

# Fast Track to Innovation Pilot (2015-2016)

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3rd INTERNATIONAL CONFERENCE on  
Sustainable Solid Waste Management,

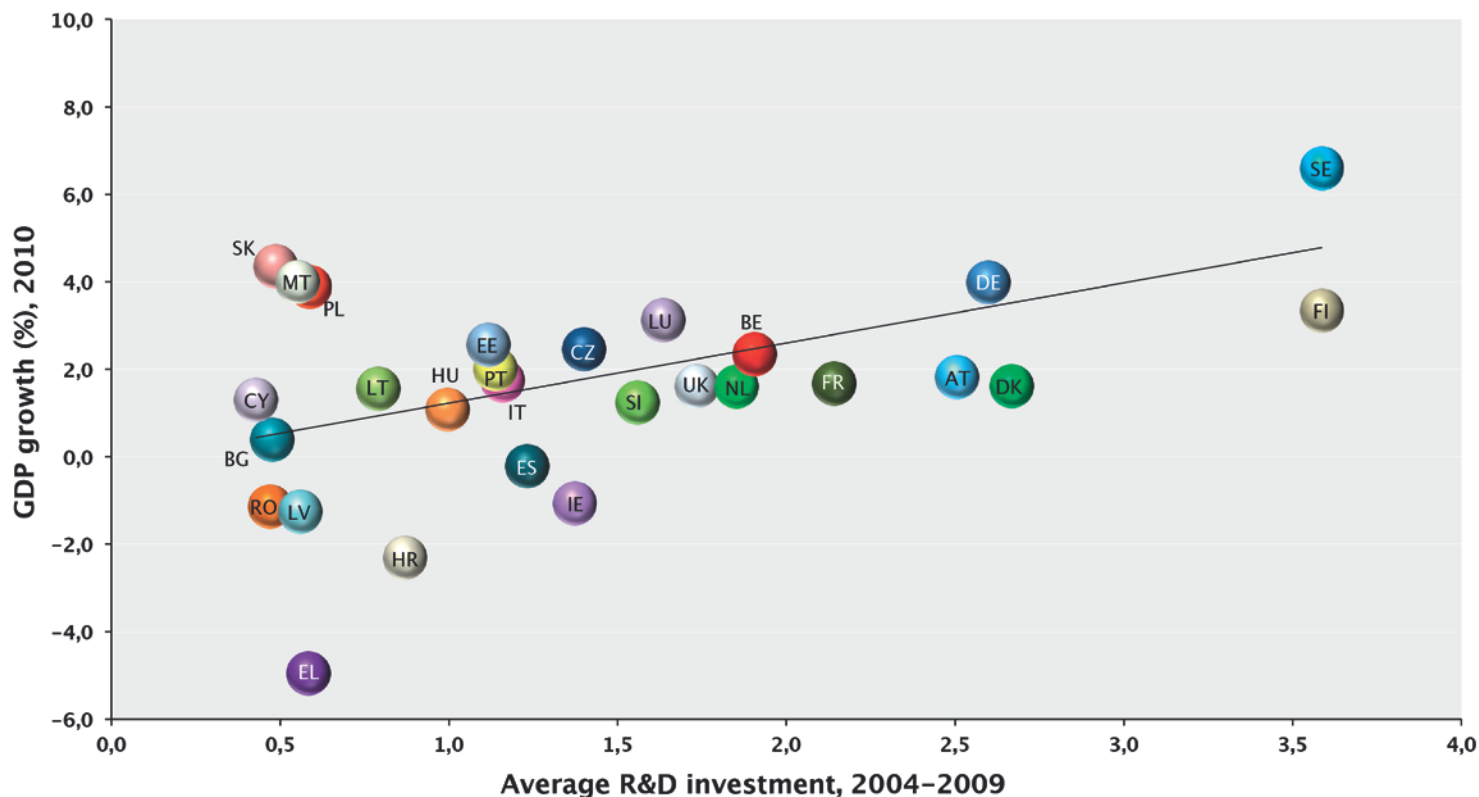
Tinos island, Greece

MASTER CLASS ON H2020

# Fast Track to Innovation Pilot

## Policy Background

# Investment in R&D, part of the solution to exit from the economic crisis?!!

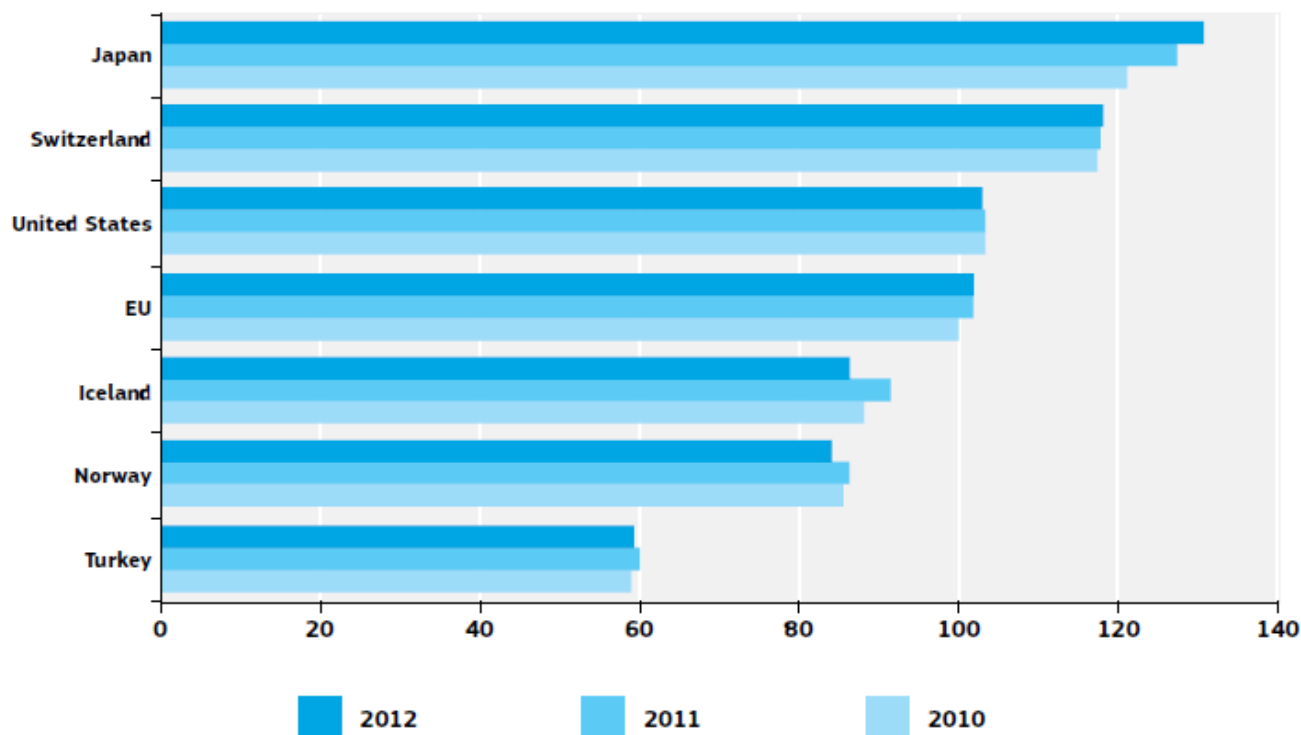


Source: DG Research and Innovation - Economic Analysis Unit  
Data: Eurostat

Notes. (1) Greece: average R&D intensity refers to 2004-2007.  
(2) Denmark, Portugal, Slovenia, Sweden: Break in series between 2004-2009.

# ... especially if we want to compete at a global level...

► **Figure 7** Innovation Output Indicator



Source: DG Research and Innovation – Unit for the Analysis and Monitoring of National Research Policies

Data: Eurostat, OECD, Innovation Union Scoreboard 2014, DG JRC

Note: EU performance in 2010 corresponds to 100 (EU in 2010=100).

# The Multiannual Financial Framework 2014-2020:

European Council conclusions, 8 February 2013

**Key challenge:** stabilise the financial and economic system while taking measures to create economic opportunities

## 1. Smart & inclusive growth (€451 billion)



## 2. Sustainable growth, natural resources (€373 billion)

## 3. Security and citizenship (€16 billion)

## 4. Global Europe (€58 billion)

## 5. Administration (€61.6 billion)



# What is Horizon 2020

- **A close to €80 billion research and innovation funding programme (2014-2020)\***
- **A core part of Europe 2020, Innovation Union & European Research Area, built on three mutually reinforcing and complementary priorities:**
  - Excellent Science
  - Industrial Leadership
  - Societal Challenges
- **Integrated and simplified support throughout the innovation cycle ("from lab to market")**

*\* In current prices, taking into account inflation. REGULATION (EU) No 1291/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2013*

# Horizon 2020: Open for All Types of Applicants, Especially Business!!

- Strong challenge-based approach, allowing industry applicants considerable freedom to come up with innovative solutions
- Emphasis on innovation, with continuing support for R&D
- Less prescriptive topics, strong emphasis on expected impact
- A strategic approach, with two-year work programmes (that take into account industry concerns and changing business needs)
- Focus areas bring together different technologies, along the entire innovation chain

# Horizon 2020: Paving the Way for Ideas to the Market

- Great efforts have been made to support a more innovation-friendly business environment in Europe (cf. Innovation Union -- unitary patent, revised public procurement directives, venture capital passport etc.);
- Wider access to risk finance for growth and innovation purposes: “InnovFin – EU Finance for Innovators” (the debt facilities alone are expected to support up to EUR 48 billion in new investments in Research and Innovation in Europe);
- Dedicated support through various specific instruments that appeal in particular to the private-for-profit sector, and leave it up to the market to decide where the emphasis in terms of support should be: e.g. the SME instrument, FTI Pilot... = bottom-up approach!

## Fast Track to Innovation Pilot - the concept in a nutshell...

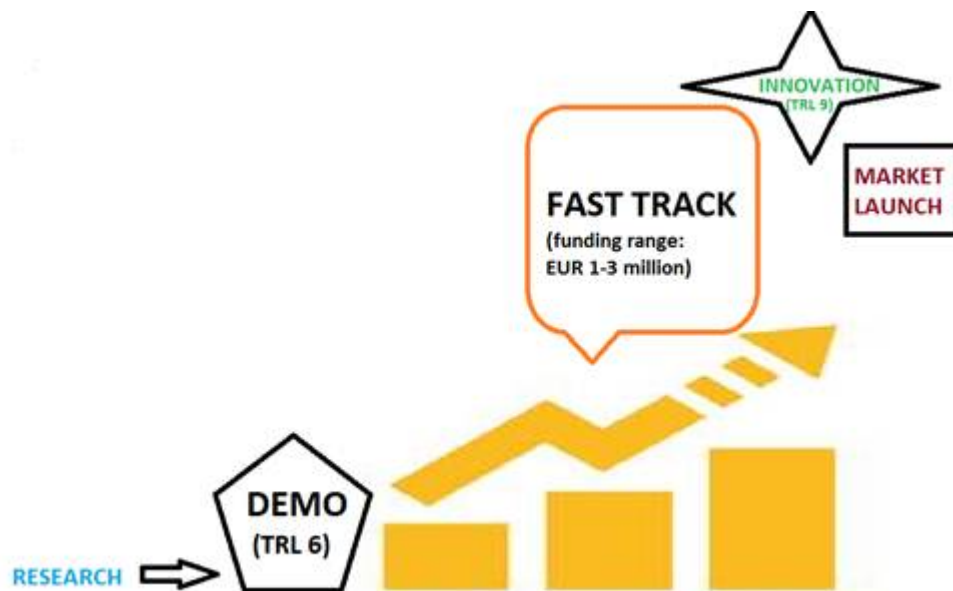
*The FTI pilot (2015-2016) is the only fully bottom-up measure in Horizon 2020 promoting close-to-the-market innovation activities that is open to all types of participants...*

*... while cutting across 2 of the main 3 Horizon 2020 priorities!*



# Main policy drivers behind the scheme...

- Reduce time from idea to market ('last push')
- Increase participation of industry, first-time applicants, SMEs
- Stimulate private sector investment in R&I



# Fast Track to Innovation Pilot

THE ULTIMATE BOOST FOR OUTSTANDING BUSINESS INNOVATORS WITH A NEED FOR SPEED...

## PREPARE YOUR PROPOSAL

Build your industry-intensive consortium\*  
minimum 3 partners - maximum 5 partners  
(all based in the EU and / or in Horizon 2020  
associated countries)

Proposal



Outstanding Business Innovation Concept  
(high-readiness level / TRL 6, meaning  
demonstrated in a relevant environment)

Continuous open call  
until end 2016

6 months time-to-grant

## DEVELOP YOUR INNOVATION

Receive an EU grant of EUR 1 million to 3 million  
(70% of funding, 100% of funding for non-profit entities)

From Mature R&D  
Demonstration  
Market-Oriented  
R&D  
to Market-Mature Innovation

## HIT THE MARKET!

Start your commercial activities



The Market  
Market-Maturity to Market  
Launch



Market-ready result  
(finished product, service,  
process/ TRL 9)

12-24 months for implementation

At most 36 months from grant to market

... AND EAGER TO COMPETE ON GLOBAL MARKETS...!

## ACTIVITIES SUPPORTED

Systems validation in real working conditions – Testing – Piloting – Business model validation – Standard setting – Pre-normative research – EU quality label

# Fast Track to Innovation Pilot

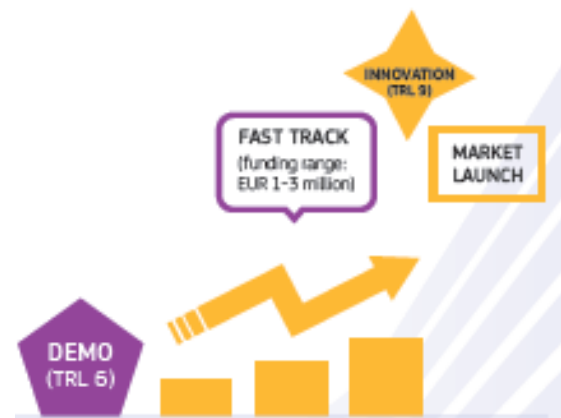
## Implementation Planning & Business Processes

# Coming up!

- Why participate to the FTI Pilot?
- Who are we looking for?
- What type of activities can be supported?
- Implementation timeline for 2015
- Proposal drafting & submission
- Proposal evaluation (including evaluator profiles)
- Ranking and communication to applicants / resubmission
- Grant agreement & project management
- Future of the FTI Pilot?!
- Q&A

# Why participate to the FTI Pilot?

- Proof of your market potential
- Visibility at the European level / increased chances for market success
- Important support to close-to-market innovation activities
- Building of new value chains / other networking opportunities
- Be one of the first to test a new type of scheme (be it a pilot):
  - ✓ Faster funding
  - ✓ Business-driven approach
  - ✓ Maximum emphasis on impact



# Who are we looking for?

- Consortia of a limited size: min. 3, max. 5 partners
- All of the partners should be legally established in the EU or in a Horizon 2020 associated country\*, and partners must be from at least three different eligible countries
- Consortia must be industry-intensive:
  - ✓ *either* 2 out of 3/4 partners = private-for-profit
  - ✓ *or* 3 out of 5 partners = private-for-profit
  - ✓ *or* 60% of the budget of the proposal (=total estimated eligible costs) is to be allocated to private-for-profit entities
- ... but can be composed of partners of any type of legal entity (👉 industry, SMEs, first-time applicants...)
- EU funding sought cannot exceed EUR 3 million; 70% of funding for private-for-profit entities (//innovation actions)
- And last but not least...



\* A list of Horizon 2020 associated countries is available via [this link](#).

## ... the solution or innovation proposed must be relatively mature / close-to-market already...!

- Time-to-market: 36 months or less (from the moment of the start of the FTI pilot action!)
- Level of development ~ TRL 6 (for technological innovations), and similar level of maturity for the non-technological ones
- Further development (up to TRL 9 or equivalent for non-technological innovations) possible in a relatively limited amount of time, and underpinned by a technical and a commercial planning



- Ultimate objective: significant value creation at the EU level (and beyond) / hit



The Market

# What type of activities can be supported?

- Advanced and specific research and development activities
- Standard setting and advanced performance testing / piloting / demonstration activities
- Validation of solutions in real working conditions / certification
- Business model validation



- TRL 6 – technology demonstrated in relevant environment (industrially relevant environment in the case of key enabling technologies)
- TRL 7 – system prototype demonstration in operational environment
- TRL 8 – system complete and qualified
- TRL 9 – actual system proven in operational environment (competitive manufacturing in the case of key enabling technologies; or in space)

# Implementation Timeline for 2015

- **January 6, 2015**

Open for submission

- **April 29, 2015**

First intermediary call deadline

- **End of July, 2015**

First results from evaluation

- **September 1, 2015**

Second intermediary call deadline

- **End of October 2015**

First grants signed

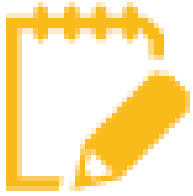
- **December 1, 2015**

Third intermediary call deadline & results from September  
intermediary call deadline known



# Proposal drafting and submission

- Industry status of participants = flagged automatically
- Max. 30 pages for technical annex (sections 1,2,3)
  - ✓ Impact !
  - ✓ Excellence
  - ✓ Implementation
- Business plan-logic
  - ✓ Market relevance and positioning / exploitation strategy (IPR?!)
  - ✓ Financing needs / framework conditions
  - ✓ Return on investment?
- EU added value at another level than the prospective economic one also important
- Solution should be described in a way that it is clear that it will go beyond the current state-of-the-art in its field
- Resources: complementary & cost-effective



# Proposal evaluation



- Fully remote\*
- Panel of four independent experts (commercial and financial expertise!)
- No consensus meetings
- Automated aggregation of individual assessment reports will result in evaluation summary report (arithmetic average of scores)
- Short feedback allowing the applicant to understand what can be improved in the proposal
- Thresholds: overall 12/15; score for "Impact" needs to be 4/5 or higher!

\* The agency may decide to organise panel review meetings in very specific cases.

# Ranking

- Proposals with an overall initial score lower than 12/15 will not be ranked
- Proposals with an initial score lower than 4/5 for impact will not be ranked
- Marking will be refined, will allow for bulk of selection decisions
- Criteria for further differentiation will be:



- ✓ Value of 'Impact' criterion
- ✓ Size of budget allocated to SMEs
- ✓ Number of first-time industry applicants



- ✓ Number of industry participants
- ✓ Gender balance of consortium staff performing the proposed action



# Communication to applicants / Resubmission



- Quite immediate after evaluation if below thresholds
- In case the proposal is above threshold, communication may be delayed until after the ranking process
- No information on how to improve a proposal, only about what elements should be tackled to come to a better result
- Resubmission possible, but only after learning about the result of first submission of the proposal

# Grant agreement & project management

- // Standard processes - innovation actions
- No negotiations in grant preparation phase (only high-quality actions will be selected for funding)
- Grant agreement template = general one for innovation actions
- Financial viability check for coordinators only
- Pre-financing on a case-by-case basis (max. 90%)
- Project duration not to exceed 36 months, but average duration is expected to be in between 12 and 24 months (1 or max. 2 reporting periods)
- High visibility for participants

# Future of the FTI Pilot

- 2016: pending Work Programme adoption
  - ✓ 50 to 70 actions
  - ✓ Budget of EUR 100 million
- Beyond 2016: dependent on progressive, full-scale evaluation and first results!
  - ✓ Specific reporting template for FTI Pilot participants
  - ✓ Specific study to be commissioned