council pilot, the pool of expert-evaluators has been extended to reinforce the presence of entrepreneurs who have started and scaled up innovative enterprises at European or global level, investors (including those affiliated with banks, venture capitalists, business angels, crowd-funders etc.) and experts involved in the innovation ecosystem (business schools, universities, innovation hubs, accelerators, etc.).

Expert-evaluators with a conflict of interest are excluded from the evaluation.

 For more information on the possible scenarios defining a conflict of interest, see Annex 2 of this document.

Finally, the evaluation process may be monitored by one or more independent observers appointed to observe the practical workings of the evaluation process and to give independent advice on the conduct and fairness of the evaluation sessions, the application of the award criteria and the ways in which the procedures could be improved. These independent observers are not allowed to express views on the proposals or the expert-evaluators' opinions.

## 8. How proposals will be assigned to the expert-evaluators

After each cut-off date for both Phases, admitted proposals are assigned to at least four expert-evaluators for the remote part of the evaluation. The pool of expert-evaluators is made up of a mixture of technology/industry sector, business and finance expertise.

During the electronic proposal submission process, applicants can provide up to three names of individuals who should not act as an evaluator of their proposal, for commercial or other reasons.


The allocation proposals to the expert-evaluators for the remote evaluation step will be done in the electronic evaluation system in a way that maximizes the affinity between the content of the proposal and the specific profile of the expert-evaluators assigned.

In order to facilitate and ensure the best possible match between the proposal content and the expert-evaluators profile, applicants will be requested to indicate in the submission form (PART A) up

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<sup>5</sup> i.e. new expert-evaluators who have not participated in the evaluation in the previous 3 years.

to 3 main keywords to be selected from among 15 pre-determined ones. Under each of these three main keywords, applicants will have the possibility to select one sub-keyword. The list of keywords covers a wide range of innovation fields and driving markets.

 The full keyword nomenclature can be found using the following [link](#).

Similarly, expert-evaluators will also be requested to select 3 main keywords and 3 sub-keywords from the same list in order to facilitate the matching of proposals.

We strongly advise applicants to identify keywords that best correspond to the innovation, service or product proposed as well as to the specific market or niche market targeted and to select the maximum number of main keywords and sub-keywords, within the limit presented above.

The first set of keywords (main keyword 1 and sub-keyword 1) selected by the applicant will have the heaviest weight in matching the expert-evaluators who will evaluate the proposal, therefore it is crucial to ensure this first set of keywords reflects the area of your proposal as accurately as possible.

You will also have the option to provide free keywords for further clarification.

### Example Box 1 – Keyword Selection

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**Proposal Subject:** *Textile fibre with nanomaterials for use in surgery*

<b>Main Keyword 1</b>	Consumer products and services
Sub Keyword 1	Textiles, Apparel & Luxury Goods
<b>Main Keyword 2</b>	Health
Sub Keyword 2	Surgery
<b>Main Keyword 3</b>	Nano-technology, Advanced Materials, Manufacturing and Engineering
Sub Keyword 3	Materials engineering

*Tip: If you feel your product is primarily a textile product, you should choose consumer products and services as your first main keyword and carefully choose a sub-keyword corresponding to your product (i.e. textile in the example) as these two keywords will have the most impact in determining which experts evaluate your proposal. If on the contrary, you feel the key distinguishing element of the product is the surgery or the nanotechnology, you could choose health or nanotechnology as the first key word. In any case, you should always choose as many areas as possible that are included in your product to ensure a wide area of expertise is covered.*

### Example Box 2 – Keyword Selection

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**Proposal Subject:** *A cloud enabled drone used to detect intruders*

<b>Main Keyword 1</b>	Information and Communication Technology
Sub Keyword 1	Cloud computing
<b>Main Keyword 2</b>	Information and Communication Technology
Sub Keyword 2	Drone
<b>Main Keyword 3</b>	Security
Sub Keyword 3	Detection Technology

*Tip: For proposals that are not necessarily cross-disciplinary, you may repeat a main keyword up to three times, but should choose a different sub-keyword each time.*

## 9. How proposals will be scored

Evaluators will be asked to score proposals strictly as they were submitted. When an evaluator identifies significant shortcomings, he or she must reflect this by awarding a lower score for the criterion concerned.

For each criterion, your proposal will be given **scores** of 0 to 5 with a resolution of one decimal, as follows:



- 0 — The proposal fails to address the criterion or cannot be assessed due to missing or incomplete information (unless the result of an 'obvious clerical error')
- 1 — Poor: the criterion is inadequately addressed or there are serious inherent weaknesses
- 2 — Fair: the proposal broadly addresses the criterion but there are significant weaknesses
- 3 — Good: the proposal addresses the criterion well but with a number of shortcomings
- 4 — Very good: the proposal addresses the criterion very well but with a small number of shortcomings
- 5 — Excellent: the proposal successfully addresses all relevant aspects of the criterion; any shortcomings are minor.

The Overall Consensus Score for each proposal is calculated as follows:

- Each evaluator scores each of the three award criteria from 0 to 5. Scores with a resolution of one decimal place may be given.
- The consensus score at the level of the three evaluation criteria is the median<sup>6</sup> score of the scores given by each of the four evaluators and the quality threshold is 4 out of 5.
- The Impact criterion is given a weight of 50% and the Excellence and Quality of implementation is given a weight of 25% each.
- The overall consensus score is the weighted sum of these three separate scores and the quality threshold is 13 out of 15 with a resolution of two decimals.
- A proposal must pass both quality thresholds (per criteria and overall) in order to be included in the ranking.

*Example Box 3 – Scoring & Thresholds*

	Evaluators				Median	Weight	Weighted criteria
	1	2	3	4			
<b>Impact</b>	5	5	5	4.5	5 / 5	50	7.5 / 7.5
<b>Excellence</b>	5	3	4	4	4 / 5	25	3 / 3.75
<b>Implement.</b>	3	2	4	5	3.5 / 5	25	2.63 / 3.75
<b>Threshold Criteria (&gt;=4)</b>	→				<input checked="" type="checkbox"/> <4		<input type="checkbox"/> = 13.13
<b>Threshold Weighted Sum (&gt;=13)</b>	→						<input checked="" type="checkbox"/> >=13
<b>⇒ PROPOSAL NOT RANKED</b>							

A qualitative assessment will be provided for each sub-criterion (unweighted median score):

- Very Good to Excellent (4.5–5)
- Good to Very Good (3.5 – 4.49)
- Fair to Good (2.5 – 3.49)

<sup>6</sup> The median is the arithmetic mean of the two "middle" scores of the four evaluators, e.g. median of scores 1; 5; 7; 10 is (5+7)/2 = 6

- Insufficient to Fair (1.5 – 2.49)
- Insufficient (0-1.49)

## 10. Ranking list and ex-aequo

### Phase 1

Only proposals that have passed all thresholds are ranked in the descending order of their **Overall Consensus**. Starting with the highest Overall Consensus Score and going down the ranking, proposals are successively proposed for funding until the allocated budget is reached.

### Phase 2

Only proposals that have passed all quality thresholds in Step 1 remote evaluation are ranked in descending order of their Overall Consensus Score. Ranked proposals are then passed on to step 2 until the cumulated amount of EU funding requested is as close as possible to twice the budget available or, alternatively, all proposals eligible for funding have been accounted for as their aggregated EU funding is inferior to twice the budget available.

### Ex-aequo

In the case of ex-aequo (proposals given the same consensus score) for proposals in Phase 1 and in step 1 of phase 2, the following method is used:

- Proposals are first prioritised according to scores given for the award criterion 'impact'.
- Where those scores are equal, priority is then determined using scores for the award criterion 'excellence'.
- If necessary, a further prioritisation is based on the degree of gender balance among the personnel named in the proposal as primarily responsible for carrying out the project.

## 11. Communication to applicants after evaluation procedure

### Phase 1

For each proposal, applicants receive an Evaluation Summary Report with the scores obtained and a qualitative assessment with respect to each of the aspects considered under each of the three award criteria.

The maximum delay to inform applicants will be 2 months from the date of the cut-off. The indicative date for the signing of grant agreements is maximum 3 months from the date of the corresponding cut-off.

### Phase 2

After Step 1, applicants receive an Evaluation Summary Report (ESR) with the scores obtained and a qualitative assessment with respect to each of the aspects considered under each of the three award criteria.

Each applicant invited to an interview in Step 2 receives an invitation at the end of Step 1 with the time, date, venue and room number along with guidance on format/content of the presentation and interview format.

In addition, proposals that have passed to step 2 will receive a report at the end of Step 2 with an A/B mark and an additional qualitative assessment. Only applicants passing all thresholds and receiving an "A" mark will be considered for funding.

Both Phase 1 and Phase 2 applicants meeting all thresholds but not receiving funding will receive a "Seal of Excellence" ([link](#)).

The maximum delay to inform applicants will be 4 months from the date of the cut-off. The indicative date for the signing of grant agreements is maximum 6 months from the date of the corresponding cut-off.

## 12. Redress procedure

Upon reception of the feedback – Phase-1, Phase-2 step 1 and step 2 – the applicant may wish to introduce a request for redress, if there is an indication that there has been a shortcoming in the way a proposal has been evaluated, or that the results of the eligibility checks are incorrect. The redress procedure is not meant to call into question the judgement made by the expert-evaluators; it will look at procedural shortcomings and – in rare cases – into factual errors.

Such requests for redress should be raised within one month of the date of the evaluation feedback sent by the Commission services, and should be introduced via the web-based mailing system indicated on the information letter.

Requests sent by applicants must be:

- related to the evaluation process, or eligibility checks, for the SME instrument;
- sent out using the online form via the above-mentioned web-based mailing system, including a clear description of the grounds for complaint;
- received within the time limit specified on the information letter;

An initial reply will be sent to complainants no later than two weeks after the deadline for redress requests. This initial reply will indicate when a definitive reply will be provided.

A redress committee of the EASME Executive Agency may be convened to examine the peer review evaluation process for the case in question. The committee's role is to ensure a coherent interpretation of requests, and equal treatment of applicants. The redress committee itself, however, does not re-evaluate the proposal. Depending on the nature of the complaint, the committee may review the evaluation report, the individual comments and examine the CVs of the experts. In the light of its review, the committee will recommend a course of action to the EASME Executive Agency. If there is clear evidence of a shortcoming that could affect the eventual funding decision, it is possible that all or part of the proposal will be re-evaluated. Unless there is clear evidence of a shortcoming there will be no follow-up or re-evaluation.

Please note:

- This procedure is concerned with the evaluation and/or eligibility checking process.
- The committee will not call into question the judgment of the individual expert-evaluators, whose qualifications have been already assessed and validated.
- A re-evaluation will only be carried out if there is evidence of a shortcoming that affects the quality assessment of a proposal. This means, for example, that a problem relating to one evaluation criterion will not lead to a re-evaluation if a proposal has failed anyway on the other criteria.
- The evaluation score following any re-evaluation will be regarded as definitive. It may be lower than the original score.
- Only one request for redress per proposal will be considered by the committee.
- All requests for redress will be treated confidentially.

### 13. Fraud and Abuse

Through the entire proposal lifecycle, from the submission to payment and reporting, the European Commission services are strongly committed to tackling all potential sources of fraud and abuse related to the SME Instrument, as part of the current EU Framework Programme for Research and Innovation – Horizon 2020.

To this end, dedicated resources and instruments are used by the Commission services to identify fraud and abuse already in the application process, such as plagiarism, false information on the company, the applicants, the project or the associated costs but also to detect fund seeking for work that has already been completed. The expert-evaluators are briefed on what constitutes fraud, waste and abuse in the context of the SME instrument and have a duty to diligently report any suspected wrongdoing to the relevant Commission services.

Wrongdoings detected during the evaluation stage will directly lead to the rejection of the proposal from the evaluation process.

During the implementation of the project, the European Commission may also:

- check the proper implementation of the action and compliance with the obligations under the grant, including assessing deliverables and reports.
- carry out reviews on the proper implementation of the action (including assessment of deliverables and reports), compliance with the obligations under the grant agreement and continued scientific or technological relevance of the project.

Finally, in case of fraud suspicions, the European Anti-fraud Office (OLAF) may conduct investigations (e.g. on-the-spot inspections and witness interviews) into EU-funded projects to check that expenditure has been used correctly.

Depending on the nature of the wrongdoing during the implementation of the project, various measures can be taken, from reduction of grants, recovery of undue amounts, administrative and financial penalties, suspension of payments, to the termination of the grant. Thus, OLAF findings may lead to a criminal investigation under national law.

**OLAF reported in February 2016 that an investigation, code-named “Operation Cocoon”, resulted in the convictions of eight individuals. They were found guilty of defrauding the EU budget. Assets of nearly two million euros were seized. The case involved a network of fraudsters who coordinated almost identical bids for EU-funded research and innovation projects in several EU Member States, while also introducing in the consortia fake companies as partners or subcontractors.**

**OLAF reported that, after being awarded the projects in question (amounting to 53 million euros during a period of over ten years), the individuals also claimed non-existent expenses in an organised manner.**

## **GLOSSARY**

<b>Applicant</b>	Legal entity submitting an application for a call for proposals. When the application is submitted in name of a consortium then the applicant is the coordinator.
<b>Beneficiary</b>	Legal entity who has signed the Grant Agreement with EASME.
<b>Consortium coordinator</b>	The coordinator is the beneficiary which is the central contact point for the EASME and represents the consortium (towards EASME). The coordinator must coordinate and manage the grant.
<b>Cut-off dates</b>	The SME Instrument has regular selection rounds following fixed deadlines or regular cut-off dates allowing a fair competition among applicants.
<b>Evaluation Summary Report (ESR)</b>	Proposals evaluated in Phase 2 step 1 will receive an "Evaluation Summary Report (ESR)" that contains a score and a quality assessment per criteria. Proposals evaluated in Phase 2 step 2 will receive an "Evaluation Summary Report (ESR)" that contain a final score- A or B- and feedback per criteria. Only proposals that have passed the quality thresholds and receive an "A" mark are proposed for funding.
<b>Grant Agreement</b>	A contract concluded between the European Commission (representing the European Union) and the beneficiary (or beneficiaries) under which the parties receive the rights and obligations.
<b>Individual Evaluation Report (IER)</b>	Each expert-evaluator carries out an evaluation and prepares an "Individual evaluation report (IER)" with comments and scores for each of the three award criteria: excellence, impact and quality & efficiency.
<b>Obvious Clerical Error</b>	A clear mistake/omission the correction of which would not alter the proposal in a substantial manner, but that should be corrected in order to allow its proper evaluation and/or to have complete information/data, notably for grant preparation, statistics, etc.
<b>Operational Capacity</b>	In Phase-2, expert-evaluators will indicate as a reply to a dedicated evaluation question whether the participants have the sufficient operational capacity to carry out the proposed work, based on the competence and experience of the individual participant.
<b>Overall Consensus Score</b>	On the basis of the Individual Evaluation Report (IER), the Overall Consensus Score is automatically calculated by: <ol style="list-style-type: none"> <li>1. applying the median to the individual scores per criterion to obtain the Consensus Scores at criteria level;</li> <li>2. applying the weighting to the Consensus Scores at the criteria level;</li> <li>3. summing the weighted Consensus Scores at criteria level to obtain the Overall Consensus Score</li> </ol>
<b>Panel Report</b>	On the basis of the proposals' review conducted by the panel of experts-evaluators in Phase 2 step 2, a Panel Report will be approved. This report will comprise the Evaluation Summary Report (ESR) for each proposal in Phase 2 step 2 and a raking list.
<b>Participant Identification Code (PIC)</b>	A 9-digit number serving as a unique identifier for organisations (legal entities) participating in EU funding programmes. A search tool for organisations and their PICs is available at: <a href="http://ec.europa.eu/research/participants/portal/desktop/en/organisations/register.html">http://ec.europa.eu/research/participants/portal/desktop/en/organisations/register.html</a>
<b>SEDIA Portal</b>	<a href="http://ec.europa.eu/research/participants/portal/desktop/en/organisations/register.html">Single online gateway</a> for applicants and beneficiaries in Horizon 2020 for identifying funding opportunities, accessing documents and guidance, submitting proposals and for the paperless management of grants and expert-evaluator contracts.
<b>Third parties</b>	Other partners, such as research providers or larger companies, can be involved as third parties, usually in a subcontracting relationship, and do not need to be established necessarily in the EU or countries associated to Horizon 2020.
<b>Redress Procedure</b>	When a proposal is rejected, applicants will receive a "Rejection letter" that will make reference to the "Redress Procedure" in case applicants wish to appeal the rejection decision.

## ANNEX 1: Template letter invitation

Ref. Ares(2018) [REDACTED]



EUROPEAN COMMISSION  
Executive Agency for Small and Medium-sized Enterprises  
Unit A2 - H2020 SME  
Head of Unit

Brussels,



**Subject: Horizon 2020 Framework Programme**  
**Call for proposals: H2020-EIC-SMEInst-2018-2020 (H2020-SMEInst-2018-2020-2)**  
**Proposal: [REDACTED]**  
**Initial information on the outcome of the evaluation of proposals**

Dear Madam/Sir,

I am writing in connection with your proposal for the above-mentioned Call for proposals.

We are pleased to inform you that the evaluation panels, composed of independent experts, have **favourably reviewed** your proposal in Step 1 of the evaluation process. We cordially invite you to attend an interview with the evaluation panel.

The interviews for your panel will take place on [REDACTED], in [REDACTED] Brussels, Belgium.

Interviews will last 30 minutes. They will include a short 10 minutes presentation by the applicant and 20 minutes for questions and answers by a jury of at least 5 experts.

You are allowed to send a maximum of 3 company representatives to the interview. Only staff employed by the applicant company (-ies) are allowed to participate in the interview. Representation by third parties is not allowed.

Please send within **48 hours** from receipt of this letter the following information to the EU Survey link that you will receive shortly in a separate email:

- 1) Name of the representative(s) appointed to participate in the interview. Please mention the company and position of the person(s).
- 2) Proof that the candidate participating in the interview is directly employed by the SME (examples of proof includes contract, latest payslips, company statutes, etc).
- 3) Pitch deck in pdf format. Suggested information to include in the pitch deck is in the annex to this invitation.

If the appointed candidate does not show up or no person is appointed, the interview will remain scheduled and proceed only on the basis of the documents already provided.

Please also note that as a successful Step 1 applicant, you will not receive further feedback on the Step 1 review of your proposal until the end of Step 2.

**More specific information regarding the format of your presentation and a map of our location is attached. We advise applicants to arrive at least one hour in advance to the interview to avoid delays due to unforeseen circumstances.**

**⚠ Please note that this letter does NOT constitute a formal commitment for funding.**

For any further information, please do not hesitate to contact at: EASME-EIC-INTERVIEWS@ec.europa.eu.

Yours faithfully,

Bernd REICHERT  
Head of Unit

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## **ANNEX 2: Conflicts of interest for expert-evaluators**

A conflict of interest exists if one or more of the following conditions is/are met:

- the expert-evaluator was involved in the preparation of a proposal;
- the expert-evaluator benefits directly or indirectly if a proposal is proposed for funding;
- the expert-evaluator has a close family or personal relationship with any person representing an applicant;
- the expert-evaluator is a director, trustee or partner or is in any way involved in the management of an applicant;
- the expert-evaluator is employed or contracted by one of the applicants or any named subcontractors;
- the expert-evaluator is a member of an Advisory Group set up by the Commission to advise on the preparation of EU or Euratom Horizon 2020 Work Programmes, or Work Programmes in an area related to the call for proposals in question;
- the expert-evaluator is a National Contact Point, or is directly working for the Enterprise Europe Network;
- the expert-evaluator is a member of a Programme Committee.

The European Commission services will decide whether a conflict of interest exists, taking account of the objective circumstances, available information and related risks when one or more of the following conditions is/are met:

- the expert-evaluator was employed by one of the applicant legal entities in the last three years;
- the expert-evaluator is involved in a contract or grant agreement, grant decision or membership of management structures (e.g. member of management or advisory board etc.) or research collaboration with an applicant legal entity or the fellow researcher, or had been so in the last three years;
- the expert-evaluator is in any other situation that could cast doubt on their ability to participate in the evaluation of the proposal impartially, or that could reasonably appear to do so in the eyes of an external third party.

Such an expert-evaluator may, however, exceptionally be invited to take part in the evaluation session, if the combination of the following elements applies:

- the expert-evaluator works in a different department/laboratory/institute from where the action is to be carried out
- the bodies operate with a high degree of autonomy

Such a role is justified by the requirement to appoint the best available expert-evaluators and by the limited size of the pool of qualified experts (and this is documented).