



Short Guide to the SME instrument for Eco-innovators

Preface

One of the new funding schemes the EC introduced in Horizon 2020, the current European Framework Programme for Research and Innovation (2014-2020), is solely dedicated to improving the competitiveness of SMEs: the SME-Instrument. This guide addresses eco-innovation SMEs with a strong ambition to develop, grow and internationalize intending to submit a proposal to calls for the SME instrument of the Horizon 2020 Societal Challenge “Climate action, environment, resource efficiency and raw materials”. It contains hints on how to prepare for proposal conception and concrete suggestions and tips for the drafting of the different chapters of the proposal, complementing the instructions provided in the proposal template. The information contained in this guide is based on the official documents and the experience National Contact Points for the Horizon 2020 Societal Challenge “Climate Action, Environment, Resource Efficiency and Raw Materials” have gained consulting on the SME instrument in the first two calls for proposals of 2014 and 2015 and in the previous CIP Eco-innovation programme. Best practices encountered in proposals for these programmes have been included when formulating tips and tricks.

NB: This guide refers to both [phase 1](#) and [phase 2](#) of the SME instrument, where appropriate reference to [phase 1](#) of [phase 2](#) is made.

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Preparatory phase

1. Consult the EC website dedicated to the SME Instrument:

<http://ec.europa.eu/easme/en/horizons-2020-sme-instrument>

2. If in doubt, verify if you comply with the EU SME definition¹. If you do not comply with the EU definition of an SME you cannot apply for the SME instrument.

3. Contact your National Contact Point (NCP) for Horizon 2020 “Climate action, environment, resource efficiency and raw materials” or SMEs (in the search menu select SMEs and Climate Action) and/or your contact in the Environment Sector Group of the Enterprise Europe Network and/or your local Horizon 2020 support office. Check with them if your project idea fits with the call of the SME instrument in the Societal Challenge “Climate action, environment, resource efficiency and raw materials”. Find out what support they can offer you in preparing the application.

4. If you already have a Participant Identification Code (PIC), make sure that you are registered as an SME. If you do not have a PIC yet, register your organisation on the EC Participant Portal².

5. Study the proposal templates for phase 1 or phase 2 of the SME instrument to get an idea what is expected. Use these templates and this short guide as guidance. Study the standard evaluation form to see the weight of individual criterion in evaluation process and to see what will be taken into account during evaluation of project

6. As soon as the call opens, register for the call on the Participant Portal and download the templates in text format.

7. Ask your NCP or EEN contact to proofread the full draft of your proposal, preferably at least two weeks before the next call cut-off date (cut-off dates can be found in the call description e.g.)

8. Make sure to put enough emphasis on section 2 - Impact. When your proposal is evaluated and ranked, impact will be weighed with a factor 1.5. While the tendency is to first focus on objectives, approach and implementation, it is recommended to start working on the expected impacts and the business plan and thereafter formulate your objectives, approach and implementation that are needed to reach the envisaged impact.

9. Consider the “6 lessons learned” from the first evaluation from the EU-Commission:

<https://ec.europa.eu/easme/en/news/sme-instrument-6-lessons-learnt-first-evaluation-are-also-tips-applicants>

10. Refer to the FAQ on the SME-Instrument:

<https://ec.europa.eu/digital-agenda/en/sme-instrument-frequently-asked-questions>

¹ http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/index_en.htm

² <http://ec.europa.eu/research/participants/portal/desktop/en/organisations/register.html>

³ <http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/topics/6111-smeinst-11-2016-2017.html>



General set-up of a proposal

Page Limit

- ❖ Section 4 (Members of the consortium) and 5 (Ethics and security) are excluded from the 10-page limit (phase 1) or 30 page limit (phase 2).

NB. Number these pages differently, to show that the 10-page or 30- page limit is respected.

Structure

- ❖ Make sure that specific objectives, expected outcomes, Work Packages and expected impacts are clearly linked (ensure a clear 'red line' throughout the proposal).
- ❖ Provide a concise abstract in which you adequately describe the uniqueness of your product / service, the expected (and quantified) impact and why you think it will be sold. Look at it as an "elevator pitch".
- ❖ Use bullet points and use key-words that are used in the template; followed by short text how you address each issue. Use the same order as given in the template.

Wording

- ❖ Be clear, concise and synthetic particularly in the formulation of the concept and objectives (clarity versus complexity).
- ❖ Explain all acronyms and abbreviations.
- ❖ Be consistent in language.
- ❖ Use 'buzz' words from the Topic, introduction of the Challenge and general introduction of the Work Programme (e.g. regarding EU policy objectives).

Tables and Figures

- ❖ Table, figures, diagrams etc. should be clear and understandable, also when printed in black-and-white.



General

- ❖ Indicative number of pages: [phase 1: 3-4; phase 2: 4- 10]
- ❖ Be aware that the SME-Instrument implements a paradigm shift: It is not only the project (idea) which defines your chances for funding, but also the *innovation capacity of your company*.

1.1 Objectives and specific objectives [1-2 pages]

- ❖ Describe the European problem / societal challenge you are tackling, why now and why you.
- ❖ Show the innovative approach (combination of (new) technologies, use of novel model etc.).
- ❖ Clearly describe the overall objective and related specific objectives; they should be measurable and have a clear European added value.
- ❖ Make sure that your specific objectives are SMART (or as formulated in the template: they should be clear, measurable, realistic and achievable within the duration of the project). It may help when you formulate specific objectives as a noun (instead of using verbs).
- ❖ Describe scope (i.e. size and type of technology / market sector).
- ❖ Use key performance indicators/success criteria: clearly specify in a measurable content what you will achieve at the end of the (phase 2) project (compared with current situation).
- ❖ Describe why you are convinced that people will buy your product / service?
- ❖ Consider adding a figure or table showing the basic concept.

1.2 Relation to the work programme [0.25 - 0.5 page]

- ❖ Mention to which part of the call text your innovation will contribute and to what extent.
- ❖ include relation to other relevant broad lines of activities outlined in regulation of European Parliament and Council of EU number 1291/2013 for societal challenge “Climate Action, Environment, Resource Efficiency and Raw Materials”.
- ❖ it is possible to include relation to other relevant European policies to highlight European added value of the project

1.3 Concept and Approach [phase 1: 1-2 pages; phase 2 : 2- 4 pages]

- ❖ Make the reader understand, that your company is capable of bringing the product/service to market.
- ❖ Use bullet points with key-words from the template (e.g. “our innovation/ business opportunity” – and use the same order as in the template), followed with short concise text blocks. Mention your Unique Selling Points and your Technology Readiness Level (TRL) where you are now, where you expect be after phase 1 and after phase 2.
- ❖ Mention how your innovation evolved to where you are now. If you were involved in earlier (EU or national) funding schemes: mention them.
- ❖ Mention the (launching) customers or end-users you expect for your innovation. Be as specific as possible. If you already have names, mention them.
- ❖ Describe shortly the main activities and main players (as mentioned in the call, e.g. end-users) that are involved, mention project duration.
- ❖ **For phase 2:** consider describing short (details are to be given in part 3) what activities will be done in the form of Work Packages (with WP objective, general description of activities/tasks in bullet points and partners (acronyms) involved, and associated milestones.
- ❖ Use tables/figures for clarifications (e.g. overview of case studies).

1.4 Ambition [phase 1: 1 page; phase 2: 1- 2 pages]

- ❖ Mention your Unique Selling Points, why is your concept better than the state of the art.
- ❖ Demonstrate your “strong ambition to develop” as demanded in the call, for example by aiming at IPR, staff training, etc.



Section 2 – Impact

General

- ❖ Indicative number of pages: [phase 1: 2-3 pages; phase 2: 3- 10 pages]
- ❖ Start writing this section first: in the ranking impact is weighed 1.5 times more than the other criteria!
- ❖ Where possible: **quantify** your impact (both short-term and long-term), use measurable **indicators**. Be as **specific** as possible and estimate future impacts. (E.g. by this project wastes will be reduced by xxx tonnes per year, after commercial roll out xxx tonnes/year are avoided in EU.; or .. xxx jobs will be created).

2.1 Expected Impacts [phase 1: 1-2 pages; phase 2: 3- 7 pages]

a) Users / Market

- ❖ Describe the problem that your innovation will solve (and quantify! – be specific) and how you will make up or shape a market and why your solution will be bought.
- ❖ Mention competitive solutions and why your solution is better, name your competitors (no phrase such as this technology is unique and there are no existing competitors).
- ❖ Describe existing market relations of your company and how they will help you to establish contacts with customers.
- ❖ Mention launching customers. If possible mention names (be as specific as possible – note that evaluators are held to confidentiality).
- ❖ Mention possible barriers / obstacles / risks and describe how you think you can tackle them.
- ❖ Consider how impacts relate/contribute to policy objectives (mentioned literally).

b) Company

- ❖ Describe how your company will grow with the commercial roll out of the innovation.

2.2 Measures to maximise impact [phase 1: 1-2 pages; phase 2: 2- 5 pages]

a) Dissemination and exploitation of results

- ❖ Describe how your innovation will evolve to full commercial roll-out: describe what kind of business model you envisage. If you already have or foresee launching customers mention them if possible (be specific). Where appropriate include the media and the public and engage in a two-way exchange.

b) Intellectual property, knowledge protection and regulatory issues

- ❖ Describe how you manage you IPR and compliance with relevant regulations. How do you ensure that your innovation will be used in the market and that you are the one profiting from it. If there are regulatory constraints, describe them and explain how you want to tackle these.

c) Communication (phase 2)

- ❖ Give a short description of your communication plan. You will probably describe it in more detail in a separate communication work package (in section 3) in a phase 2 proposal to which you can refer. Promote your innovation with targeted information to multiple audiences (including the media and the public) in a strategic and effective manner. If there is a major media impact, the Commission or EASME expects to be informed. If you already expect this when you are writing your proposal than indicate this in the proposal.
- ❖ All the communication activities which you are obliged to fulfil can be found in Grant Agreement, we recommend you to study the Annotated Model Grant Agreement published on the Participant Portal: go to Reference documents > Model Grant Agreement > General Grant Agreement (Annotated Grant Agreement 30 Oct 2015).



Section 3 – Quality and efficiency of Implementation

General

- ❖ Indicative number of pages: **(Phase 1: 2- 3 pages; phase 2: 5 – 12 pages)**
- ❖ **For a phase 1 proposal:** there is only one work package: the Feasibility Study.
- ❖ **For a phase 2 proposal:** give explanation regarding number of work packages, details regarding resources allocated in individual packages and tasks.

Provide clear, logical structure of Work Packages and work flow.

3.1 Work plan – Work package and deliverable(s and milestones) [phase 2]

- ❖ Add a flow-chart or other figure showing the interactions between the main activities / Work Packages planned.
- ❖ Use clear and visible differentiation between Work Packages, tasks and subtasks, so that evaluator will not lose track of the action to be performed.
- ❖ Include a Work Package for management and communication activities.
- ❖ List milestones which will serve as check points for controlling overall progress of work.

3.2 Management structure and procedures (only to the extent relevant in single entity proposals)

- ❖ Describe decision-making process included in official proposal of management structure.
- ❖ Describe the innovation management procedures established in your company. If there are none, assign responsibilities important for innovation to key staff.
- ❖ Include some sort of advisory board with possibly independent experts outside of the company to ensure reliable impartial assessment of outputs and deliverables.
- ❖ Include a risk mitigation strategy in the management structure [phase 2] especially.

3.3 Consortium as a whole (if applicable)

- ❖ If you apply as consortium of SMEs, provide valid reasons why there is a need to have a partner to fulfil the objectives of project and how do you complement each other.

3.4 Resources to be committed

- ❖ Do not forget that information provided here must match with information provided in budget table and work packages [phase 2].
- ❖ Include tables for other direct costs and table of person/months [phase 1 only one table].

Section 4 – Members of the consortium

This part of the application is not bound by the page limit.

It can be used to give a clear overview of the consortium and their separate role. If there are third parties that play a significant role in your project (e.g. launching customers or knowledge institutes to which you have access) you can mention them here.

Section 5 – Ethics and security

This part of the application is not bound by the page limit.

It is always good to say something about ethics, e.g. that you comply with standards concerning CSR, that you have privacy regulations in compliance with national or EU law concerning customer data and/or that you hire staff on basis of desired competencies and team diversity, without (discriminative) limitations to background, gender, personal and religious conviction. This can be in general terms and is better than simply stating that ethics issues are “not applicable”.

