

T&P EUr Funding & Projects Newsletter

Dear readers,

Welcome to our newly launched bi-monthly newsletter which provides you defining analyses on what affects **your opportunities to get EU funding and projects**. EU funding and project opportunities are plentiful, **no matter whether you are business, academia, government, or a civil society organisation**.

As Time & Place Consulting brings together high-level and technical experts strategically located across the EU, we felt it was time to share with you our tacit and locally-sourced knowledge on key European initiatives and political themes that could help you identify opportunities and challenges. Our aim: Help you **build on your potential**.

In this edition we will look at what lies in store for you behind the recently launched **Horizon 2020 projects** and **SME opportunities to scale up internationally**, as well as how current **Brexit negotiations** could affect your ambitions.

If we can be of assistance, then don't hesitate to get in touch! In the meantime, we wish you a good read.

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HORIZON 2020

What's new?

Some of you probably know that the European Commission launched its final Horizon 2020 Work Programme late October. What's available? 30€ billion for 2018-2020. It is the biggest the research and innovation funding programme ever opened through calls to researchers, SMEs and businesses, public authorities and other organizations located in the EU's member states.

So, does the new Work Programme apply to your interests?

- What you do or want to create is business and market-oriented;
- Your activities fall within "focus-areas" based on EU political priorities – e.g. low-carbon, climate resilient future; circular economy; digitizing and transforming European industry and services; security union; and migration;
- Your project supports EU's competitiveness and leadership goals in industrial and scientific fields.

If so, how does it work?

Through topic-related calls (ranging from ICT, Nanotech, biotech, agro-food, transport, to climate change and low-carbon, and each with an allocated budget), applicants can apply to obtain funds for their innovative ideas, taking into account application conditions (e.g. partnerships, closing date, call scope and challenge). External independent evaluators will apply specific criteria to assess applicants and their proposals. Once assessed as a winning proposal, the grant agreement will be signed (generally 8 months from the call deadline), by the applicant and European Commission.

EIC AND THE SME INSTRUMENT:

Your opportunity to internationalise through Brussels

Risky and radically different ideas from the status quo of services, products and business models inherently face difficulties to get off the ground. The European Commission is highly aware of these challenges faced by, as they call it, "bright ideas" of "top-class innovators, start-ups, small companies and researchers". So, under Horizon 2020 (H2020) in the last Work Programme (see above), they established the EIC (European Innovation Council) pilot, for SMEs with a "potential to scale up internationally". EIC will apply to a

series of H2020 funding schemes, namely the SME Instrument, Fast Track to Innovation, FET Open, and H2020 Awards.

EIC funding through the SME Instrument

The SME instrument helps develop new innovative SME products and services to be internationally marketed, by co-financing a max of 70% of the total eligible project budget through three phases. A quick look:

PHASE 1 – FEASIBILITY STUDY: The Commission provides a flat-rate value of EUR 50,000 (equal to 70% of the total eligible budget) for each project to allow an assessment of technical feasibility and market potential of new ideas. Each project should last around 6 months. Cut-off dates to submit your project proposal during 2018: 8 February; 3 May; 5 September; and 7 November.

PHASE 2 – INNOVATION PROJECT: If you have a sound business plan and you want to go commercial, Phase 2 provides between € 0.5 to 2.5 million (covering up to 70% of eligible costs) for projects. Projects should last around 1 or 2 years. The idea is to boost your Technology Readiness Level (TRL) to 6 or above with a view to getting your product ready for market commercialisation. Cut-off dates to submit your project proposal during 2018: 10 January; 14 March; 23 May; and 10 October.

Note: You can apply to Phase 1 as a means of preparing for Phase 2, or you can apply directly to Phase 2.

PHASE 3 – BUSINESS ACCELERATION SERVICES: With a view of supporting the market for innovative products and services, the Commission, for example, supports networking, training, coaching, and mentoring opportunities, as well as access to private capital. This includes the possibility to participate in non-EU trade fairs in 11 countries. No deadlines are foreseen, as these are opportunities consequent of participation in Phase 2.

Compared to previous SME Instrument work programmes, the thematical (topical) approach has been completely

replaced by a bottom-up approach. This means: Each innovative project, if in line with EU policies, is eligible for funding.

Moreover, for Phase 2 (only), the evaluation method is different as it is now divided into 2 steps.

How are projects evaluated?

1st EVALUATION STEP (applicable to Phases 1 and 2): A panel of four independent evaluators around Europe will assess your project proposal remotely, following criteria based on excellence, impact and implementation. The overall consensus score is the weighted sum of the scores. The threshold: 13/15.

2nd EVALUATION STEP (applicable only to Phase 2): Each applicant whose proposal has passed to step 1 is invited for a face-to-face interview in Brussels, with particular focus on the “award criteria” under step 1. Applicants should present a project pitch which will receive an “A” or “B” mark from the Brussels panel. Only proposals receiving an “A” will be financed.

Results from the evaluation process are foreseen max. 2 months after the cut-off date for Phase 1, and max. 4 months after the cut-off date set for Phase 2.

Just remember, competition is tough, but manageable if your project is highly innovative and the proposal watertight.

THE UNCERTAINTIES OF BREXIT

Impact on EU funding and project management opportunities

Since UK Prime Minister Theresa May triggered Art. 50 on 29 March 2017, the first time a Member State initiated the process for leaving the European Union, uncertainty has prevailed for business, NGOs, academia, and not least, EU citizens based, or with vested interests in the UK. The questions we often hear are about the impact this

decision will have on those who are currently benefitting from EU funds or carrying out EU funded projects. And, what about after the UK leaves the EU on 29 March 2019? Will it be possible to apply for funding or projects as a UK business? In the forming of consortiums to carry out projects will UK academics, organisations, etc. be viable partners?

The last batch of Horizon 2020 projects have been launched for 2018-2020. The Brexit date cuts through this timespan, which begs the question of eligibility for the latter period. And, what about eligibility for EU funding thereafter, in the framework programme which typically lasts 7 years.?

Where does the current uncertainty derive from?

The uncertainty is primarily of a political nature. With the UK on the one side, and the remaining EU-27 on the other, different visions of how negotiations are to be conducted and how the creation of the final trade agreement between the two side should be approached have caused a stagnation in progress.

The EU has required sufficient progress in three main areas – (1) EU citizens’ rights in the UK, (2) the divorce bill, and (3) the question of the border between Northern Ireland and the Republic of Ireland – before moving on to discussions on a transition deal and a future trade deal. In other words, if the UK does not offer a satisfactory solution on all of these, then the EU-27 will refuse to move on. It has done so already in October.

This is where the risk of a no deal, hard Brexit looms. If the future relationship between the two blocs cannot be established, then there are no provisions for partnerships, and as such access to EU funds and projects.

The next opportunity is on 14-15 December 2017, when the heads of the EU-27 will meet to evaluate progress.

Currently, the Ireland question remains the most contentious point, having replaced the issue of the divorce bill.

The divorce bill is very important because this involves money which flows into EU projects. Non-payment would create a budget deficit and possibly undermine projects under the Horizon 2020 programme. The good news: It seems the EU and UK are coming to an understanding on this point.

Some things which are certain:

1. If your UK project is already funded and it is set to end before Brexit, then there will be no impact.
2. As EU law will still apply to the UK until the Brexit date, UK organisations are still eligible to apply for Horizon 2020 projects. It is not clear whether a potential transition agreement might cover the period between Brexit and the end of 2020.
3. In August 2016, Philip Hammond, UK Chancellor of the Exchequer declared that the Treasury will guarantee: (1) *all structural and investment fund projects, including agri-environment schemes, signed before the (2016) Autumn Statement will be fully funded.* He equally underwrites payments to UK organisations who successfully bid for EU funding projects (Horizon 2020). In both cases, *“even when these projects continue beyond the UK’s departure from the EU.*

In the next edition to be published beginning of February 2018, the newsletter will, amongst other topics, further explore Brexit and the impact on your funding opportunities, reflecting negotiation developments. Sign up to the newsletter by writing to: info@timeandplaceconsulting.com



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