EU Funding Playbook

TAKE YOUR BUSINESS TO THE NEXT LEVEL WITH EU FUNDING

"Consortium is a great opportunity to test cooperation with business partners."

Heikki Kettunen
Senior Manager R&D, Valmet

"Make sure the EU project is in line with your company's strategic development."

Veli-Matti Vuorenpalo
Manager, Global Processes and Projects, R&D and Technology, Kemira

"Plan the application process of EU funding like any other project in the company."

Tuomas Riski
CEO, Partner, Norsepower

"Consider a consortium as a value chain for the business development of your company."

Matti Heikkilä
COO, Metgen

CONTENTS

1. BASIC FACTS ABOUT EU FUNDING

This EU Funding Playbook is aimed for both small and medium-sized companies (SMEs) as well as for large corporations. We hope it will help you find the right funding instruments to best suit for your needs. For more detailed information, visit the website at www.eufundingplaybook.fi.

What kind of projects get funded?

The European Union funds projects that aim at R&D collaboration, product development, scale-up or market access of innovation. The sizes of funded project typically vary from EUR 2 million up to EUR 100 million.

SMEs and mid-caps

There are several funding options available for small and medium-sized enterprises as well as for mid-caps to be applied alone or in a consortium. Some of the funding is available for all companies regardless of the size, but some funding is reserved for SMEs and mid-caps only. If you are an SME with less than 250 employees or a mid-cap with less than 3,000 employees, you have several EU funding available.
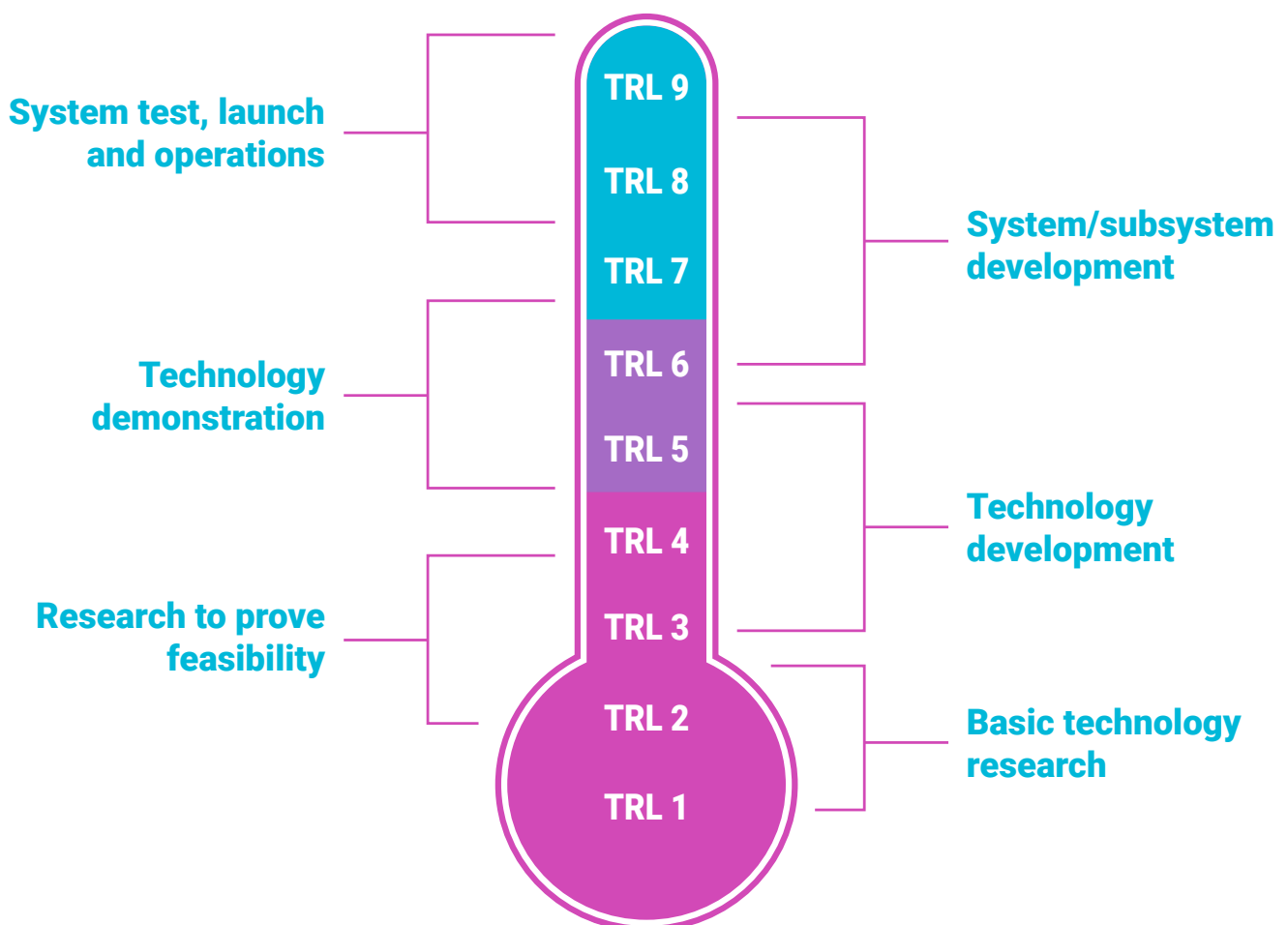
Large companies

EU funding is not only for small companies seeking growth. If you are a large company with over 3,000 employees, you can still have plenty of options for EU funding. Often the projects are implemented in larger consortiums where each one of the consortium partners will get a part of the funding and will reap the benefits of the results.

Are you looking for funding for R&D or market penetration?

EU jargon often refers to something called TRL. This stands for Technology Readiness Level. TRLs are a method of estimating the maturity of technologies, originally developed by NASA in the 1970's. The EU prefers to use the same technique in some of its funding instruments.

The projects that start from the lower levels of TRL (1–4) focus on research and development. The projects that are higher in the TRL scale, are usually for technology validation (TRL 4–6), close-to-market innovations and scaling up (TRL 6–9).

System test, launch and operations

Technology demonstration

Research to prove feasibility

TRL 9
TRL 8
TRL 7
TRL 6
TRL 5
TRL 4
TRL 3
TRL 2
TRL 1

System/subsystem development

Technology development

Basic technology research

Funding programmes are linked to the EU's strategic priorities

The European Commission's strategic priorities for 2019–2024 get their concrete form in EU policies, legislation, and initiatives. The two priorities, **European Green Deal** and **Digital Decade** (digital strategy) have the biggest impacts on EU research and innovation policy and finally on the funding programs as such.

Connection to EU projects

These two strategic priorities are intertwined into EU funding programs, like Horizon Europe and Innovation Fund. The funded projects are requested to contribute to the EU policy goals, strategic programmes, legislation and actions. This is mentioned in a call for proposal of the funding programme in question. Therefore, a general understanding of the relevant EU priorities and policies is beneficial in the application process.

European green deal

A europe fit for the digital age

Promoting our european way of life

An economy that works for people

A stronger europe in the world

A new push for european democracy

The six strategic priorities of the European Commission

2. EU FUNDING OPTIONS

Clusters and partnerships

Horizon Europe is the EU's research and framework programme for the years 2021–2027. The program's grant opportunities are advertised through calls for proposals. The programme is built on three Pillars, of which Pillar II calls and Pillar III calls are the most relevant for companies. Read more about the structure of Horizon Europe in the online version of EU Funding Playbook. The actions in Pillar II are divided to six different clusters:

▶ Health (EUR 8.2 billion)

▶ Culture, Creativity and Inclusive Society (EUR 2.3 billion)

▶ Civil Security for Society (EUR 1.6 billion)

▶ Digital, Industry and Space (EUR 15.3 billion)

▶ Climate, Energy and Mobility (EUR 15 billion)

▶ Food, Bioeconomy, Natural Resources, Agriculture and Environment (EUR 9 billion).

Under the clusters and partnerships, you will find calls that are usually Research and Innovation Action (RIA) calls or Innovation Action calls (IA). However, under the partnerships there are also Key Digital Technologies (KDT) and Circular Bio-based Europe (CBE) that differ significantly from RIA and IA applications. By carefully studying the call text, you find the scope and the specific requirements of the call. Find below a comparison between the major differences in these project types.

Quick facts		
	RIA	IA
To whom?	Anyone	Anyone
Grant size	Typically EUR 4-15 million	Typically EUR 4-15 million
Funding rate	100%	70%
Technology Readiness Level (TRL)	2-6 (defined in call text)	6-8 (defined in call text)
Project duration	Typically 3 years	Typically 3 years
Number of pages in application	45 pages	45 pages
Estimated duration of application writing process (recommendation)	3-6 months depending on call and the size of consortium	3-6 months depending on call and the size of consortium

European Innovation Council (EIC)

The EIC work programme is directed at SMEs and mid-caps (with some restrictions). It is divided into three funding schemes:

▶ EIC Accelerator to help companies bring the innovation to market

▶ EIC Pathfinder for advanced research

▶ EIC Transition to validate technologies

This funding programme is targeted at high-risk innovations with a particular focus on market-creating and deep-tech innovations. It aims to support rapid scale-up of innovations and technologies.

EIC Accelerator

Quick facts	
Number of pages in the application	Pre-screening: pitch deck (approx. 10 slides), project summary of max 5 pages, 3-min video.
Full application will be done on the EIC artificial intelligence-based IT platform.	Full application will be done on the EIC artificial intelligence-based IT platform.
Project duration	Max 2 years
Maximum grant	EUR 2.5 million (+ optional equity component of max EUR 15 million)
Funding rate	70%
Technology Readiness Level (TRL)	5-8 (grant), Investment component can also be used for TRL >8
Industry areas (specific challenges in 2021)	Deep tech, Digital technologies, Health, Green Deal
Estimated duration of application writing process (recommendation)	10-15 weeks for all three phases phase combined

EIC Transition

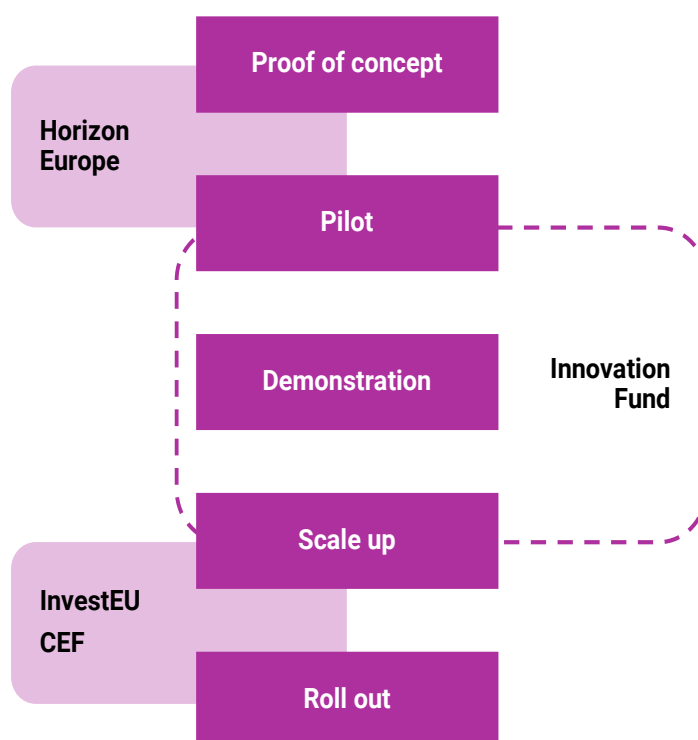| Quick facts	
Number of pages in the application	25 pages
Maximum grant	EUR 2.5 million
Funding rate	100%
Technology Readiness Level (TRL)	4-6
Estimated duration of application writing process (recommendation)	8 weeks

EIC Pathfinder

Quick facts	
Number of pages in the application	17 pages
Maximum grant	Maximum grant EUR 3 million (open call) and EUR 4 million (challenge driven call)
Funding rate	100%
Technology Readiness Level (TRL)	1-4
Project duration	Max 4 years
Estimated duration of application writing process (recommendation)	6 weeks

Innovation Fund

The Innovation Fund is one of the first EU funding instruments that supports the vision for climate-neutral Europe by 2050. It is about unleashing low-carbon investments in all Member States and pressing the fast-forward button in our transition to a climate-neutral, competitive, and innovative EU economy. The biggest advantage of the Innovation Fund is that a company can apply for funding without a consortium.

The Innovation Fund aims to

▶ help create the right financial incentives for projects to invest now in the next generation of technologies needed for the low-carbon transition in EU member countries.

▶ boost growth and competitiveness by empowering EU companies with a first-mover advantage to become global technology leaders.

▶ support innovative low-carbon technologies in all Member States.

Horizon Europe	Proof of concept
Horizon Europe	Pilot
	Demonstration	Innovation Fund
InvestEU CEF	Scale up
InvestEU CEF	Roll out

Innovation Fund (small-scale)

Quick facts	
Single applicant or multiparty?	Both
Project duration	3 years
Number of pages of the application	70 pages
Maximum grant	EUR 4.5 million
Maximum capital expenditure of the project	EUR 7.5 million
Minimum capital expenditure of the project	EUR 2.5 million
Funding rate	Max. 60% of the capital costs
Type of application process	One-stage application

Innovation Fund (large-scale)

Quick facts	
Single applicant or multiparty?	Both
Project duration	10+ years
Type of application process	Two-stage application process
Number of pages in the application (1st stage)?	40 pages
Maximum grant	No upper limit
Minimum capital expenditure of the project	EUR 7.5 million
Funding rate	Max. 60% relevant costs
Supporting documents for the 1st stage	Feasibility study 80 pages, business plan 25 pages and implementation plan 25 pages

Other funding sources

There are several other funding sources available for different types of organisations and different types of innovation. The selection is wide and there are many search engines available to find relevant themes and keywords. You will find CORDIS and EU Funding and Tenders Portal on the European Commission's official page, but also check out Business Finland, Spinbase and techfunding.eu.

Before you start applying for funding, take your time to learn about different instruments.

▶ What are they for?

▶ How much can you get?

▶ Is it a loan, grant or equity?

▶ What is the required Technical Readiness Level of your innovation?

▶ Can you apply alone or do you need a consortium?

Here are some other funding instruments worth checking out:

▶ Connecting Europe Facility (CEF)

▶ LIFE Programme

▶ Digital Europe Programme

▶ Creative Europe 2021-2027

▶ European Defence Fund (EDF)

▶ Eurostars

▶ European Investment Bank (EIB)

3. WHY SHOULD YOU ENGAGE IN EU PROJECTS?

▶ There is help available for your funding application

▶ You need a detailed plan in any case to help you mitigate the risks of the project

▶ Making an EU funding proposal forces you to make your project plan on time

▶ It is really not that difficult!

Build partnerships

Find new business and technology partners

Deepen your relationship with your future business partners

Work with expert partners to complete your solution

Become part of an European value chain

Build new business

Try out radical and disruptive innovations with the best experts

Validate your solution with the best partners

Solve grand challenges together: climate change, sustainability etc.

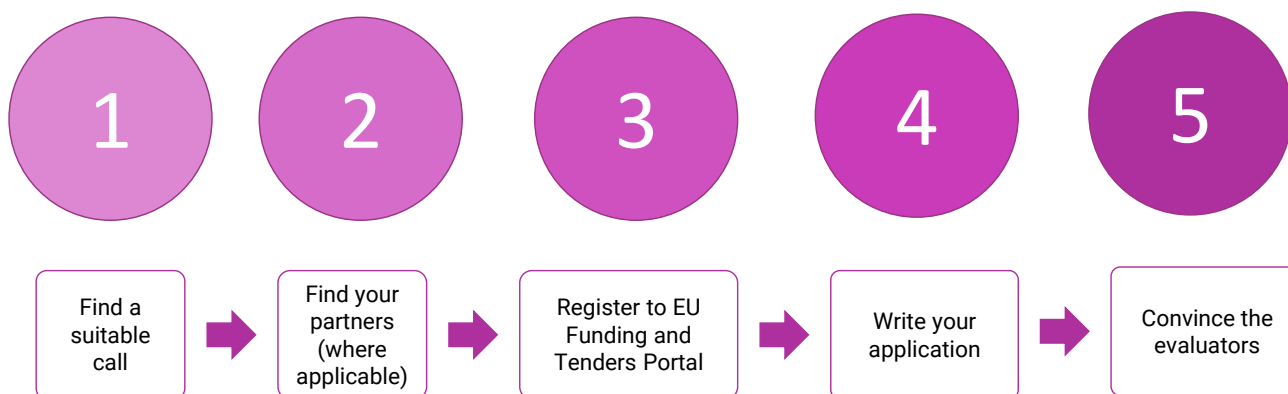Go international: New customers & markets

Stay competitive

Somebody will use the money to accelerate their growth

Your competitors use this money for their R&D already

Get positive PR and visibility for your project

Get access to R&D pilot sites

More funding for your growth

Available for all: From SMEs to large enterprises

Lower your own risk in long-term R&D

Your partners will benefit from the funding too

Once you receive funding, it's easier to get more, e.g. blended financing

4. HOW TO APPLY FOR EU FUNDING?

1		2		3		4		5
Find a suitable call	→	Find your partners (where applicable)	→	Register to EU Funding and Tenders Portal	→	Write your application	→	Convince the evaluators

Do you have an innovative project idea?

Browse the websites offering an overview of available national and European calls for proposals. Go visit CORDIS database and EU Funding and Tenders Portal on European Commission's official page, but also check out Business Finland, Spinbase, techfunding.eu, for instance. These platforms usually allow for a keyword search or enable you to select specific themes that are relevant to you.

What is a call for proposals?

The European Commission advertises grant opportunities through calls for proposals. The call for proposal includes all the information needed to submit a proposal and therefore it should be read with extreme care. The call text defines for example the scope, targeted objectives and outcomes, eligibility criteria and evaluation

Call topics

↑↓ Specific call text

% Success rate

Total funding available

Deadline

Project characteristics

Project length

Partners

Project size

% Funding %

Technology Readiness Level (TRL)

criteria. The idea is to ensure that your project proposal matches perfectly with mentioned requirements of the call. In fact, it would be better if your project proposal matches 110% with the call, because competition for EU funding is high and your project competes against other extremely good project proposals.

Would you like to start an EU project with business partners? Tips for building a consortium

Read the call text and identify the contributions and partner types needed	Consider a value chain: Invite current and potential clients and suppliers!
List the things you and your core partners could/want to do	Check the max grant and consider how many partners does it allow.
Check your networks and your partners' networks	Consider the number of countries & how many countrymen you invite - similar budget shares for each!
Estimate max grant shares per country/partner and communicate it	

Start the process

Register your organisation to the EU Funding and Tenders Portal and keep the information up-to-date at all times.

Whether you are a single applicant, consortium leader or a partner in a consortium, you need to register your organisation to EU Funding and Tenders Portal. By doing so, you will receive a **Participant Identification Code** (PIC) which you will need in the application process. This is your identification code based on which your organisation is identified in the application process.

Prepare your application

Applications come in many shapes and sizes depending on what you are applying for. They range from 5 pages (EIC Accelerator 1st phase) to 300 pages (Key Digital Technologies) and may have several required annexes. Check the requirements of your desired call before you start writing.

General funding principles

There are three important things that you need to keep in mind when applying for EU funding: (1) Co-financing (2) No double financing and (3) No-profit rule.

Co-financing principle

It is good to remember that the EU will finance about 40-100% of your project, so you always need to make sure how much co-financing is needed. Also remember that the EU grant or part of it may only be paid out some time after the activity has been reported.

No double financing rule

This means that you can only use the money to the purpose you have promised to use it in your application. Usually, it is possible to combine the EU grant with other funding programmes and state aid, but the funding should not overlap. You are not able to apply any other funding for the same purpose. Naturally, you are allowed to have several EU projects running in parallel, but the objectives and the activities need to be different in each one of them.

No-profit rule

This can be tricky. You must separate your company and your project. Your company can, of course, make profit but the project cannot. If the project generates income, you must state and report this income as it may affect the grant. This is because the EU cannot distort the competition by allowing the grants to be used directly for profit making. This is of course different for loans and equity.

Wait for the evaluation

The evaluation process varies slightly based on the call, but the basic idea is the same everywhere. The **evaluators** are industry experts, professors, venture capitalists, lawyers or any other experts that are the most relevant people to evaluate your proposal.

Evaluators work under pressure and have limited time to evaluate each application so all the important information must be in easy-to-read format and the application should not raise any questions. There are usually 3-6 evaluators and none of them can be from the same country as the applicant. They evaluate the application based on a specific set of evaluation criteria and give points usually from 0 to 5 or give a decision of GO / NO GO.

In some cases, you will be **interviewed**! Please check the call details to see if an interview is included in your call.

5. GOT FUNDED?

Congratulations on getting funding! Good for you, but what comes next? You are still far from achieving the results that you are expecting. If you did a good job during the project preparation phase, you have a good starting point for the execution of the project.

Regardless of whether you are starting to build the next ground-breaking personal communication device, the world-changing AI-enabled software solution, or a large-scale biorefinery, you need to sharpen the purpose. What is the big goal or vision that all partners should be working towards and how to achieve the result?
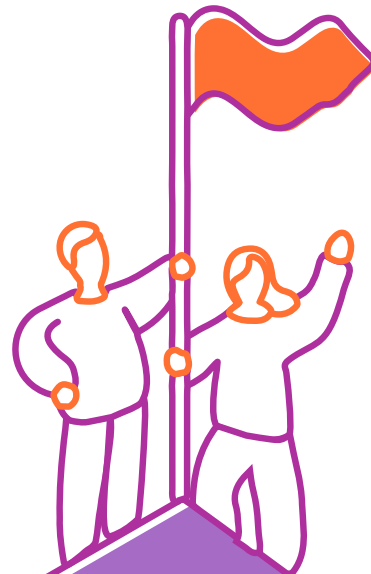
Revisit your project application

Revisit discussion on partner agreements and IPR (if you have a consortium)

Start arranging a kick-off meeting to get started

Save time to prepare grant agreement with the EC

Read more here:

www.eufundingplaybook.fi

This playbook was created by

Teknologiateollisuus   **KEMIAN**TEOLLISUUS   Energiateollisuus   SPINVERSE