



Opportunities for SMEs in Horizon 2020

**Creating New Business Opportunities for SMEs in the Life
Sciences**

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- 1. R&D challenges in the biotech sector**
- 2. European Union response in FP7**
- 3. SMEs in EU proposal for Horizon 2020**

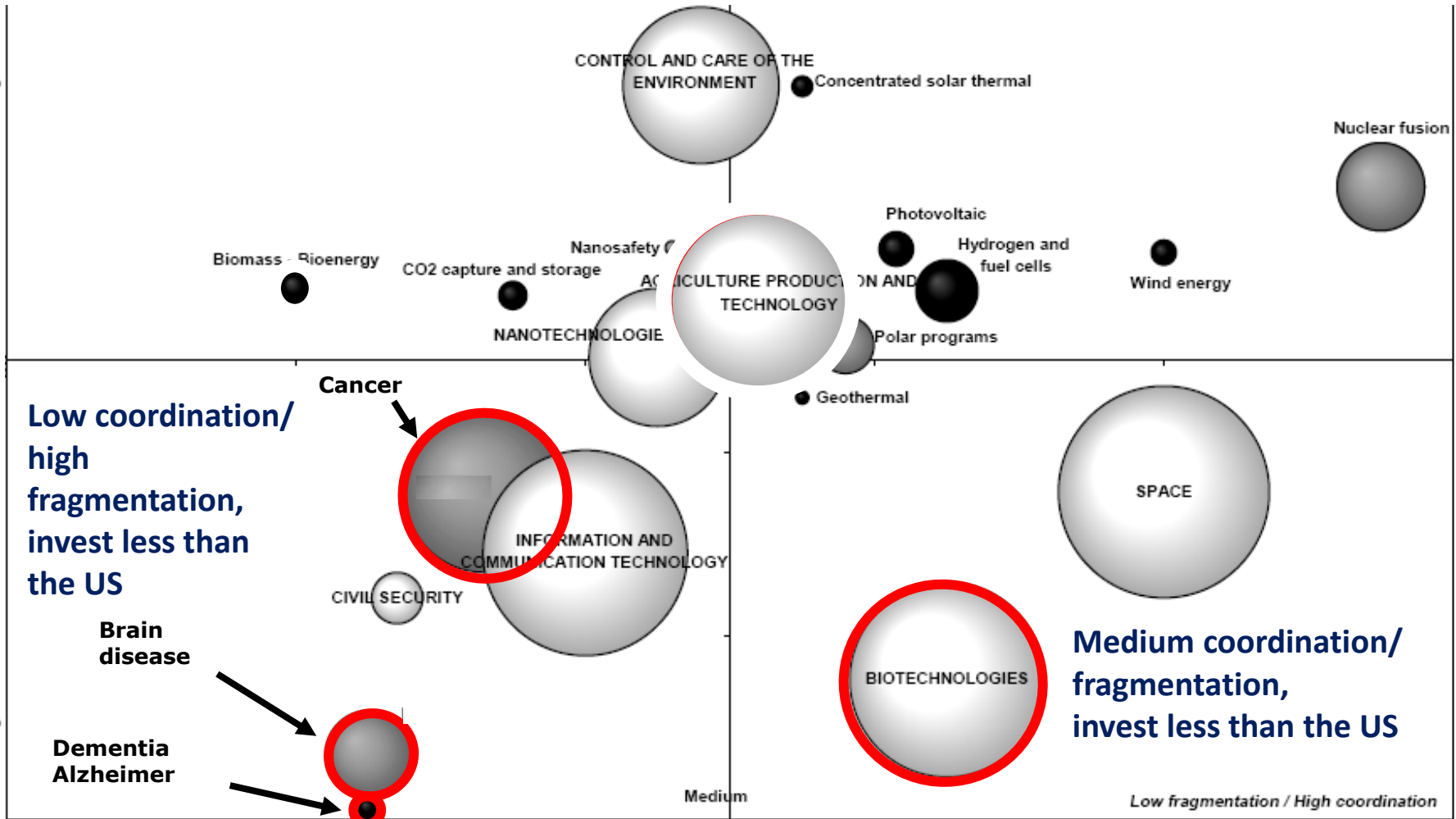


European Commission

Publicly funded research: EU vs. US

Investing more than the US

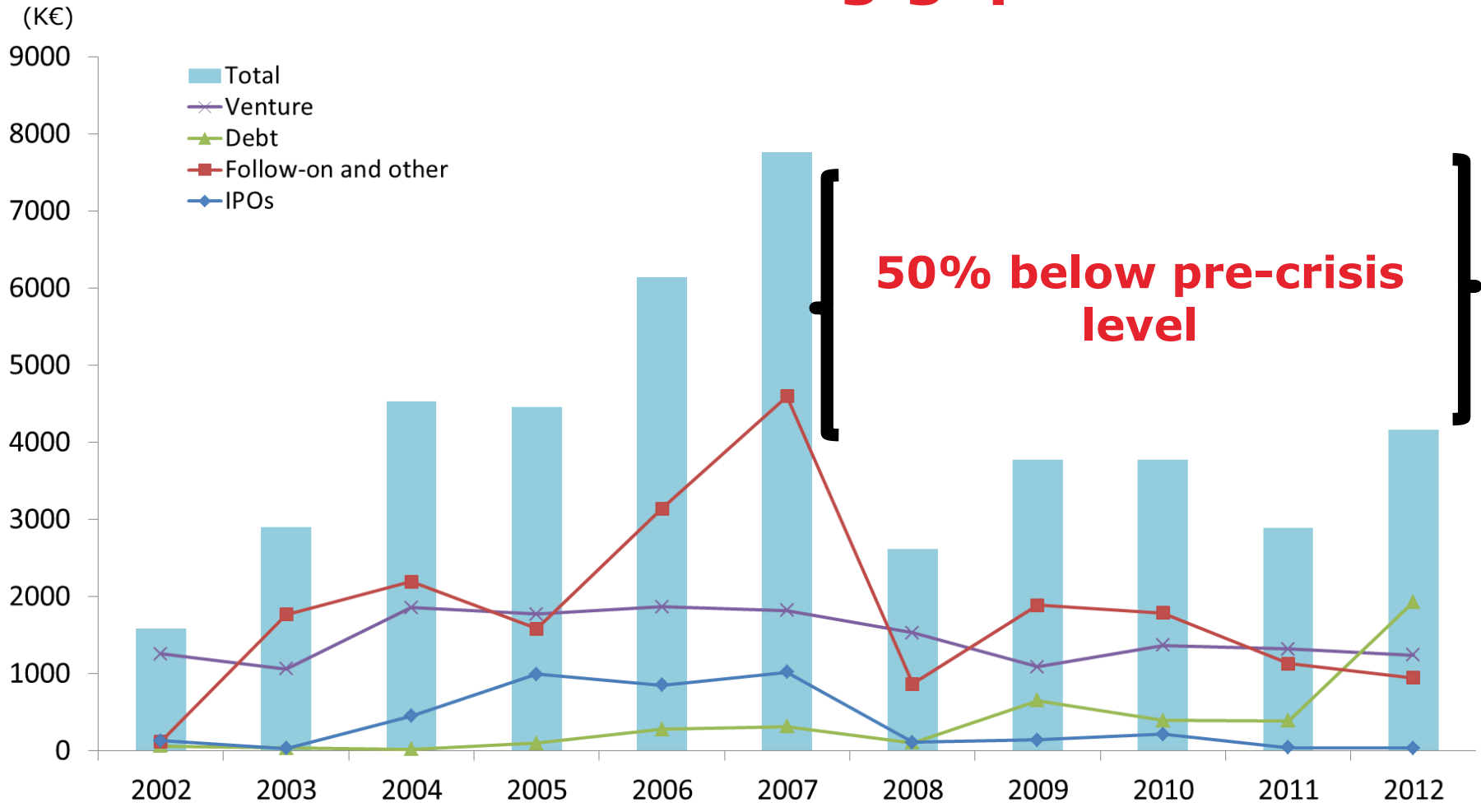
Investing less than the US



Low coordination/
high fragmentation,
invest less than
the US

Medium coordination/
fragmentation,
invest less than the US

EU Biotech financing gap remains



Towards a new innovation model for drug development?

Linear

- ▶ Stepwise process
- ▶ Sequence of trials

Slow

- ▶ Over a decade to develop a new drug
- ▶ Develop hypotheses → wait years to test it

Inflexible

- ▶ Double-blinded trials
- ▶ Only learn at a few points in process

Expensive

- ▶ US\$1 billion to develop a new drug

Siloed

- ▶ Highly fragmented IP
- ▶ Insufficient learning from each other

Iterative?

Faster?

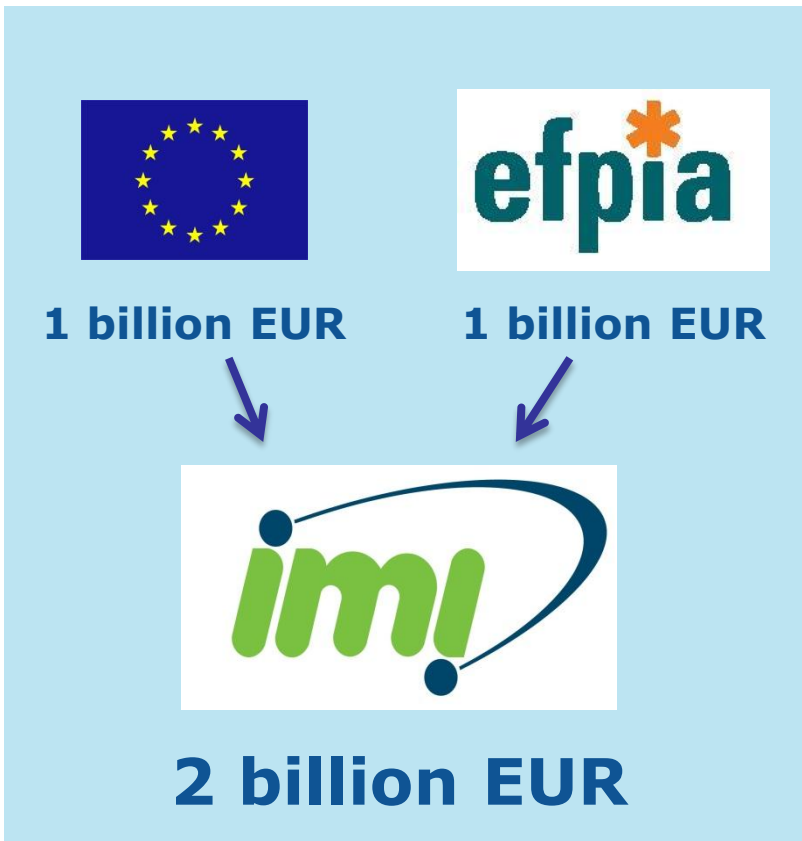
Adaptive?

Cost-efficient?

Open/networked?

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(1) The Innovative Medicine Initiative: IMI



- New type of public/private partnership
- 1:1 funding, joint decision making
- Bridging the gap between Academia, SMEs and the large industry
- 4 pillars: Safety, efficacy, KM, education & training
- 40 on-going projects, 109 SMEs participating receiving a total of 111m€

(2) Stronger focus on SMEs

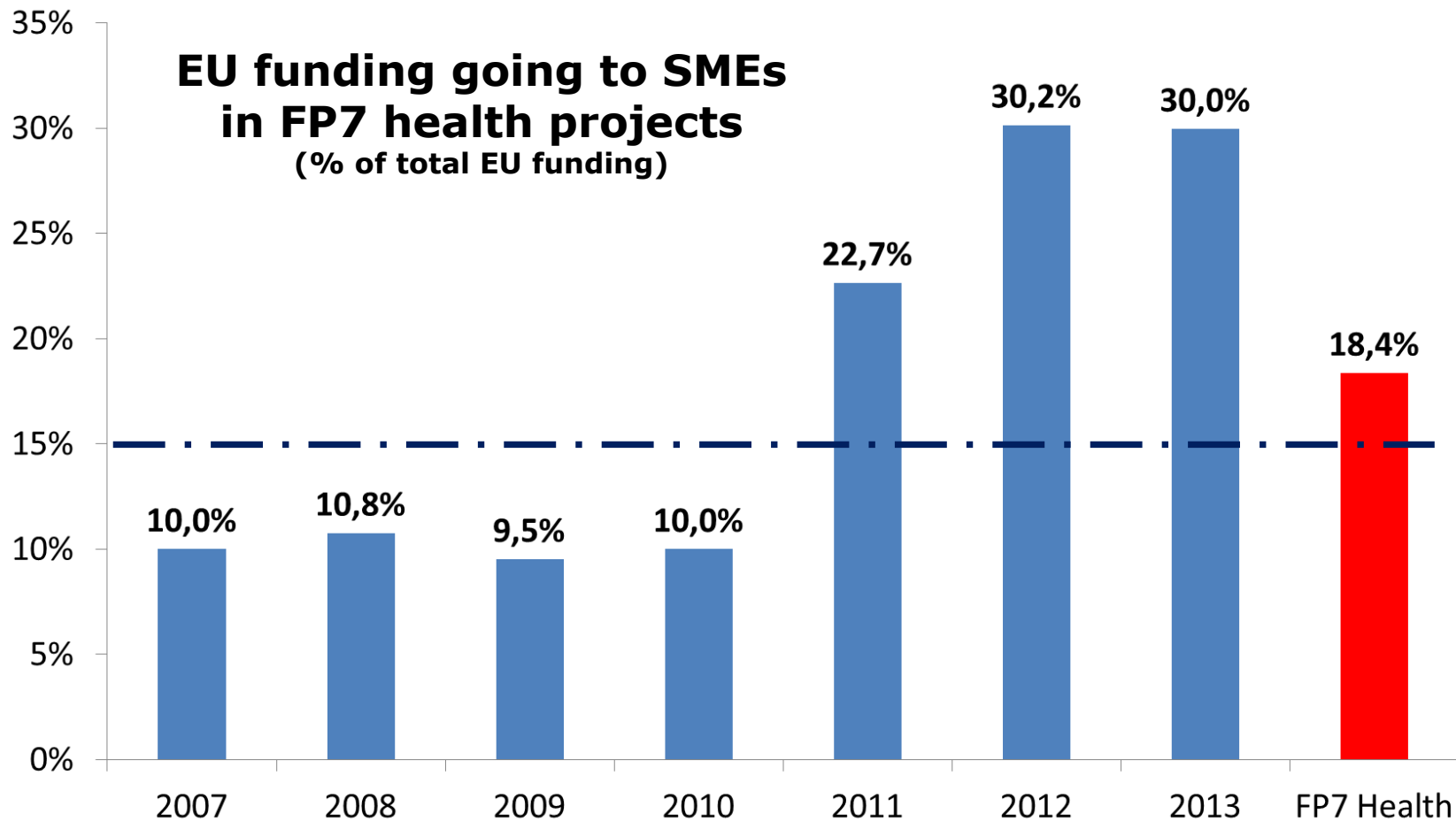
- **Specific measures:**

- Two stage-calls and 6p. proposal in 1st stage, smaller consortium encouraged
- SME targeted topics (since 2010), SBIR-like topics (since 2011)
- Time to grant*: 400 days in '08 -> 150 days in '13

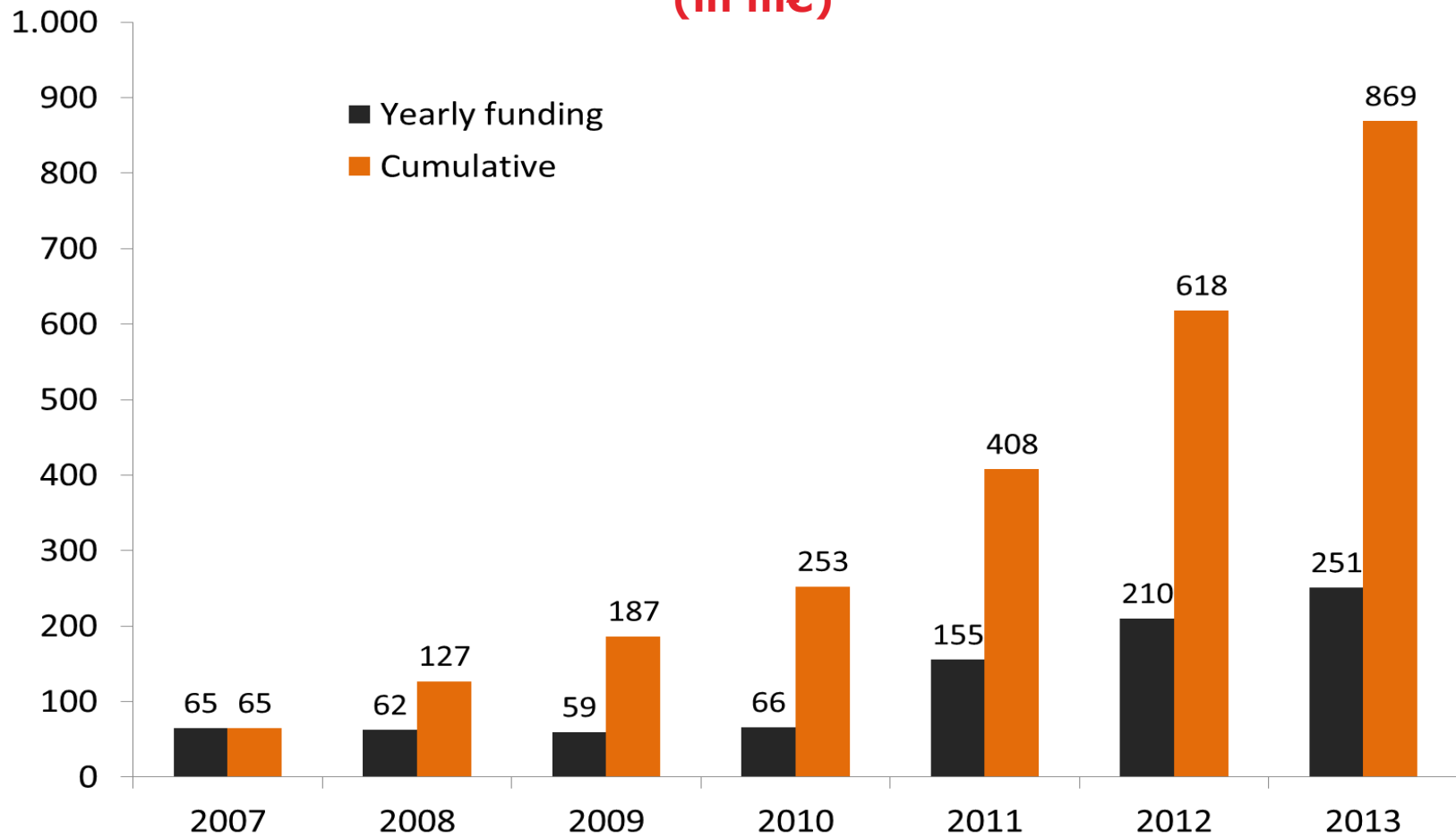
- **Outcome:**

- 1 b€ invested on SMEs , 1,200 SMEs and 1,800 SME participations
- 2010-2013: 25% of EU funding going to SMEs
- 75% of projects with one or more SMEs
- Twice more funding per SME

(2) Stronger focus on SMEs



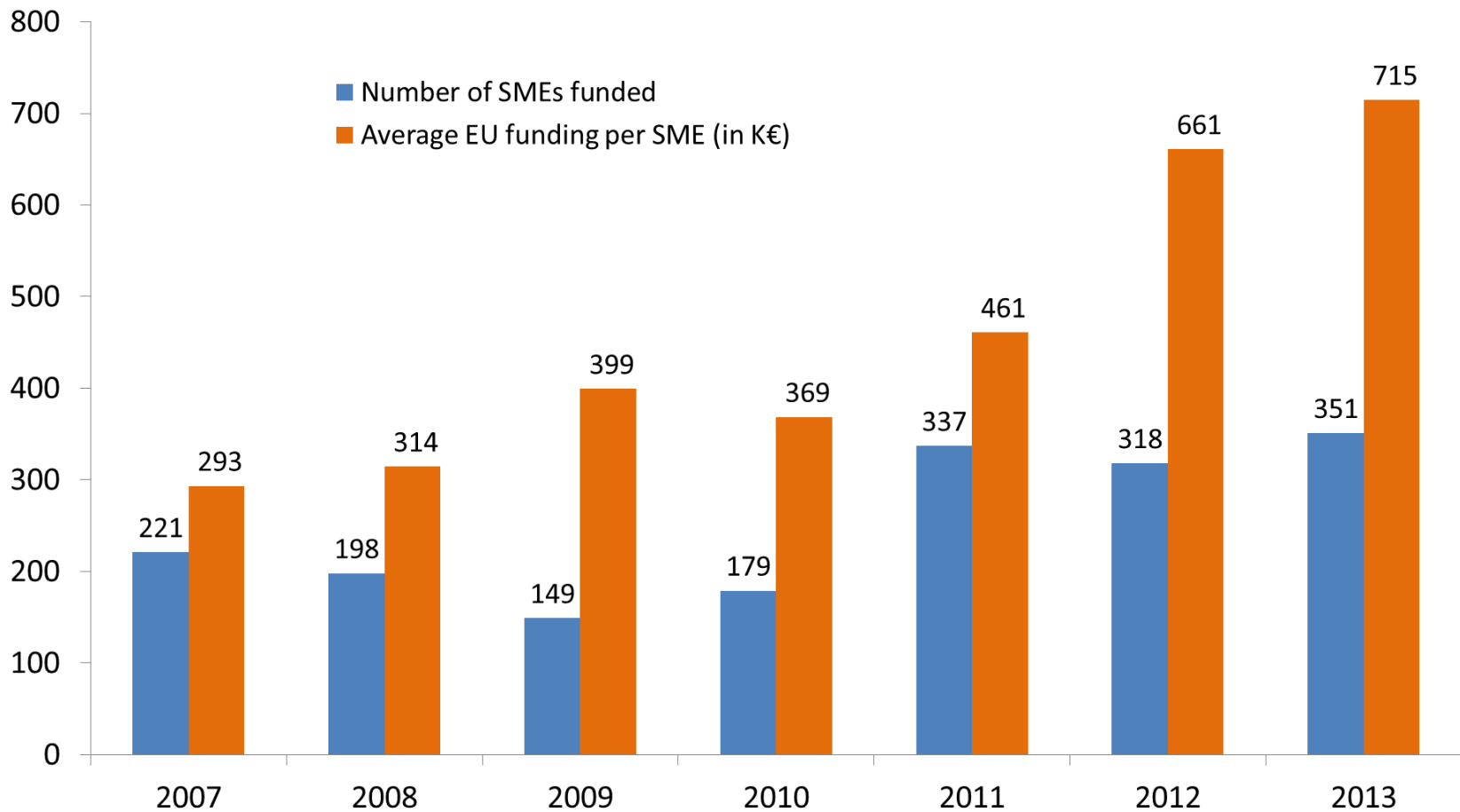
EU funding going to SMEs (excl. IMI) (in m€)





European
Commission

Number of SMEs supported and average EU funding (excl. IMI)



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**Proposed budget:
€80 billion**
(+50% compared to FP7)

Horizon 2020 (2014-2020)

- **Major simplification: single set of rules**
- **More support for innovation activities**
- **Strong focus on creating business opportunities**
- **Proposed budget of 8 b€ for the Health theme**



HORIZON 2020

SMEs in H2020

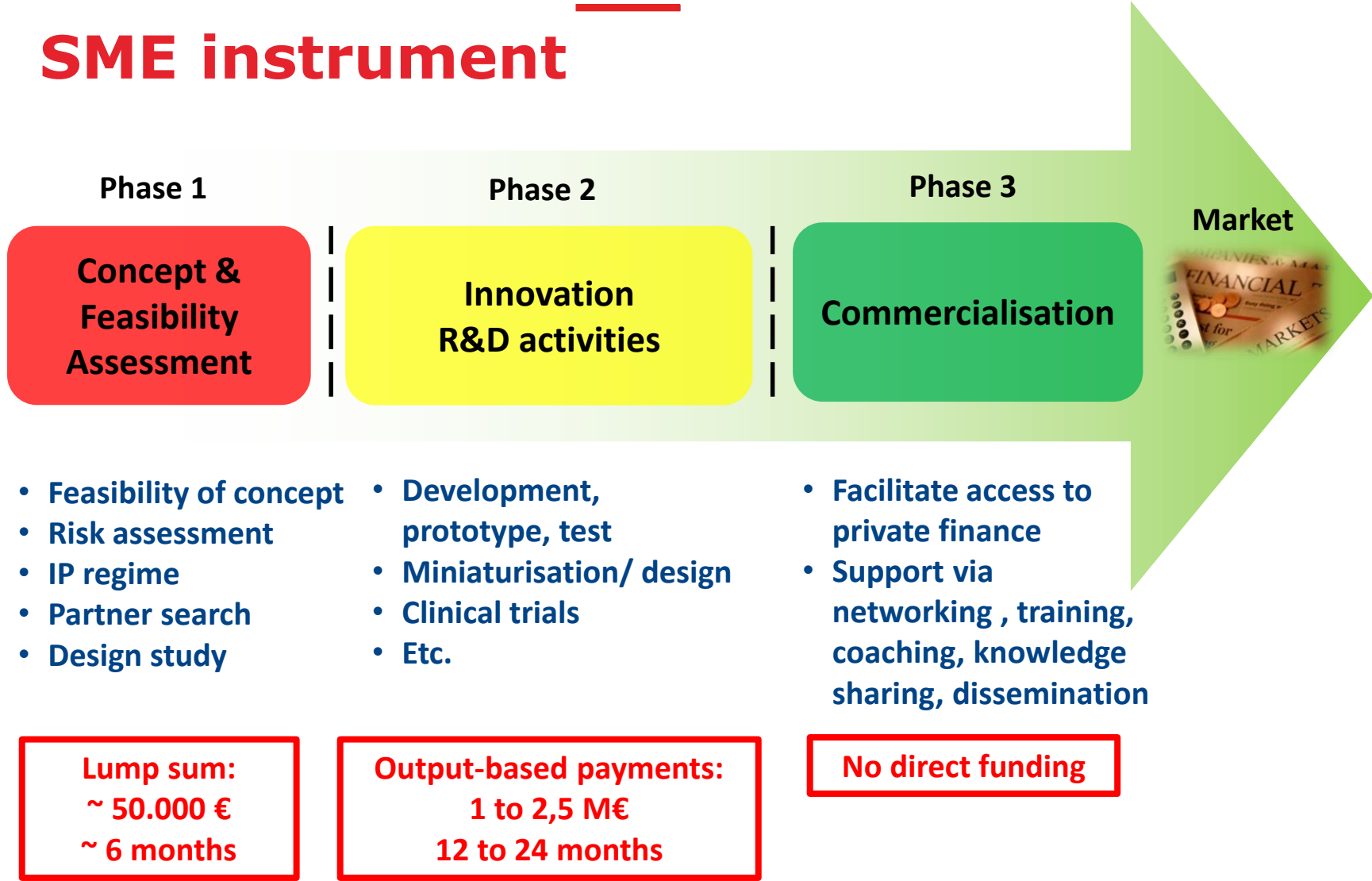
- **Increased share of EU funding:**
 - European Council: "minimum of 20% of Societal Challenges and LEIT for SMEs"
 - European Parliament: "at least 20% for SMEs"
- **Dedicated instrument:**
 - SME instrument
- **Dedicated financial instruments:**
 - Equity and debt instrument

**Proposed budget:
~€5 billion**

New SME instrument

- **Target group: Innovative SMEs**
- **Only SMEs allowed to apply for funding**
- **Single company support possible!**
- **Competitive, market-oriented, EU dimension**
- **Open calls**
- **Starting date: early 2014**

SME instrument



Phase 1: Concept and Feasibility Assessment

- **Funding:** lump sum: 50,000€
- **Duration:** ca. 6 months
- **Call:** Open call
- **Evaluation:** 2 evaluators -> Go/No-go
- **TT contract:** 8-12 weeks

Phase 2: Innovation / R&D activities

- **Funding:** 1 to 2.5 million € (higher if justified)
- **Duration:** 12 - 24 months (longer if justified)
- **Call:** Open call
- **Evaluation:** 3 evaluators -> Unanimous Go required
- **GA:** Output-based funding model
- **TT contract:** max. 150 days

Phase 3: Commercialisation

- **Funding:** No direct funding
- **Objective:** Provide support and facilitate access to private finance -> financing instruments
- **Coaching:** ~ 20 coaching days (5 days for Phase 1, 15 days for phase 2)

**Proposed budget:
b€1,5 + b€1,5**

IMI-2

- **Proposal for a renewed PPP with increased budget**
- **Enlarged to other industries: imaging, vaccines, ICT**
- **Starting date: early 2014**

**Proposed budget:
~€4 billion**

Financing instruments (EC support through EIF)

- **Equity instrument for innovative SMEs:**
 - Seed, start-up, early stage, expansion & growth phase
 - Target: indirect support to 1,000 SMEs
- **Debt instrument for innovative SMEs:**
 - Loan guarantees for small and mid caps
 - Target: indirect support to 3,000 SMEs
- **Large organisations:**
 - Loans & guarantees services
 - Current RSFF: 1b€ leveraged 9b€ of loans

Get prepared!

- **National Contact Points:** http://cordis.europa.eu/fp7/ncp_en.html
- **Support, partner search and information:** www.fitforhealth.eu
- **EU Health website:** <http://cordis.europa.eu/fp7/health>
- **Register as Expert:** <https://cordis.europa.eu/emmp7/>
- **Health projects database:** www.healthcompetence.eu