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EASME

Executive Agency for Small and Medium-sized Enterprises

Horizon 2020 SME Instrument Evaluation

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The background is a complex, abstract composition. It features a dark blue triangular shape at the top left, containing a yellow gear, an orange arrow, and a blue arrow. To the right is a large blue semi-circle with a white cloud and a white curved arrow. Below these are two stylized human profiles in shades of orange and red, facing each other. The bottom right shows a blue circle with a white wavy line and a gear, with a yellow ladder leaning against it. Various other elements like speech bubbles, gears, and arrows are scattered throughout the scene.

1. SME INSTRUMENT OVERVIEW

SME INSTRUMENT OVERVIEW

Who are we looking for?

We invest in for-profit SMEs (single companies or consortia) established in the EU or in countries associated to Horizon 2020 that have ground-breaking ideas that could shape new markets or disrupt existing ones.

How to participate?

The SME Instrument consists of two separate grant-based phases along with business coaching and business acceleration services for beneficiaries. Participants can apply to Phase 1 with a view to applying to Phase 2 at a later stage, or directly to Phase 2 if the idea has sufficient maturity and proven feasibility.





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SME INSTRUMENT Cut-off dates

Phases	Phase 1	Phase 2
Cut-off dates	08 February 2018	10 January 2018
	03 May 2018	14 March 2018
	05 September 2018	23 May 2018
	07 November 2018	10 October 2018
	-----	-----
	13 February 2019	09 January 2019
	07 May 2019	03 April 2019
	05 September 2019	05 June 2019
	06 November 2019	09 October 2019
	-----	-----
	12 February 2020	08 January 2020
	06 May 2020	18 March 2020
02 September 2020	19 May 2020	
04 November 2020	07 October 2020	



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SME Instrument indicative budget 2018-2020

Indicative Budget	2017	2018	2019
Overall yearly budget	€479.74 million	€552.26 million	€600.99 million
Phase 1	10%	10%	10%
Phase 2	87%	87%	87%
Phase 3	1%	1%	1%
Coaching and mentoring	1%	1%	1%
Evaluation	1%	1%	1%

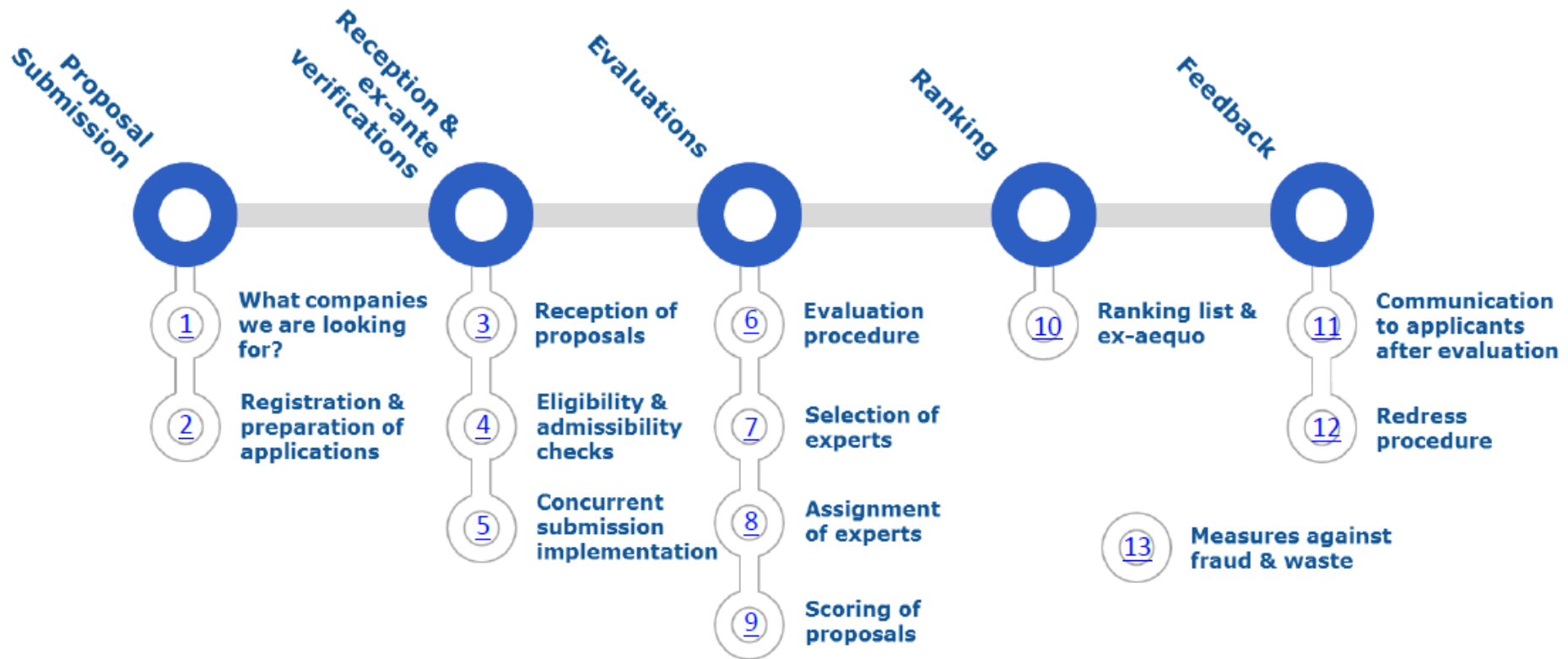
The background is a vibrant, abstract composition. It features a dark blue triangular shape at the top left, containing a yellow gear, an orange arrow, and a blue wheel. To the right, a large blue circle contains a white cloud and a curved arrow. Below these, there are more gears, speech bubbles, and a yellow ladder. In the bottom left, two stylized orange faces are shown in profile, looking towards the right. The overall color palette is dominated by blues, oranges, and yellows.

2. The Evaluation Process



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Overview of the Evaluation Process for the SME Instrument



Admissibility and Eligibility Checks

- ✓ **Admissibility - proposals must be:**
 - ✓ Readable, Accessible and Printable;
 - ✓ Complete (all requested forms);

- ✓ **Eligibility:**
 - ✓ SME status, country;
 - ✓ Limited number of pages (10 – Phase 1; 30 - Phase 2)
Excess pages are watermarked - ignore them;
 - ✓ Only one application per company allowed for all phases (no concurrent submission or implementation).

Evaluation time line

- ✓ **Allocation** of all proposals **right after** the cut-off date;
- ✓ Accept/Decline task within **24hrs**- otherwise the task will be reallocated to another expert;
- ✓ **7 calendar days** to complete the evaluations;



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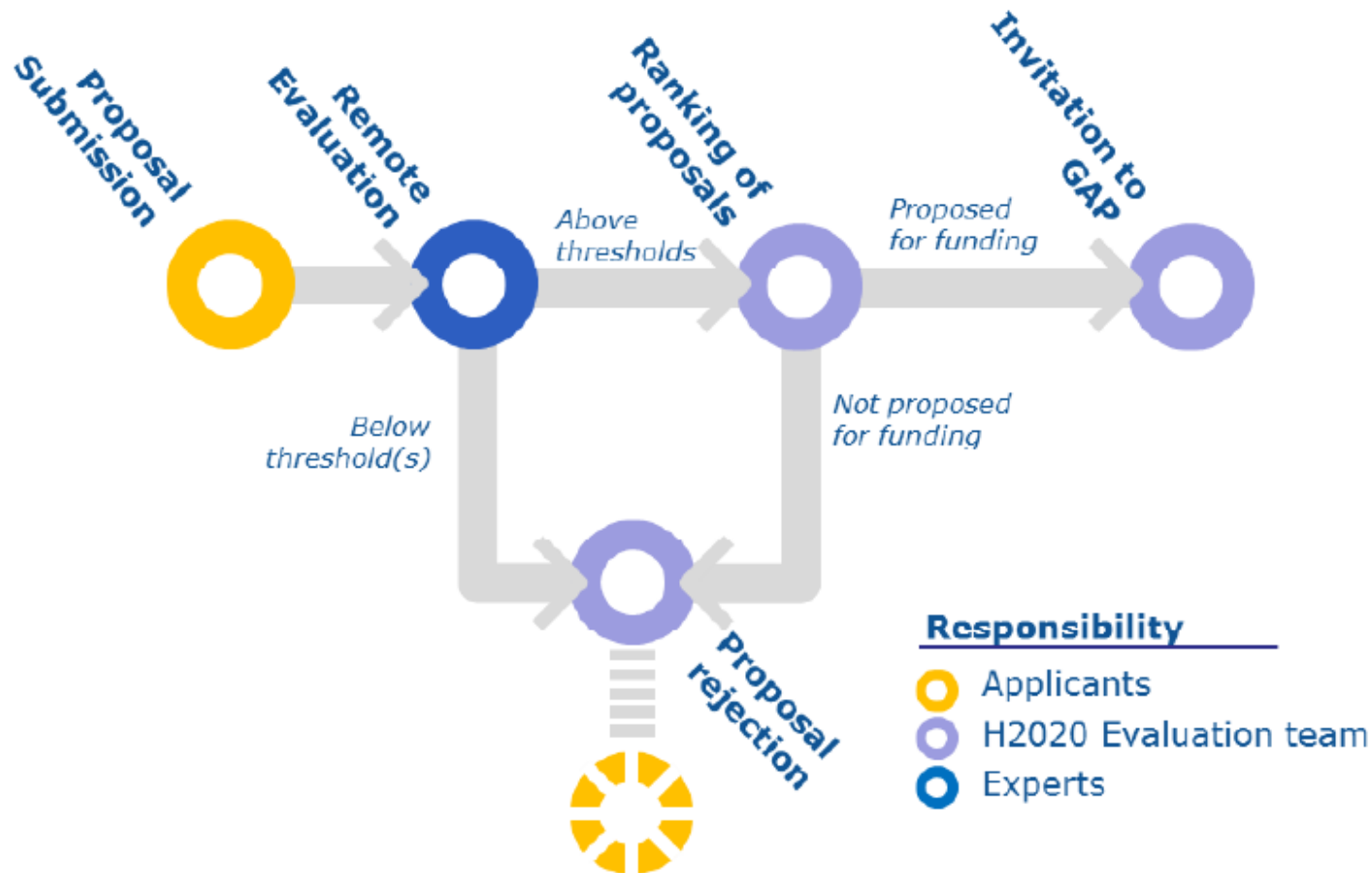
Results

- **Information about the outcome of the evaluation:**
 - Maximum 2 months after the corresponding cut-off date set out above for phase 1
 - Maximum 4 months after the corresponding cut-off date set out above for phase 2
- **Indicative date for the signing of grant agreements:**
 - Maximum 3 months from the final date for submission in phase 1
 - Maximum 6 months from the final date for submission in phase 2



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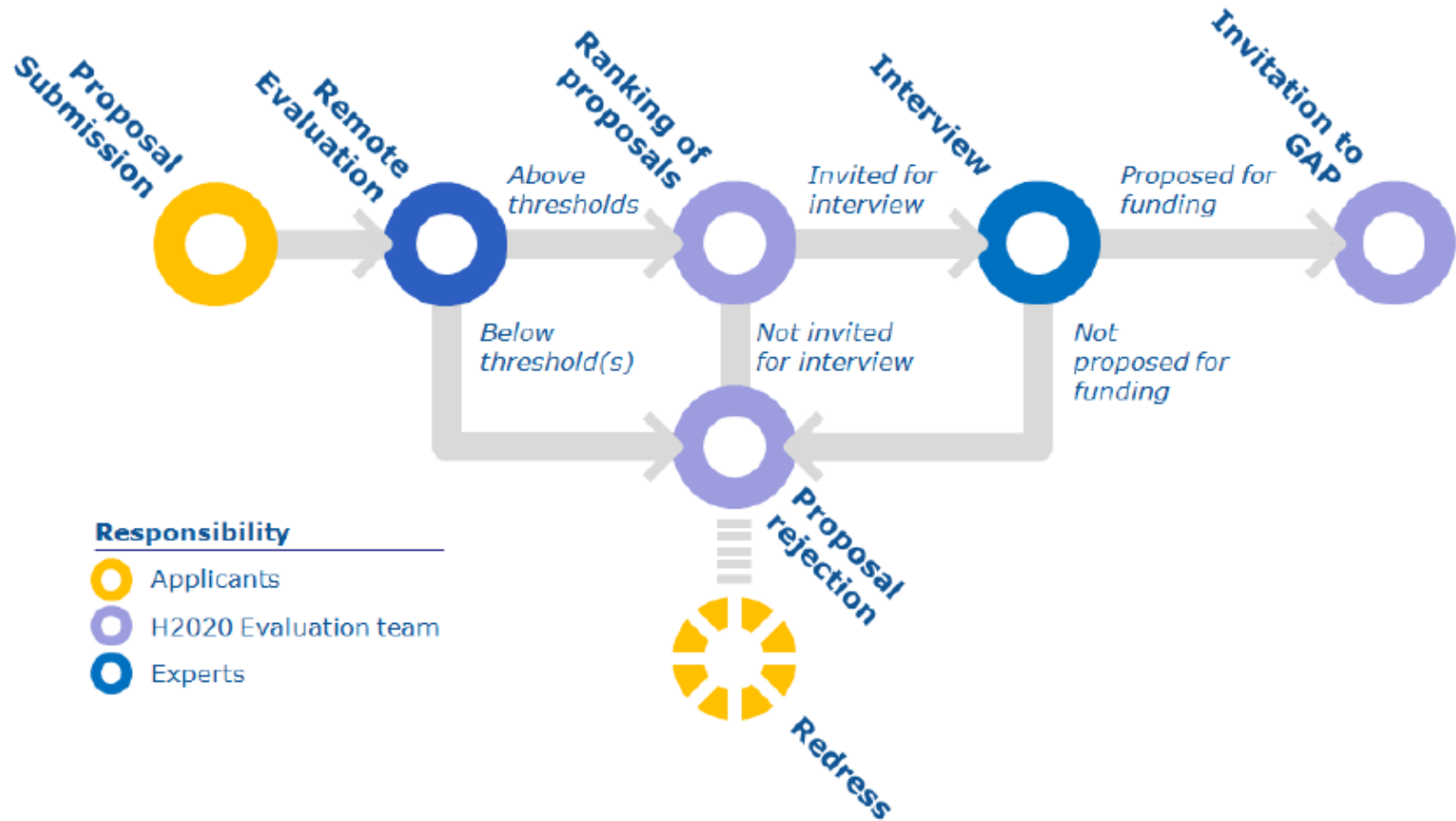
Overview of Phase-1 Evaluation Process





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Overview of Phase-2 Evaluation Process





3. Proposal scoring

Proposal scoring

- ✓ **Each** evaluation **sub-criterion** is scored **out of 10 points** (one decimal may be used);
- ✓ **Each** evaluation **sub-criterion** question has the **same weight**, except overall perception that weights 25% of the total score of that criterion;
- ✓ The **individual scores** (from 0 to 10) given to each sub-criterion are **automatically converted** to a scale from **0 to 5** to calculate each of the **three** Criterion scores per evaluator.
- ✓ The total maximum score for a proposal is 15 points.
- ✓ The scale used to obtain the **qualitative assessment** is the following:
 - ✓ Scores from 0 to 2.99 – generate "***Insufficient***"
 - ✓ Scores from 3 to 4.99 – generate "***Insufficient to Fair***"
 - ✓ Scores from 5 to 6.99 – generate "***Fair to Good***"
 - ✓ Scores from 7 to 8.99 – generate "***Good to Very Good***"
 - ✓ Scores from 9 to 10.0 – generate "***Very Good to Excellent***"

- In phase 1, your proposal is evaluated remotely and scored by at least 4 expert-evaluators with different profiles, such as technology/industry sector, business and finance expertise.
- Proposals are evaluated as they were submitted, rather than on their potential if certain changes were to be made. This means that only proposals that successfully address all the required aspects will have a chance of being funded. There will be no possibility for significant changes to content, budget and consortium composition during grant preparation
- All expert-evaluators will prepare an Individual Evaluation Report (IER) that will contain scores for each of the three award criteria – Excellence, Impact and Quality & efficiency of the implementation
- Based on these Individual Evaluation Reports, the Overall Consensus Score is automatically calculated by:
 1. applying the median to the individual scores per criterion to obtain the Consensus Scores at criteria level;
 2. applying the weighting to the Consensus Scores at criteria level;
 3. summing the weighted Consensus Scores at criteria level to obtain the Overall Consensus Score from 0 to 15 with a resolution of two decimals.
- The final score of the evaluation is the Overall Consensus Score which will be part of the Evaluation Summary Report (ESR). The ESR is the final result of the evaluation process for Phase 1.



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Scoring & Thresholds

Evaluators

	1	2	3	4	Median	Weight	Weighted criteria
Impact	5	5	5	4.5	5 / 5	50	7.5 / 7.5
Excellence	5	3	4	4	4 / 5	25	3 / 3.75
Implement.	3	2	4	5	3.5 / 5	25	2.63 / 3.75
Threshold Criteria (≥ 4)	→				<input checked="" type="checkbox"/> < 4		$\Sigma = 13.13$
Threshold Weighted Sum (≥ 13)	→						<input checked="" type="checkbox"/> ≥ 13

⇒ **PROPOSAL NOT RANKED**

- Phase 2 evaluation is composed of two sequential steps, the remote evaluation and the interview.
- **Step 1 – Remote evaluation** (like in phase 1)
- **Only the proposals above all thresholds are ranked** in descending order according to their Overall Consensus Score. The ranking list contains:
 - proposals to be invited to step 2 - interview;
 - proposals that cannot be invited to step 2.
- Starting with the proposal that received the highest Overall Consensus Score and in descending sequential order, proposals are passed to step 2 until the cumulated amount of EU funding requested in the proposals is as close as possible to twice the available budget.
- **Step 2- Interview** Applicants whose proposal has passed to step 2 will receive an invitation letter for a face-to-face interview in Brussels. You will be invited on very short notice since interviews will normally take place one week after you receive the invitation letter.
- You are allowed to send a maximum of 3 company representatives per proposal, preferably the CEO or, alternatively, other senior staff, to the interview. Only staff legally employed by the applicant company(ies) are allowed to participate in the interview.



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How is an IER structured?

PHASE 1	PHASE 2
	Operational capacity
Impact	Impact
Excellence	Excellence
Quality and efficiency of implementation	Quality and efficiency of implementation
	Subcontracting
Scope of the proposal	Scope of the proposal
Threshold: 13	Threshold: 13



Impact

PHASE 1	PHASE 2
Threshold: 4	Threshold: 4
Sub-criteria: 9	Sub-criteria: 9

Main aspects to tackle in the evaluation:

- Compliance with the relevant **Work Programme**;
- The **demand/market** of the innovation proposed;
- The **targeted users** or user groups;
- The **market conditions**;
- The **impact on the growth** of the applying company;
- The **commercialisation plan**;
- The **European dimension**;
- The **IPR** filing status and ownership, licensing;
- The **Regulatory and standard requirements**.

To determine the ranking, the score for the criterion 'impact' will be given a weight of 1.5.

Excellence

PHASE 1	PHASE 2
Threshold: 4	Threshold: 3
Sub-criteria: 7	Sub-criteria: 8

Main aspects to tackle in the evaluation:

- The **new market opportunities** for EU/global challenges;
- The **current stage of development** of the innovation (for Phase 2 TRL6 or above);
- The **comparison with known commercial solutions**;
- The **objectives and the approach/activities** to be developed;
- The **commercial viability** of the innovation proposed;
- The **risks and opportunities** of the market introduction.

Implementation

PHASE 1	PHASE 2
Threshold: 4	Threshold: 3
Sub-criteria: 4	Sub-criteria: 5

Main aspects to tackle in the evaluation:

- The **resources** to develop the activities;
- The **technical/scientific** knowledge/management experience;
- The **time frame** and the implementation description;
- The **work packages** and **major deliverables** and milestones.

For Phase 2 only: **subcontracting**

Subcontracting - **Phase 2 only**

- Regulated under **Art 13 of the H2020 SME Instrument Phase 2 [Model Grant Agreement](#)** (see link - page 551);
- Subcontracting is **NOT restricted** to a limited part of the action;
- It is in the **SME Instrument spirit** that the applying **SME has the capacity to carry out the activity**;
- Compliance **with best value-for-money** is assessed during the evaluation



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Subcontracting - Phase 2 only

- A **table in annex 4-5** to detail each subcontractor and task subcontracted.

N b er	Work Packa ge Nber	Task to be subcontra cted*	Justification of the 'best value for money'*** If you know the subcontractor: explanation why the subcontractor and the price are appropriate. If you don't know the subcontractor: procedure you will follow to ensure best value for money	Name of subcontract or (if known***)	Amount*** * (EUR)
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Subcontracting - Phase 2 only

Subcontractor(s)/ Subcontracting task(s)

(When assessing the subcontracting activities, please strictly follow the order of tasks as provided by the applicant in technical annexes – section 4-5)
Please note that, by default, the task is set to 'yes' even when the proposal does not foresee any subcontracting activities.

Task 1 *

No or lack of explanation Yes

In case of non-compliance with "best value for money", please provide a short explanation **

For each subcontracted task, there are only two options:

- Yes
- No or lack of explanation

If "no or lack of explanation", experts need to justify and reflect this in the assessment in the Quality & efficiency of implementation criterion (**score below the threshold: <3**).

By default, the task is set to 'yes' even when the proposal does not foresee any subcontracting. If there are **no subcontractors** in the proposal **you shall not change this "yes" set by default.**

Technological Readiness Level TRL

Phase 2 only

The TRL described in the proposal has to be assessed by replying to the following question:

Is the project proposed containing activities above TRL 8?

TRL 8 corresponds to 'system complete and qualified' (not yet proven in operational environment).

The answer is set to 'No' by default in the Individual Evaluation Report Form (IER). If your assessment reveals a $TRL > 8$, switch the radio button to 'Yes'.



Technological Readiness Level TRL

Phase 2 only

Please note that **it is NOT an evaluation criterion**. The experts are asked to note the level of TRL but being above TRL8 will not disqualify the proposal.

This assessment of TRL is necessary in the framework of the Seal of Excellence*. Potential national funding authorities are informed if TRL9 activities (already commercialised) are foreseen to avoid that their related costs are considered eligible for funding through other public resources.

* The Seal of Excellence is a quality label granted by the EC to proposals submitted under Horizon 2020, which succeeded an independent highly competitive evaluation at EU level but could not be funded due to insufficient call budget. The Seal allows regions, Member States or any other funding sources to easily identify these high quality proposals and possibly support them.

The 'out of scope' option

- ✓ Only **to be used** when a **proposal** is very clearly submitted **in a wrong topic**.
- ✓ If a **proposal** is **partially relevant to the topic**, it should be considered **within scope**.
- ✓ If a **proposal** is considered **not innovative, not disruptive, not well explained, incomplete**, etc., the proposal is still within scope but this opinion should be expressed by means of a **lowered score** in the relevant (sub) criteria.



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The 'out of scope' option

Based on the information provided in the proposal, I consider this proposal: *

- 'out of scope' because
- 'in scope' because it corresponds, wholly or in part, to the topic description against which it has been submitted

As long as there is a link between a proposal and the challenges described in the relevant Work Program, it is **IN scope**.

Examples:

- A proposal aiming at developing a technology for conversion of pressurized gas to energy is at TRL3 instead of TRL6. **The proposal is IN scope!**
- A proposal concerning an innovative textile for the fashion industry is submitted under the Transport topic. **The proposal is OUT of scope!**



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Operational capacity - **Phase 2 only**

- Operational Capacity

Current status:

Based on the information available at the time of the evaluation of the proposal, do all the partners in this proposal possess the basic operational capacity to carry out the proposed work?

No Yes

If an expert believes that an applicant does **NOT** have the operational capacity to carry out the proposed work, they should choose **NO**, **justify the reason** and score the Quality and efficiency of implementation **below the threshold** (<3).

Operational capacity - **Phase 2 only**

Examples:

- The company does not have technical & financial resources to manage the project/subcontractors. **NO!**
- The company will subcontract many tasks but has the resources to manage the core activities. **YES!**

Suggestions:

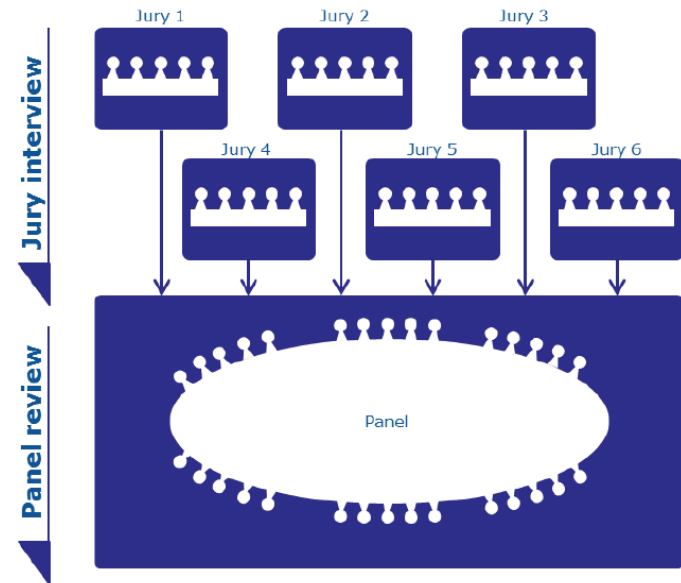
- Check the company's website
- Check the team involved in the project



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Overview of interview process

- Each of the 6 interview juries will be composed of at least 5 international high-level expert-evaluators selected on the basis of their high profile and level of expertise in investment, business or innovation.
- The interview will take place in English and last no longer than 30 minutes including:
 - 10 minutes (maximum) of presentation supported by a pitch document of maximum 10 pages.
 - 20 minutes of questions and answers to clarify aspects of the proposal evaluated in Step 1, in particular those under '*Award Criteria*' including the commercialisation strategy, the team/company, the technological feasibility, the projected results and the market creating potential. There will be no pre-set questions, the jury may ask any question related to the proposal.



- The panel is composed of the 30 expert-evaluators who participated in the jury interviews.



4. The SEAL OF EXCELLENCE

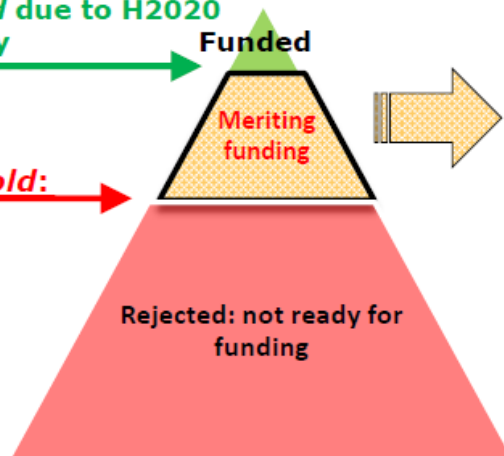


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Horizon 2020 evaluation:

*Funding threshold due to H2020
budget availability*

Quality threshold:



The SEAL OF EXCELLENCE
certificate declaring that the
proposals is of high quality and
meriting funding

- ✓ **Target population:** excellent projects not funded by H2020
- ✓ **Accompanying letter** explaining how to search for alternative funding sources
- + **NO AUTOMATISM**
- + **NO SAME FUNDING INTENSITY**
- + **FEEDBACK**

✓ **Clear benefits for regions / Member States:**

- ✓ make the most of a unique, high quality evaluation process
- ✓ better use of resources
- ✓ potential high local impact

Pilot using the SME Instrument

- ✓ Single company
- ✓ Small scale R&I actions
- ✓ Close to market



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The SEAL OF EXCELLENCE:

- ✓ **Awarded** to **ALL** qualifying SME instrument **PROPOSALS**
- ✓ **Downloadable** only by the SME/s from 'my area' in Participants Portal
- ✓ **Informs:** Indicates basic info on the proposal, the call and the proposer
- ✓ **Builds reputation:** Signed by two Commissioners - Highlights the competitive and highly professional selection process
- ✓ **Explains:** Refers to the evaluation criteria used in H2020
- ✓ **Unique and safe:** Digitally sealed against fraud as it is the related proposal and the ESR
- ✓ **Accompanying letter:** provides contacts for information and warns on lack of automatic funding and invites for feedback



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**THANK YOU
FOR YOUR ATTENTION**



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