

An opportunity for SMEs seeking grant funding

The new SME Instrument is a funding stream from the European Commission under the Horizon 2020 programme. It is the only EC instrument which is exclusively accessible to SMEs.

The SME Instrument has been designed specifically for **highly innovative SMEs** with international ambitions, determined to turn strong, innovative business ideas into winners on the market. The instrument provides **full-cycle business innovation support** from idea conception and planning (Phase 1) to business plan execution and demonstration (Phase 2) and then commercialisation (Phase 3).

The SME Instrument aims to fill the gaps in funding for early-stage research SMEs, to accelerate the exploitation of innovations.

“By focusing on the strategic needs of Small and Medium-sized Enterprises (SMEs) and market opportunities, we want the dedicated instrument to appeal to a broader range of innovative SMEs and support a broader range of innovation activities.”

Máire Geoghegan-Quinn – EU
Commissioner for Research and Innovation

“We think that companies growing strongly and wanting to enter new global markets also need new skills in management, marketing, and so on. The coaching will cater for this.”

Dr Bernd Reichert – Head of SMEs in
Horizon 2020 Unit, European Agency for
Small and Medium Enterprises

SMEs do not need to apply within a consortium but projects must be of clear interest and benefit to SMEs and have a clear European dimension.

In addition, a coaching and mentoring scheme is provided by [Enterprise Europe Network \(EEN\)](#) to beneficiaries for the duration of their project in order to accelerate the impact of the funding provided.

Phase 1 Feasibility / Proof Of Concept

- Market studies
- Intellectual property rights (IPR) studies
- Risk assessments
- Feasibility and viability assessments

EUR 50.000

Phase 2 Development / Demonstration

- Prototyping
- Testing
- Piloting
- Miniaturisation
- Scaling-up
- Application development

EUR 0.5 - 2.5 million

Phase 3 Commercialisation

This is not direct funding but support for the SMEs through investor readiness activities, IPR support, networking activities, and awareness raising with respect to the financial instruments (both equity and loans).

SMEs are recommended to apply for funding starting with Phase 1, however they are allowed to apply directly to Phase 2 or Phase 3.

Competition is expected to be very high so PNO can provide support to SMEs during the application and compliance stages. PNO have over 20 years' experience of European grants and have worked closely with the European Commission during the development of this SME funding stream.

For more information, please refer to the [SME Instrument factsheet](#).