



This project is co-financed by the
European Union and the Republic of Turkey
Bu proje Avrupa Birliđi ve Türkiye Cumhuriyeti tarafından
finanse edilmektedir



Technical Assistance for Turkey in Horizon 2020 Phase-II
EuropeAid/139098/IH/SER/TR

Project Writing Training for SMEs

On-line Event, 24th August 2020

<http://www.turkeyinh2020.eu>



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Turkey in Horizon 2020 Phase II

Philip Sowden – SME Key Expert

<http://www.turkeyinh2020.eu>

Brief Presentation:

Horizon 2020 Project

H2020/HE and Accelerator

Experience of working with Turkish SMEs



TURKEY_{in} **HORIZON 2020**

COOPERATION, INNOVATION, COMPETITIVENESS



REPUBLIC OF TURKEY
MINISTRY OF INDUSTRY
AND TECHNOLOGY



COMPETITIVE
SECTORS
PROGRAMME



TÜBİTAK

TinH2020 International Team of Experts



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Key Project Objectives

- Support Turkish participation in Horizon2020
- Strengthen capacity in Science, Technology and Innovation
- Facilitate integration of Turkish Research Area into European Research Area by increasing Horizon2020 participation
- Provide range of activities
- Runs 7th January 2019 to first quarter of 2022

Web site: <http://www.turkeyinh2020.eu/>

Project activities ...

Training Events



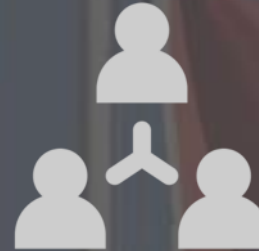
- Introductory
- Focus Groups
- IPR
- Access to Risk Finance
- Webinars
- Lobbying
- Project Writing Camps

Networking



- Brokerage Events
- International Study Visits
- Award Ceremonies
- Conferences
- Info Days

SME Support



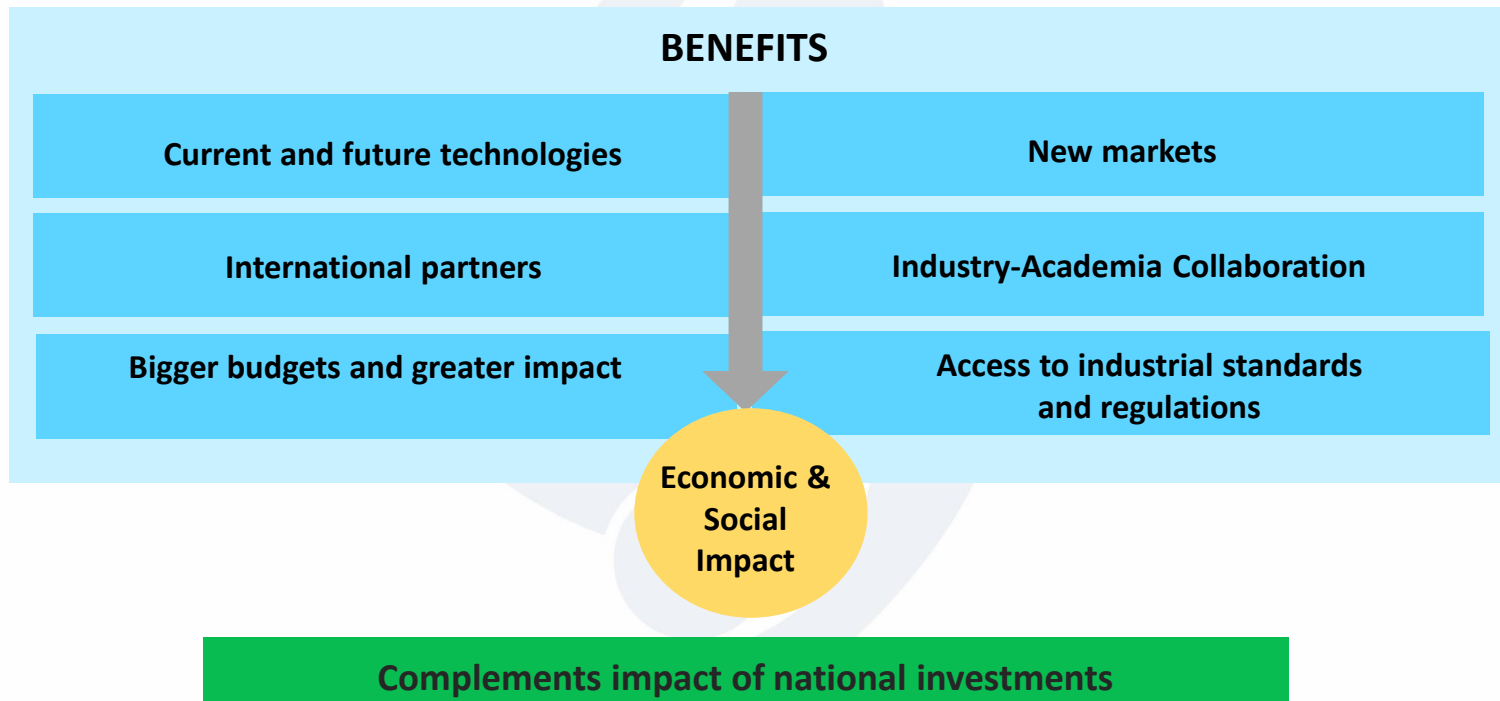
- 1-to-1 Support
- Project Writing Training
- Pitching Workshop
- Feasibility Reports
- Investment Readiness

Tools



- Website
- Helpdesk
- Training Guides

Why Participate in Horizon2020?



...and of course the EC grant support!



REPUBLIC OF TURKEY
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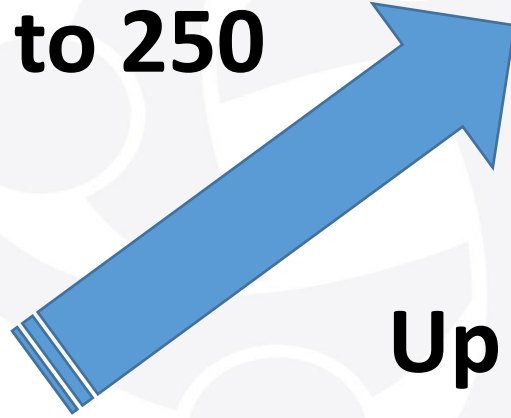


Horizon 2020 and Horizon Europe Framework Programmes...

Mainly aimed at SMEs...



1 to 250



Up to €50m turnover



SMEs are very important to Turkey



92% of Enterprises
78% of Employment
53% of GDP

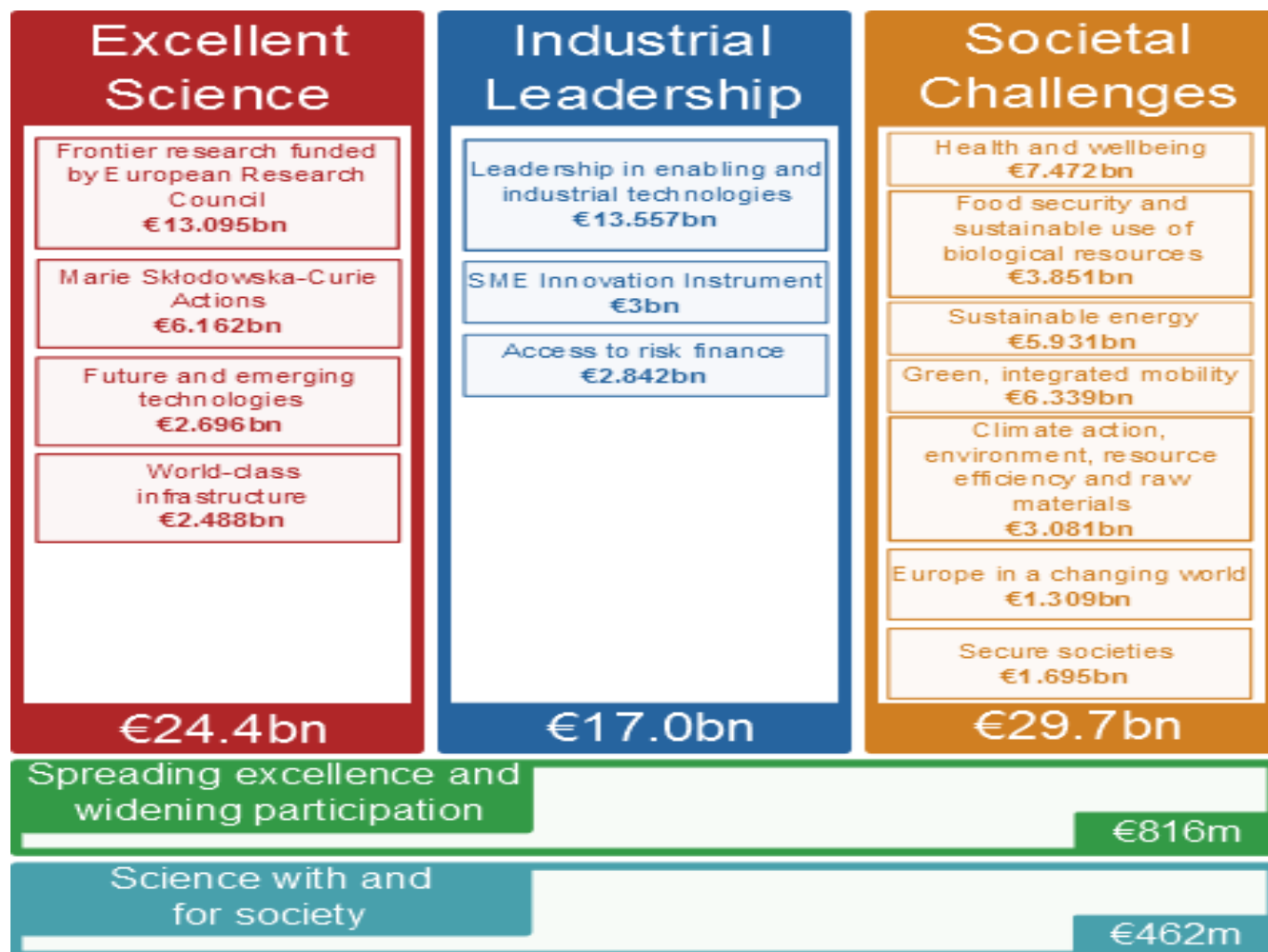


- **‘Horizon 2020’** will run up until 31st December 2020
- **‘Horizon Europe’** will then run for 6 years



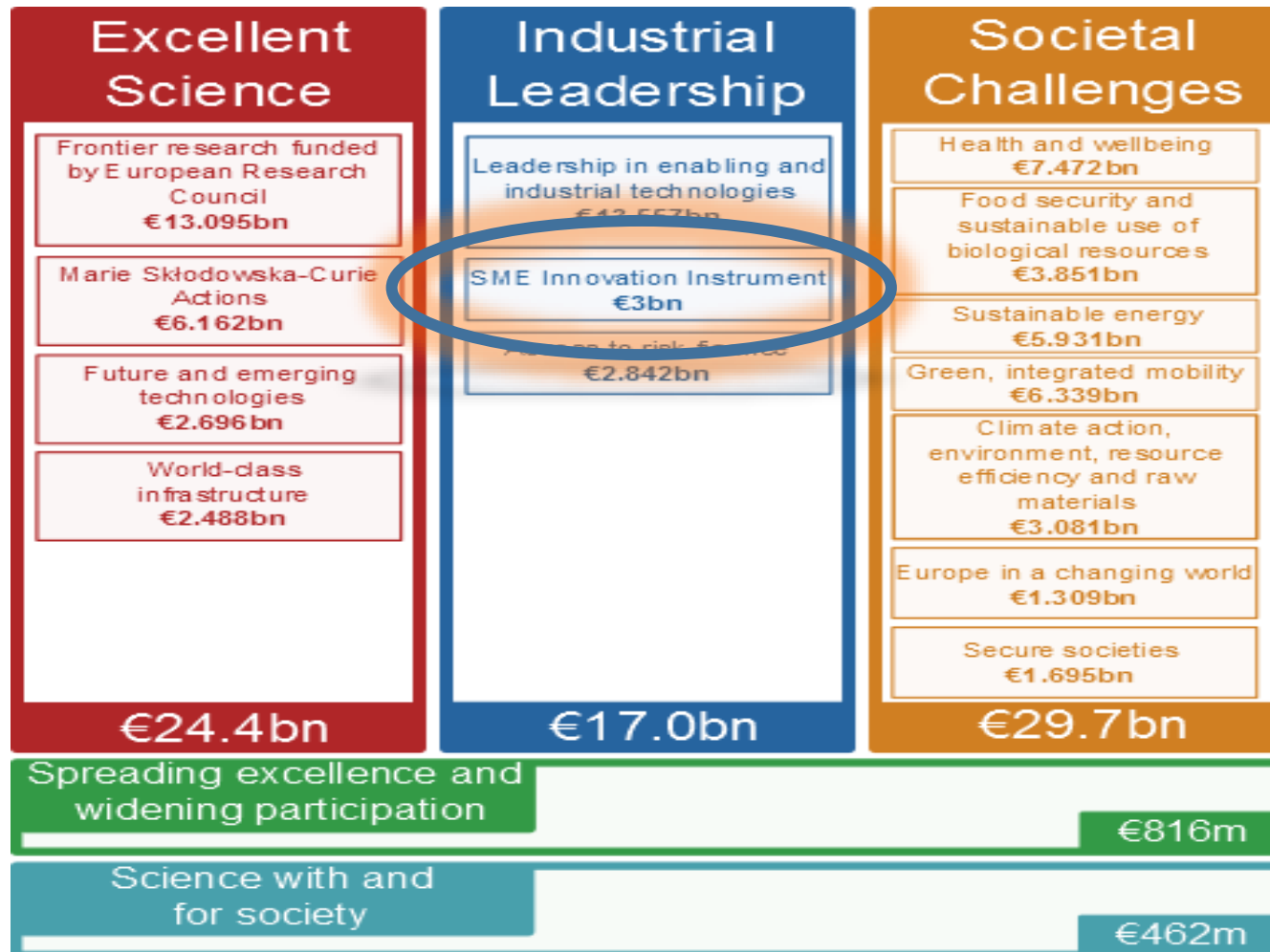


Horizon 2020





Horizon 2020





Pillar 1 Excellent Science

European Research Council

Marie Skłodowska-Curie
Actions

Research Infrastructures

Pillar 2 Global Challenges and European Industrial Competitiveness

Clusters

- Health
- Culture, Creativity and Inclusive Society
- Civil Security for Society
- Digital, Industry and Space
- Climate, Energy and Mobility
- Food, Bioeconomy, Natural Resources, Agriculture and Environment

Joint Research Centre

Pillar 3 Innovative Europe

European Innovation Council

European innovation
ecosystems

European Institute of
Innovation
and Technology

Widening Participation and Strengthening the European Research Area

Widening participation and spreading excellence

Reforming and Enhancing the European R&I system



Horizon 2020



... will stimulate 1 Trillion Euros of public and private sector investment by 2030 ...

European Green Deal

- Stricter **emissions standards**
- Revamped **energy taxes**
- New **subsidies**
- **Environmental import tax**
- **€100 billion aid** for most affected regions
- **Greener farming**
- **Prevent loss of biodiversity**
- **Tougher air quality standards**
- Action on **water quality**
- **WILL MOBILISE RESEARCH AND STIMULATE INNOVATION**



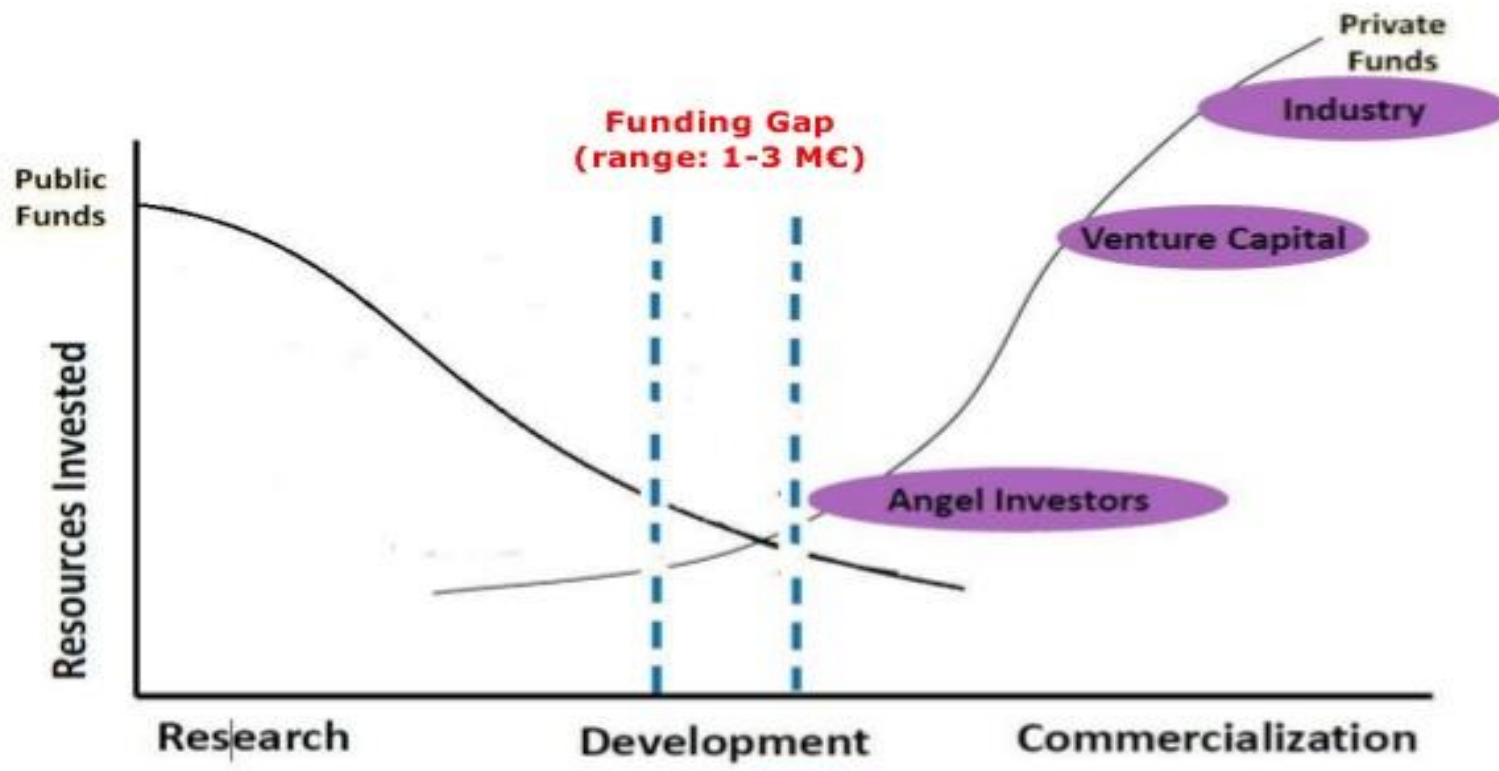


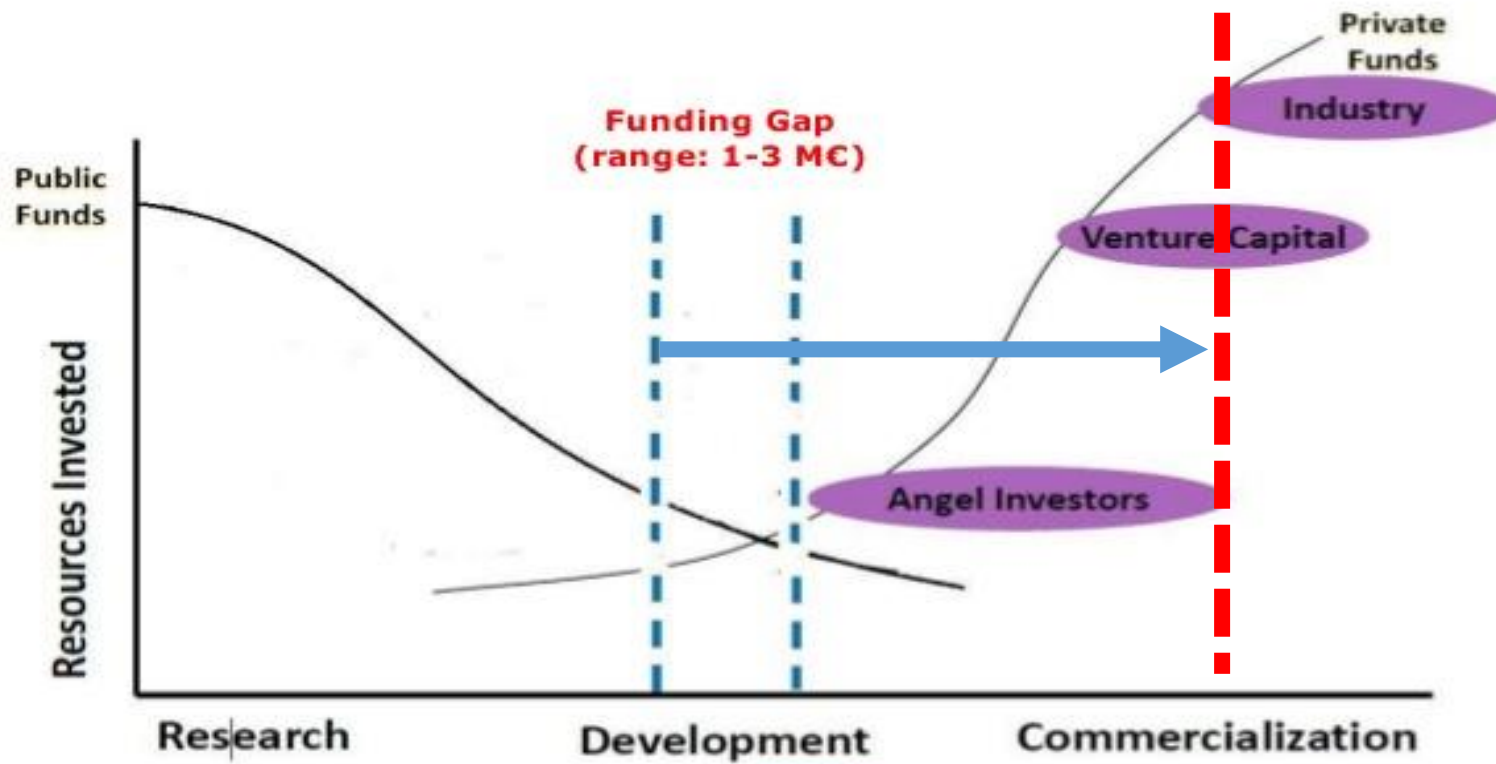
Accelerator (SME instrument)...

...what is its purpose?

Accelerator has same basic logic as SME Instrument...

- Lack of finance for young, innovative SMEs
- Equity-funding gap = €70bn
- High-risk capital needed to reach private investor stage
- *ACCELERATOR* bridges the gap in finance and risk-taking





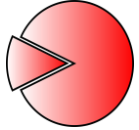
The SME Instrument so far...



5,730 Companies



€2.9bn. spend



5% - 8% success rate



See SME Instrument Accelerator Data Hub:

<https://sme.easme-web.eu>

Key criteria for Accelerator projects...

Product, service or business model is:

1. Cross-border
2. High growth
3. Disruptive
4. Close to market
5. Scalable
6. At the prototype stage

1. Cross-border

Relevant to Europe as a whole – innovation, job creation, expanding knowledge base and fit with European goals



2. High Growth

Demonstrable growth (20% per year?) in jobs/turnover over 3 – 5 years. High growth potential of project also considered.



Four Related Criteria

- 3. Disruptive
- 4. Close to market
- 5. Scalable
- 6. At the prototype stage



At Technology Readiness Level - **TRL 6** - or above

Degrees of Innovation

- **INCREMENTAL**

Small changes - influence market share and sales growth

- **STEP-CHANGE**

More significant changes - new technology; market lead

- **DISRUPTIVE** (Criterion 3)

Creates new markets and value by disrupting the existing ones

3 - Disruptive Innovation



MEASURE YOUR TECHNOLOGY READINESS LEVELS - TRL

How technology ready is your service/product?



Technology Readiness Levels as adapted by the CloudWATCH2 project

Find out more about CloudWATCH2 TRL: http://bit.ly/TRL_MRL

Criterion 4 – ‘Close to Market’

TRL 6 - PROTOTYPE

TRL 7 - DEMONSTRABLE

TRL 8 - FIRST OF A KIND COMMERCIAL SYSTEM

TRL 9 - FULL COMMERCIAL SYSTEM

Criterion 5 – ‘Scalable’

Able to move from final prototype to mass sales through own production, licensing, joint venture, etc.

Criterion 6 – ‘Minimum - at the Prototype Stage’

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Three Key Award Criteria...

EXCELLENCE: Potential beyond 'State of the Art'?

IMPACT: Meets needs of European and global markets?

IMPLEMENTATION: Excellent plan; team; strategic fit?

Major policy shifts...

- Focus on **COMMERCIAL** prospects
- Emphasis on **IMPACT**
- **NO** thematic areas
- **OPEN** calls
- More **private sector financing**
- **EC venture capital**
- Supports SMEs needing '**One last push**' to market-readiness

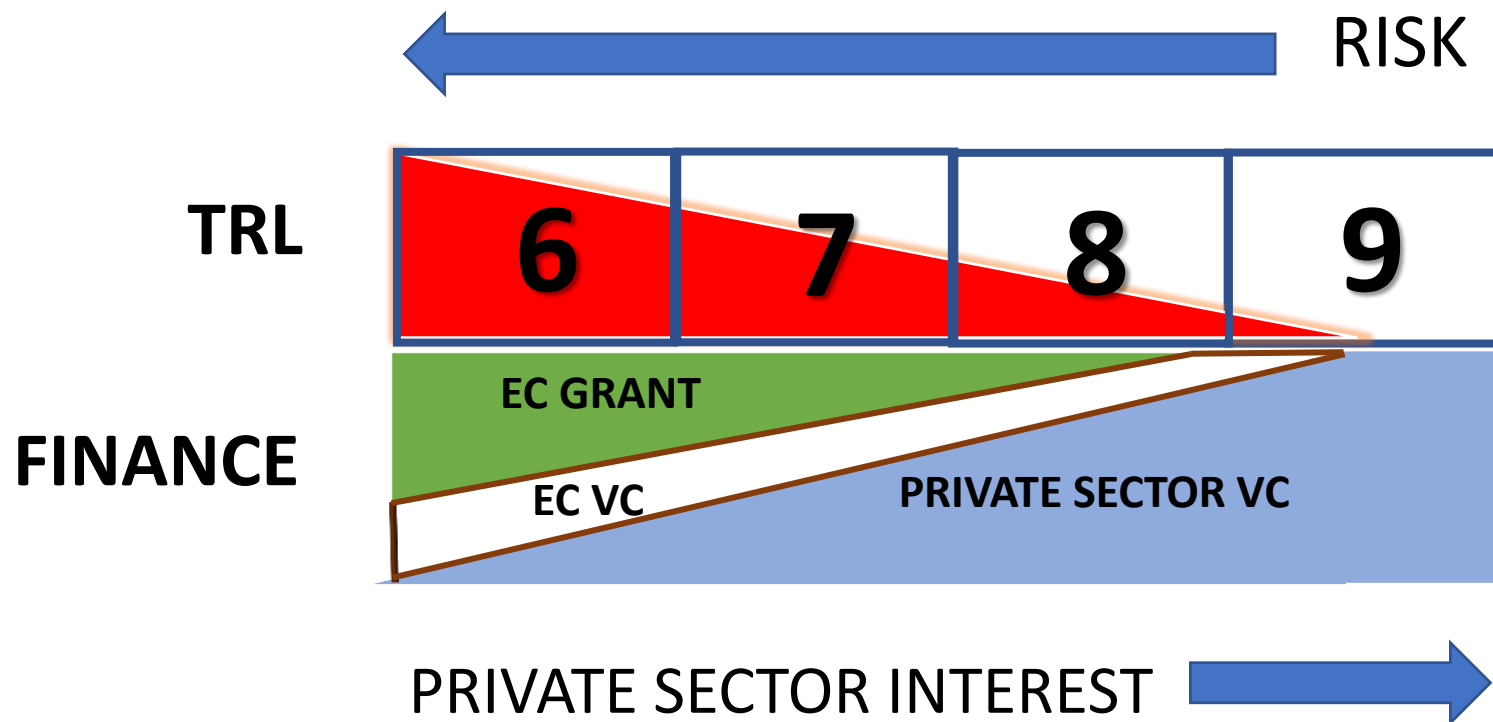
So what is the funding?...

- **Phase 1** ended 2019
- **(Phase 2)** grants **70%** up to **€2.5m** for **TRL 6, 7 & 8** projects
- **'Blended Finance'** offered at **TRL 6, 7 & 8**
- Private sector/EC equity only at **TRL 9**
- **Phase 3** - coaching and mentoring
- **Last H2020 Accelerator cut-off = 7th October**

‘Blended Finance’

- More engagement with private sector and better use of EC funding
- Grant plus loan and/or equity investment to **€15m.**
- **EIC Fund** can invest where risks too great for private funding

Blended Finance; Risk versus Finance



So, correct TRL is very important...

- Essential to correctly assess TRL
- Applicants agree to consider blended finance if project is suitable
- Investment subject to due diligence by EIC Fund and/or private sector

Remember, if equity investors are involved...

More cash, but...

- Scrutiny
- Pressure on targets and results
- Good return, achieved quickly
- Involvement in business

BUT!

- Quicker to market
- Commercial approach
- More saleable company/product
- More investment

So, how do Turkish SMEs perform against the Key Criteria...

EXCELLENCE

IMPACT

IMPLEMENTATION

EXCELLENCE

- National success in building innovation capacity
- Excellence in science & technology
- High growth SMEs

BUT!

- Focus often on getting more grants, not end products/services
- Poor response to market needs
- Pursue science instead of meeting needs

IMPACT

- Turkish market good for innovative products
- SMEs can impact nationally

BUT!

- Can be complacent – ‘more of the same’
- Short-sighted on international markets
- Assumptions that foreign markets same as national

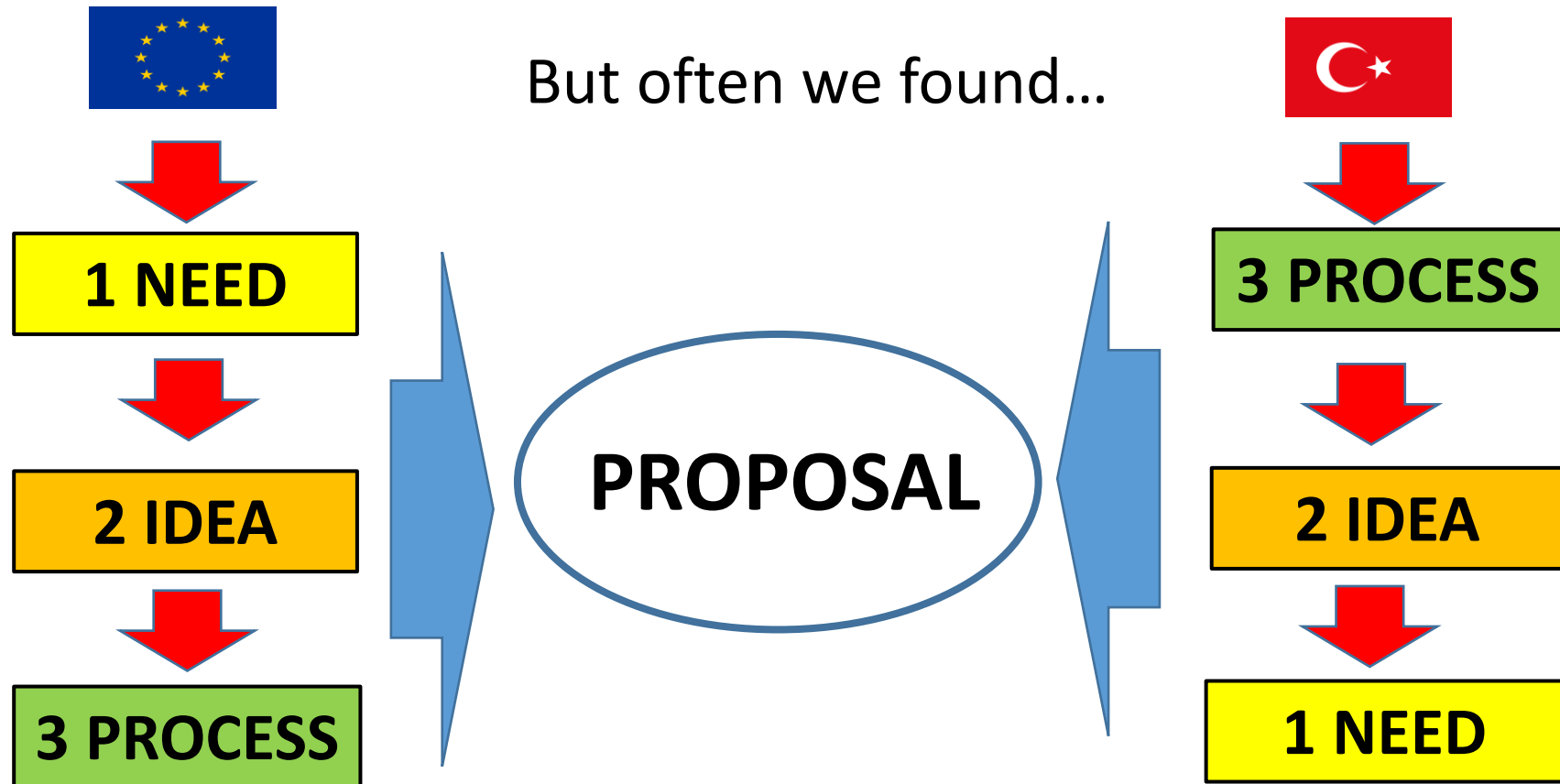
IMPLEMENTATION

- Excellent teams
- Support from MoIT, TÜBİTAK

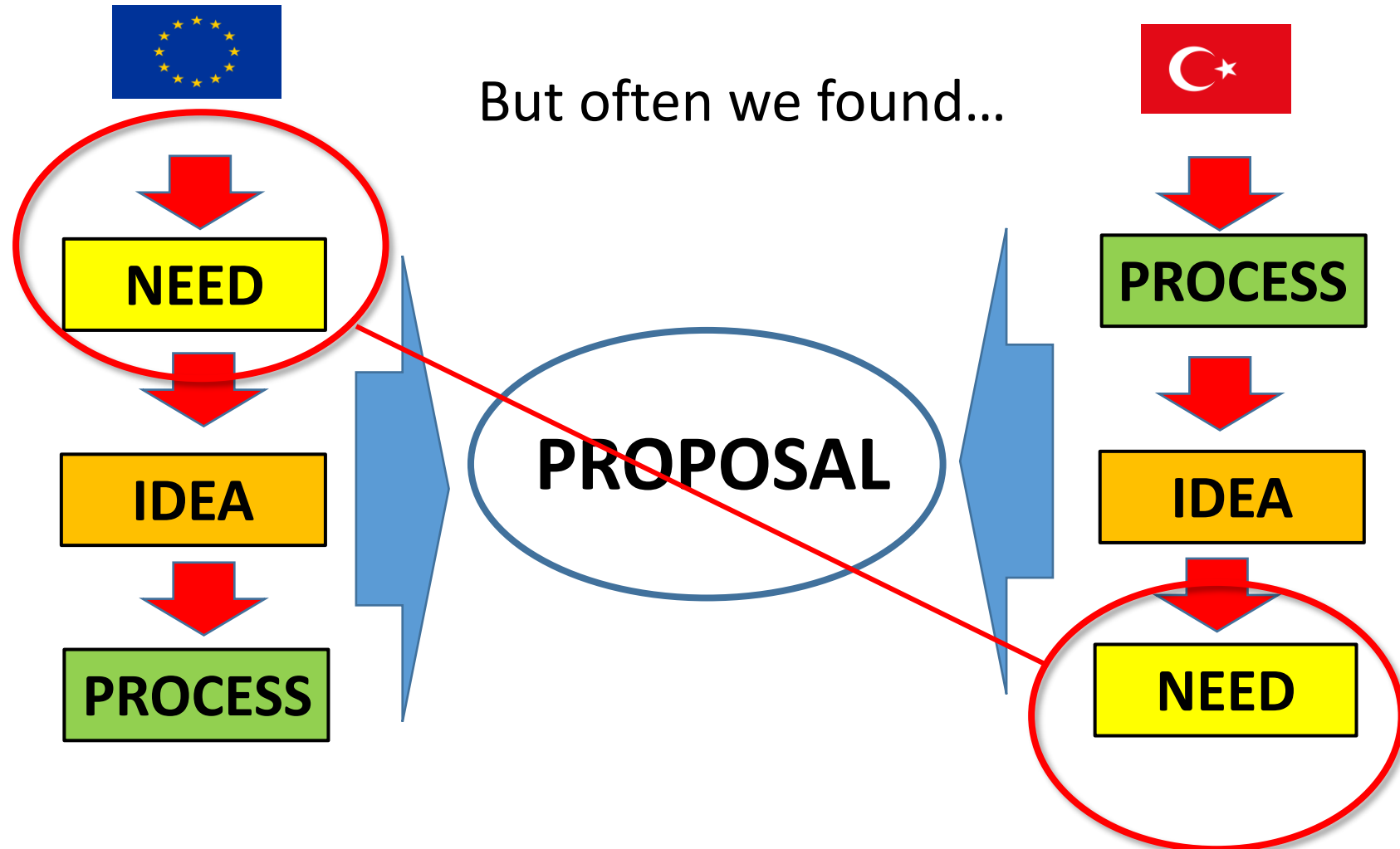
BUT!

- Technical management teams
- Poor marketing and commercial skills
- Lack of strategic and business experience

So, when it comes to EC proposals...



A problem of perception



Key Conclusions

- Participation brings many benefits
- Highly competitive situation
- Focus on needs before solutions
- Be more aware of markets and competitors
- Be realistic about true potential
- Training is needed to optimise chances of success

Contact us...

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Evaluation Form Link

<https://www.surveymonkey.com/r/PWTSME7>