



## **A PLEA**

### **FOR AN INSTRUMENT DEDICATED TO SMEs IN THE NEXT EU FRAMEWORK PROGRAMME FOR RESEARCH AND INNOVATION**

Micro, Small and Medium-size Enterprises are fundamental contributors to the European GDP and key players of the European innovation landscape. They represent a heterogeneous population of firms ranging from well-established companies to start-ups and research-backed spin-offs whose contributions to the innovation system are broad and diverse. Their approach to innovation includes not only R&D based new products and services, but also improved designs and processes and the adoption of new technologies and business models.

With the aim of boosting competitiveness, creating jobs and supporting growth, Horizon Europe, the next R&I Framework Programme, shall continue to put emphasis on areas of research and innovation referred to high innovative enterprises or with a strong entrepreneurial dimension and where mastering new technological opportunities will enable and drive innovation. Any policy to increase enterprise innovation capacities must be targeted to meet the needs of a variety of players, have different objectives, and use multiple approaches and tools.

The proposal of the Commission to maintain the future European Innovation Council - EIC on the frontend of breakthrough innovation is welcome. Nonetheless it is essential to highlight that innovation with high-impact on societies is also enabled by continuous improvement in existing product, services or business models. These processes are crucial to foster a sustainable entrepreneurship and to favour a more competitive Europe. Indeed, such a broad definition of innovation calls for the creation of a wide range of financial measures which can support all innovative companies acting in a competitive market.

The funding schemes should be designed to underpin this broad and balanced concept of innovation, offering support to all innovative businesses. On this basis, we ask that an SME-dedicated instrument is preserved and implemented, removing obstacles which prevent access to funding and cause a very low success rate for applicants. The SME instrument of Horizon 2020 has successfully provided many European small-and-medium-size companies with the opportunity to develop highly innovative projects, foster business development and nurture the EU innovation ecosystem. It should be replicated - by maintaining the mono-beneficiary nature and the current structure in different phases - in the next Framework Programme, with a substantial budget in line with its ambitious goals.

This is a key pre-condition to contribute to the competitiveness and modernisation of Europe, where SMEs play a fundamental role as an important component of the whole innovation eco-system.