

Innovation Policies for Inclusiveness – Policy Cases

H2020 SME Innovation Associate

Country: **EU member states and countries associated to Horizon 2020**

1. Short Description

The *H2020 SME Innovation Associate Programme* aims to develop a European-wide mobility programme to **help EU SMEs recruit international expertise**, in order to transform innovative ideas into innovation projects. Expertise takes the form of an international post-doctoral researcher, who works with the SME for a maximum of 12 months with the support of a grant from the European Union. Successful SMEs also benefit from the use of the EURAXESS job portal and a training package.

This policy profile is part of a [policy toolkit on innovation policies for inclusiveness](#). It is relevant for territorial inclusiveness.

2. Policy Characteristics

Basic Information

Country and implementing institution(s):	Timeline:
European Commission – Executive Agency for SMEs	2016-2018 (pilot) The first call for applications ran from 11 February to 30 June 2016, and evaluation is ongoing. Job vacancies will be published on the EURAXESS website from March 2017 and recruitment will start in May 2017. If successful, new calls are expected to launch up to the end of H2020 (i.e. 2020)
Target group	Size and budget:
SMEs	Budget EUR 7.2 million (approx. USD 9.5 million, PPP) will be allocated to 90 SMEs. The associates hired by the SMEs will receive a competitive salary (in local terms) to cover a maximum of one year. Relocation costs up to a maximum of EUR 5 000 (USD 6 560), as well as travel and subsistence costs related to training are also covered.



Type of policy instrument(s)	Inclusiveness focus
Financial support: grant Non-financial support: international dissemination of vacancy notices and training for researchers and company supervisors	Industrial inclusiveness

Policy objectives

The objective of this programme is to support European SMEs and start-ups with innovative ideas that have encountered difficulties recruiting individuals with adequate skills, either due to internal financial issues or external expertise problems. These SMEs are granted funds to employ a highly skilled researcher (a so-called “associate”) for a maximum duration of 12 months, in order to help them transform an innovative idea into a viable project.

The programme is part of Horizon 2020 – the EU framework programme for research and innovation for 2014 and 2020. This EUR 80 billion initiative consists of three main pillars – excellent science, societal challenges and industrial leadership – to help promote the development of a single European market for knowledge, research and innovation. The objective “Innovation in SMEs” is part of the industrial leadership pillar, and aims to strengthen the innovation capacities of SMEs. A variety of targeted policy actions provide direct and indirect support to innovative SMEs and “traditional” SMEs willing to undertake research and innovation projects.

Rationale

Innovation in SMEs is often hampered by a lack of **access to specialised skills and knowledge**. A specific challenge facing European SMEs is the lack of access to necessary skills and capacities needed for managing and implementing in-house innovation processes in an effective and sustainable manner. Individual SMEs are in worse position than larger enterprises, as they struggle to recruit specialised knowledge, tend not to participate in extensive international networks and lack brand recognition. Based on the experience of industry-led mobility programmes, the European Commission launched a pilot action in 2016 to facilitate the networking of skilled human capital and innovation-ready but resource-poor SMEs.

Policy target recipient and selection mechanism

The programme targets all **SMEs and start-ups** established in EU member states and countries associated with Horizon 2020. This includes all 28 EU members, as well as Albania, Bosnia and Herzegovina, the Faroe Islands, FYROM, Georgia, Iceland, Israel, Moldova, Montenegro, Norway, Serbia, Tunisia, Turkey and Ukraine. The researchers must at least hold a PhD (or equivalent), have demonstrated expertise in line with the vacancy, and comply with the transnational mobility criteria.



Only individual SMEs from these countries can apply. The SMEs must also comply with criteria set out by the European Commission in EU recommendation 2003/631: the total number of staff must be less than 250, and its turnover must be less than EUR 50 million (approx. USD 65.6 million) (or its balance sheet total must be less than EUR 43 million [USD 56.4 million] in the reference year) in order to be eligible as a SME.

SMEs are selected according to three programme criteria: excellence, impact and implementation. Excellence refers to the clarity of the objectives and proposed measures, and the ways in which they can result in radical innovations within the SME. Impact refers to the effect and extent of project outputs as contributions to the goals set out in the work programme. Implementation refers to quality and effectiveness of the work plan, the appropriateness of task allocation and the coherence of the recruitment plan developed by the SME.

The programme expects to select 90 SMEs. These companies will have the opportunity to publish a job vacancy, financed by a grant from the European Commission. Non-successful SME applicants will also have the chance to publish job vacancies on the EURAXESS portal (the European Commission's researcher mobility portal), but will not be awarded a grant. All applicants for the vacancies published by successful SMEs (the first round is due in 2017) must fulfil the following criteria. They must hold a PhD (or equivalent degree in their home countries), they must demonstrate expertise in line with the advertisement according to the SME's criteria, and they must come from a country other than the country of employment (irrespective of the nationality of the researcher). The geographical eligibility criteria are much broader in this case: unless a country is explicitly excluded, potential applicants may apply.

Policy instrument(s)

- **Grants:** the successful SMEs will receive a grant covering the researcher's salary, relocation costs, travel and subsistence costs, and all other relevant expenses.
- **International visibility:** all SME applicants (irrespective of whether they are successful in their application or not) benefit from the enhanced visibility offered by the EURAXESS portal for their job vacancies.
- **Training package:** a two-component training package is offered under the initiative to maximise research outcomes and impacts for the SME and the associate. The European Commission organises a core training programme for all participating researchers and their company supervisors, while the successful SME applicants organise a tailored training programme for their individual associates.

Policy challenges

As the programme is a pilot action, it is difficult to pinpoint specific policy challenges at this time. However, the European Commission has commissioned an accompanying study (to be conducted during 2016), which will explore challenges faced during implementation.



Actions undertaken to address challenges

As noted above, challenges have not yet been explored. However, measures have been implemented to ensure the programme reaches potentially interested SMEs and researchers:

- The programme has been continuously promoted through specific information days and the launching of a dedicated website for Horizon 2020 calls for applications.
- National contact points are available in all participating countries.

Evaluation and outcomes of the scheme

The programme is a pilot action under the “Innovation in SMEs” objective of the Industrial Leadership pillar of the Horizon 2020 programme. The impact of the pilot action and the satisfaction level of participating SMEs and research associates (and a random sample of unsuccessful SMEs and research associates) are due to be evaluated. In order to facilitate upscaling of the pilot project, the evaluation will verify the following:

- whether the mobilisation of experienced researchers and their training is suitable for the needs of SMEs with innovative ideas, but that lack skills to develop those ideas;
- whether the programme design is suitable for SMEs in terms of application, evaluation and award process, duration and other details of the work, as well as financial aspects;
- whether successful SMEs have achieved higher levels of innovation activity in comparison to non-successful or non-participating SMEs;
- whether the programme is beneficial for associates.

Sources

European Commission (n.d.), “Executive Agency for SMEs, Horizon 2020 SME Innovation Associate for business”, European Commission, Brussels, <https://ec.europa.eu/easme/en/horizon-2020-sme-innovation-associate-business> (accessed 16 June 2016).

European Commission (n.d.), “Executive Agency for SMEs, H2020 SME Innovation Associate: matching SMEs up with talented researchers – additional information for SMEs and start-ups”, European Commission, Brussels, https://ec.europa.eu/easme/sites/easme-site/files/h2020_sme_innovation_associate_presentation_final_0.pdf/ (accessed 16 June 2016).

European Commission (n.d.), “Horizon 2020 – the EU Framework Programme for Research and Innovation”, European Commission, Brussels, <http://ec.europa.eu/programmes/horizon2020/en/h2020-section/innovation-smes/> (accessed 16 June 2016).

European Commission (2015), “European SME Innovation Associate”, European Commission, Brussels,



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European Commission (2015), "Draft Horizon 2020 Work Programme 2016-17 in the area of innovation for SMEs", European Commission, Brussels, http://ec.europa.eu/research/participants/data/ref/h2020/wp/2016_2017/main/h2020-wp1617-sme_en.pdf (accessed 16 June 2016).

Background

*This document is part of a repository of examples of **innovation policies that have for explicit aim to contribute to territorial, industrial and social inclusiveness**. The repository is part of an innovation policy toolkit developed for the **Innovation for Inclusive Growth** project and gathers national innovation policy programmes that:*

- A.** Explicitly target **lagging and less innovative regions** (outside of regions that are highly innovative) or by design are more likely to support these lagging / less innovative regions.*
- B.** Explicitly aim to include in innovation activities **individuals and groups that are not usually participating** in those activities and in support of broadening the group of innovators.*
- C.** Explicitly aim to foster innovation activities in non-innovative firms, in particular by targeting **non-innovative sectors and non-innovative Small and Medium-sized Enterprises (SMEs)**.*

Policies are searchable by inclusiveness type, objective and implementation challenge on: <https://innovationpolicyplatform.org/inclusivetoolkit>