

REQUEST FROM THE COMMITTEE

The Committee has asked for details on how SMEs and Micro Enterprises can access EU Funding.

INVEST NI RESPONSE

Key Facts – European Regional Development Fund (ERDF)

- Invest NI currently provides EU funding to SMEs and Micro Enterprises through the European Sustainable Competitiveness Programme for Northern Ireland 2007-2013 (EUSCP) (“Competitiveness Programme”). This funding is from the European Regional Development Fund (ERDF).
- Assistance is delivered under the Regional Competitiveness and Employment objective of the European Union’s Cohesion Fund. It is co-financed through the European Regional Development Fund (ERDF) at a rate of 50% ERDF support to 50% public match funding. The funding is delivered through three main spending Priorities:
 - Sustainable Competitiveness and Innovation (Priority 1);
 - Sustainable Enterprise and Entrepreneurship (Priority 2);
 - Improving Accessibility & Protecting and Enhancing the Environment (Priority 3)
- The focus of the Competitiveness Programme is on growth and jobs and is designed to promote: (i) investment in research and technological development and, (ii) encourage enterprise and entrepreneurship, all within an overall context of sustainable development.
- SMEs and Micro Enterprises can access this funding by applying directly to Invest NI under schemes that are ERDF part funded.
- Invest NI is designated as an Intermediate Body under the Competitiveness Programme. In this capacity, Invest NI is responsible for:
 - Selecting operations for funding through the Programme;
 - Make offers of funding to beneficiaries;

The following Invest NI schemes are ERDF part funded by the EU under the Competitiveness Programme, and are open for applications from SMEs and Micro Businesses located within N Ireland that have an export focus:

- (i) Grant for R&D
- (ii) Management Information Systems
- (iii) Selective Financial Assistance
- (iv) Interim Manager Programme
- (v) Design Development Programme
- (vi) NI Symbiosis Programme
- (vii) Co-Investment Fund

Programme Applications - Invest Northern Ireland

To gain further information on Invest NI schemes in general, including those ERDF part funded schemes listed above, businesses should access the Invest NI website or the Boosting business website via the following links :

<http://www.boostingbusinessni.com/>

<http://www.investni.com>

SMEs and Seventh Framework Programme (FP7)

SMEs can access FP7 funding through participating in Network of Excellences (NoEs), Integrated Projects (IPs), Specific Targeted Research Projects (STREPs) and Coordination Actions (CAs). Special efforts are being made by the European Commission to help smaller business take part in these instruments. Project applicants are asked to explain in their proposal how SMEs can best be involved to achieve the projects objectives. Applicants may be marked down in their evaluation if consideration hasn't been taken to involve small business in the projects activities.

Why should SMEs Participate?

- Supply chain development and security
- Product development – access to new and different technologies
- Provide access to new business markets
- Raise profile
- Staff development & interest
- **Not for the money!**

Where SMEs can participate in FP7?

Cooperation Programme:

At least 15% of the cooperation budget is dedicated to SMEs. Small business research needs and potential are taken into account in developing content of thematic areas, and topics of particular interest to SMEs are further identified in work programmes. The EC reimbursement rate for SMEs in the main programme is 75%.

People Programme:

There is special emphasis on the involvement of enterprises, including SMEs, in Marie-Curie actions. "Industry-academia pathways and partnerships": dedicated scheme for knowledge sharing in partnerships between the public and private sector, including in particular SMEs.

"Ideas" Programme:

Researchers from SMEs will also be eligible to participate in this programme: SMEs may compete on grounds of excellence but the high levels of competition make this a more difficult option.

Capacities Programme

Research for the benefit of SMEs

This support aims at SMEs or SME associations in need of outsourcing research-to-research services providers (“RTD performers”) such as universities, research centres or research performing SMEs. Other enterprises and end-users, which belong to the same value chains as the participating SMEs, can participate, if it is in the interest of the project.

Research for SMEs

- Support of small groups of innovative SMEs to solve common or complementary technological problems.
- Relatively short term projects centred around the innovation needs of those SMEs outsourcing research to RTD performers
- Demonstrate a clear exploitation potential for the SMEs concerned and at the same time promoting the effective dissemination and take-up of results.

Requirements

- Research for SMEs is a bottom-up scheme: this means projects may address any research topic across the entire field of science and technology.
- Research for SMEs projects require participants from the following two categories of participants:
 - SME participants: At least three independent SME participants, established in three different Member States or Associated countries. SMEs must be direct beneficiaries of the scheme: they outsource part of their research need by investing in research activities carried out by the RTD performers. The grant will cover only part of this investment. They normally retain the full right of use and dissemination of any project results.
 - RTD performers: At least two RTD performers independent from any other participant are required. RTD performers are legal entities able to carry out research and technological development activities for the benefit of SME participants. Examples of RTD performers are universities, research organisations and industrial companies, including research performing SMEs.

- In addition, other enterprises and end-users may participate by making a particular contribution to the project and in solving specific problems or needs of the SME participants involved, though not in a dominant role. They must be independent from any other participant.
- The size of the consortium should typically be between 5 and 10 participants. The overall budget of the project should typically be between € 0.5 to €1.5 Million and the duration of the project should normally be between 1 and 2 years.

Research for SME Associations:

Research for SME Associations is a bottom-up scheme: the projects may address any research topic across the entire field of science and technology. Projects must concentrate on the economic interest of the SME members of the SME AGs.

- Support to SME associations to develop technical solutions to problems common to a large number of SMEs in specific industrial sectors or segments of the value chain. For example, research needed to develop or conform to EU standards, and to meet regulatory requirements in areas such as health, safety and environmental protection
- Projects, with a duration of several years, must be driven by the SME associations.

Participants

Research for SME Associations projects require participants from the following three categories of participants:

1. SME associations/groupings (SME-AGs):

At least three independent SME association/groupings, established in three different Member States or Associated countries, or one European SME association/grouping established in a Member State or Associated country according to its national law and which is made up of a minimum of two independent legal entities, established in two different Member States or Associated countries.

2. RTD performers:

At least two RTD performers independent from any other participant. RTD performers are legal entities able to carry out research and technological development activities for the benefit of the SME-AGs and in the interest of their SME members. Examples of RTD performers are universities, research organisations and industrial companies, including research performing SMEs.

In addition, other enterprises and end-users (including SMEs) may participate by making a particular contribution to the project and in solving specific problems or needs of the SME-AGs involved and the SMEs they represent, though not in a dominant role.

3. SME partners

A limited number of individual SMEs (2-5) must participate to ensure that the results of the project address SME needs and can be used by a large number of SMEs. Their activity may include validation, take-up, training and dissemination activities, but not on research activities.

Duration and Funding

The size of the consortium in FP7 should typically be between 10 and 15 participants; in addition, the SME end users group should be limited to 2 to 5 members necessary to achieve the objectives. The overall budget of the project should typically be between € 1.5 to € 4 Million and the duration of the project should normally be between 2 and 3 years.

DETI EU Programmes
10 October 2012