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SMEs

Horizon 2020 stimulates SME participation across the whole programme, yet with a particular focus on close-to-market support.

Horizon 2020 and the European Innovation Council pilot: a new dynamic for SMEs with breakthrough ideas

If research and development activities are not translated into innovation, i.e. value creation from novelty, SMEs cannot take profit from those activities. Great ideas need to be picked up by users, customers and the market, before they can really transform society.

Overall, it is expected that 20% of the total combined budget for all [Societal Challenges](#) [1] and the specific objective [Leadership in Enabling and Industrial Technologies](#) [2] (LEITs) will go to SMEs. This means that over EUR 8 billion in EU support for Research and Innovation activities will find its way directly to SMEs, most of them part of consortiums participating in EU collaborative Research and Innovation projects.

Towards the end of 2017, SMEs had received 4.13 billion in grant money under the Horizon 2020 Societal Challenges and LEITs. With that, the 20% SME budget target, set at the outset of the programme by the EU Council and Parliament, was exceeded by more than 4 percent points.

As part of the Horizon 2020 work programme 2018-2020, the EU piloted a [European Innovation Council](#) [3], which aims at generating market-creating innovation feeding into rapid scale-up of European enterprises, in particular SMEs. This pilot has led to significant changes for the instrument that has been mainstreaming SME support to RDI-intensive SMEs up to now under Horizon, the...

EIC Accelerator Pilot

The dedicated [EIC Accelerator Pilot](#) [4] ([former SME instrument with a new blended finance – grant and equity - component](#)) encourages for-profit companies to put forward their most innovative ideas with an EU dimension that can't find financing on the market because of their high-risk character. The SME instrument targets highly innovative SMEs showing a strong ambition to develop, grow and internationalise, regardless of whether they are high-tech and research-driven or non-research conducting, social or service companies.

The Enhanced [European Innovation Council pilot](#) [5] is targeting even more than before radically innovative proposals from SMEs that have the potential to create entirely novel goods or services and/or that can shake up our economy and society for the better via refreshing business models or processes.

The [EIC Accelerator Pilot](#) [4] addresses the financing gap in developing high-potential, but high-risk innovative ideas of small companies and bringing them closer to the market. It responds to a widely recognised EU-wide market failure which relates to the market's difficult relationship with uncertainty and estimating the potential value of new technologies, new products, new resources, new firms or new entrepreneurial capabilities.

With a budget of close to €3 billion over the period 2014-2020, the EIC Accelerator Pilot is taking innovation in SMEs to the next level, by granting tailored support to SMEs that have ground-breaking ideas with a high market potential, paving the way of the future for the well-being of Europe's economy and society.

It is expected that over 7500 companies will have received innovation support through the instrument when Horizon 2020 draws to a close; in 2014-2015, the EU invested over EUR 0.5 billion of Horizon 2020 budget to support innovation-driven SMEs under the SME instrument call; in 2016-2017, another EUR 0.79 billion has been invested. In the final three years of Horizon 2020 (2018-2020), over EUR 1.6 billion is being invested through the EIC Accelerator Pilot.

The instrument is **now fully bottom-up**, meaning that call respondents do not have to worry about answering to specific topics; **any high-risk high-potential innovative proposal from an SME or consortium of SMEs - fully established in the EU or in Horizon 2020 associated countries - is eligible for funding**, provided in line with [Horizon 2020 ethics provisions](#) [6].

Applicants that submit a proposal in response to the phase 2 call - which was designed for helping to develop a business plan into a marketable good or service, or a working business model or process that is highly innovative - will go through a two-step evaluation, the second step being an interview with a group of high-level experts. [More information about business processes on the EASME website](#) [7].

Thanks to the Enhanced [European Innovation Council pilot](#) [5], all SMEs participating in the EIC Accelerator Pilot , the EIC Pathfinder ([FET-Open](#) [8] and [FET-Proactive](#) [9]) or [Fast Track to Innovation](#) [10] projects will have the opportunity to make use of dedicated business acceleration services and personalised coaching. [More information about this also on the EASME website.](#) [11]

More on SMEs in Horizon2020

The Horizon 2020 specific objective [Innovation in SMEs](#) [12] also boosts the innovation capacity of SMEs, including through the [Eurostars Joint Programme](#) [13] which will continue to promote transnational collaboration of R&D performing SMEs.

Last but not least, more than EUR 1 billion under the [Access to Risk Finance](#) [14] budget under Horizon 2020 is flowing to SMEs and small midcaps. This support consists of:

- A debt facility providing loans, guarantees and other forms of debt finance to entities of all forms and sizes, notably research and innovation-driven SMEs: [InnovFin SME Guarantee](#) [15]. This facility has been reinforced thanks to the advent of the [European Fund for Strategic Investments](#) [16] in 2015. The facility has allowed to increase the portfolio of loans available for SMEs and small midcaps established across the EU and Horizon 2020 associated countries to be increased by more than EUR 10 billion since its launch in 2014.
- Equity facilities providing finance for mainly early-stage investments, with a particular focus on early-stage SMEs with the potential to carry out innovation and grow rapidly: [InnovFin](#) [17] [Equity](#) [18].

Their aim is to support the achievement of the R&I objectives of all sectors and policy areas crucial for tackling societal challenges, enhancing innovation and fostering sustainable growth. They are implemented via the [European Investment Bank](#) [19] and the [European Investment Fund](#) [20] and/or other financial institutions of comparable stature.

Search for funding opportunities related to [Innovation in SMEs](#) [21], [access to risk finance](#) [22] Enhanced [European Innovation Council \(EIC\) Pilot](#) [23] and [the EIC Accelerator](#) [24] .

Links:

[Access to Risk Finance for SMEs \(Single Finance Portal\)](#) [25]

[COSME \(2014-2020\), an EU programme to raise SME competitiveness \(financial facilities, access to markets, entrepreneur and business support\)](#) [26]

[Services provided by Enterprise Europe Network \(facilitation, mentoring & coaching under the SME instrument\)](#) [27]

[Personalised assistance from your National Contact Point \(help to apply for EU support\)](#) [28]

[SME participation on the Horizon 2020 portal \(apply for EU support\)](#) [29]

[Executive Agency for Small and Medium-sized Enterprises](#) [30]

[InnovFin - EU Finance for Innovators](#) [31]

[Enhanced European Innovation Council pilot](#) [3]

Related Horizon 2020 sections:

[Innovation in SMEs](#) [12]

[Access to risk finance](#) [14]

[Enhanced European Innovation Council \(EIC\) pilot](#) [5]

[EIC Accelerator Pilot](#) [32]

Source URL: <https://ec.europa.eu/programmes/horizon2020/en/area/smes>

Links

[1] <https://ec.europa.eu/programmes/horizon2020/node/17>

[2] <https://ec.europa.eu/programmes/horizon2020/node/11>

[3] <https://ec.europa.eu/research/eic/index.cfm>

[4] <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/sme-instrument>

[5] <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/european-innovation-council-eic-pilot>

[6] http://ec.europa.eu/research/participants/docs/h2020-funding-guide/cross-cutting-issues/ethics_en.htm

[7] http://ec.europa.eu/research/participants/data/ref/h2020/other/guides_for_applicants/h2020-guide-smeinst-18-20_en.pdf

[8] <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/future-and-emerging-technologies-fet-open>

[9] <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/fet-proactive>

[10] <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/fast-track-innovation-pilot>

[11] <https://ec.europa.eu/easme/en/business-support>

[12] <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/innovation-smes>

[13] <http://www.eurostars-eureka.eu/>

[14] <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/access-risk-finance>

[15] http://www.eif.org/what_we_do/guarantees/single_eu_debt_instrument/innovfin-guarantee-facility/

[16] <http://www.eib.org/efsi/>

[17] http://www.eif.org/what_we_do/equity/single_eu_equity_instrument/innovfin-sme-vc/index.htm

[18] http://www.eif.org/what_we_do/equity/single_eu_equity_instrument/innovfin-equity/index.htm

[19] <http://www.eib.org/>

[20] <http://www.eif.org/>

[21]

<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/topic-search;freeTextSearchKeyword=&typeCodes=1;statusCodes=31094501,31094502;programCode=H2020;programDivisionCode=31047887;focusAreaCode=null;crossCuttingPriorityCode=null;callCode=Default;sortQuery=openingDate;orderBy=asc;onlyTenders=false>

<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/topic-search;freeTextSearchKeyword=&typeCodes=1;statusCodes=31094501,31094502;programCode=H2020;programDivisionCode=31047884;focusAreaCode=null;crossCuttingPriorityCode=null;callCode=Default;sortQuery=openingDate;orderBy=asc;onlyTenders=false>

<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/topic-search;freeTextSearchKeyword=EIC;typeCodes=1;statusCodes=31094501,31094502;programCode=H2020;programDivisionCode=null;focusAreaCode=null;crossCuttingPriorityCode=null;callCode=Default;sortQuery=openingDate;orderBy=asc;onlyTenders=false>

<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/topic-search;freeTextSearchKeyword=EIC;typeCodes=1;statusCodes=31094501,31094502;programCode=H2020;programDivisionCode=null;focusAreaCode=null;crossCuttingPriorityCode=SME;callCode=Default;sortQuery=openingDate;orderBy=asc;onlyTenders=false>

[25] <http://europa.eu/youreurope/business/funding-grants/access-to-finance/>

[26] <https://ec.europa.eu/easme/en/cosme>

[27] <http://een.ec.europa.eu/>

[28] <http://ec.europa.eu/research/participants/portal/page/nationalcontactpoint>

[29] http://ec.europa.eu/research/participants/portal/desktop/en/funding/sme_participation.html

[30] http://ec.europa.eu/easme/index_en.htm

[31] <http://www.eib.org/products/blending/innovfin/products/index.htm>

[32] <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/eic-accelerator-pilot>