EU FUNDING opportunities for SMEs in Serbia 2013 and beyond
Foreword

In January 2011, the programme ‘Assistance to the Competitiveness and Compatibility for the EU of Serbian SME’ (ACCESS) commenced within the framework of bilateral development cooperation between the Government of the Republic of Serbia and the Government of the Federal Republic of Germany. The programme is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and is financed by the German Federal Ministry for Economic Cooperation and Development (BMZ).

With its overall objective ‘to improve the conditions for an enhanced competitiveness of Serbian SMEs on regional and EU-markets’, ACCESS is implemented through four components: Business and investment climate, Development of innovation systems, Quality infrastructure, and Absorption capacity for EU programmes. All four components are linked in order to reach the objective of the programme. In this way, interventions are oriented in all components alongside selected sectors: ICT, organic agro-industry, construction materials and energy-efficient services, mechanical engineering and environmental technologies.

This Handbook is prepared within Component IV, ‘Absorption capacity for EU programmes’ and its overall objective is to improve the participation of Serbian SMEs in EU funded-programs, contributing to their long-term competitiveness on the regional and EU markets. While Serbia’s institutional capacity for the implementation and promotion of EU funds has immensely developed over the years, it is still evident that there are vast misconceptions in the private sector as to what funds are open to them and how they can apply. Despite the growing media attention and references to ‘EU funds’, differences between the pre-accession fund (IPA) and EU programmes are still blurred and, with the lack of ‘one stop shop’ for SMEs, it is apparent that they are not making the best use of potential funding.

2013 will be the last year for programming of EU-funds under the current EU budget as the new seven-year EU financial perspective will be starting in 2014. Even though this Handbook cannot perform the role of a ‘one stop shop’, it will lay out all the most relevant calls for proposals for SMEs in 2013, summarising basic procedures, eligibility criteria, financial requirements, at the same time providing examples of successful projects from the past.

The specific purpose of this handbook is therefore twofold: to help SMEs make best use of available funding in 2013 by laying out eligible programmes for next year and to broadly introduce the new financial perspective 2014-2020. In the wake of the global economic crisis, support to the private sector will increasingly gain in prominence in terms of EU support and it is thus crucial for Serbian private sector to get involved from the very start.

We wish to thank the many individuals at the Serbian Government’s European Integration Office, the Ministry of Finance and Economy and the National Agency for Regional Development who contributed their valuable advice and resources to the creation of this Handbook.

Programme Director
Tobias Stolz
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Introduction

Section 1
Serbia is facing great challenges in the European Union accession process, namely in terms of having to adjust to the *acquis communautaire* (the total body of EU legislation). On the other hand, the EU accession process also presents the opportunity to benefit from the financial resources of the EU budget. By joining the EU, Serbia will have access to substantial financial resources to support development goals and speed up the growth and development of its economy and society as a whole. To use these opportunities both for public and private sector in the best way, it is important to understand the workings of the EU Programmes and other available EU funds.

Supporting SMEs is a cornerstone of the EU’s drive for growth and jobs. Since 99% of all EU companies are small and medium-sized enterprises (SMEs), accounting for 67% of jobs, it’s clear that what is good for small businesses is good for Europe’s economy.

The ‘EU Programmes’ are a series of integrated measures, financed from the general budget of the EU, aiming to strengthen the cooperation regarding EU policies for a period of time (currently 2007-2013). All Member States, Accessing and Candidate countries have the opportunity to participate in the programmes, although, as a main condition of participation, an annual fee has to be paid to the EU budget by participating states – ‘entry ticket’. Each participating country opens a national programme contact point(s), office or agency (either within a competent Ministry or within a separate organisation) whose task is the collection of information and mediation in order to assist the national applicants.

The main difference between ‘EU Programmes’ on the one hand, and Instrument for Pre-accession Assistance on the other, is the latter is focused exclusively on pre-accession countries and supports their accession path towards the EU, while EU Programmes are focused on EU Members States, with the possibility for pre-accession countries to participate in selected Programmes, for implementation of EU policies in different areas.
This Handbook is primarily designed for two audiences. The first are entrepreneurs running micro, small or medium-sized enterprises who are interested in applying for EU Programmes aimed at SMEs.

The second audience are the national, regional and local officials who promote and run various schemes, process the applications and ensure that companies satisfy the eligibility criteria for support.

The Handbook provides up-to-date information on the two programmes that are most relevant to the private sector and represents an effective navigation tool for SMEs in the vast array of opportunities. Information on different aspects and support mechanisms available under EU programmes is spread over too many different sites and institutions which cause information gathering and research to be difficult and time consuming. Therefore, the aim of this Handbook is to support SMEs in the identification and understanding of the selected EU programmes.

Section 2 of the Handbook provides information on the Instrument for Pre-accession Assistance (IPA) in Serbia and presents a brief and basic overview of IPA and selected examples of completed project supporting SME sector, as well as IPA related SMEs business opportunities.

Section 3 lists out all EU programmes open in Serbia. In this section we will focus on two EU Programmes, in particular those segments of programmes targeting SMEs: the 7th Framework Programme on Research and Development and the Competitiveness and Innovation Programme.

Most EU programmes are implemented through projects. Given that the funding is made available at the European level, the project needs to have a European dimension – an explicit European purpose which gives the project ‘European added value’. However, the way European dimension is specified varies between different programmes. Often, the European Commission (EC) also requires that the results of the project are relevant even outside the countries included in the project. EU financing in EU Programmes usually covers up to 75% of the total cost of a project. The rest (of co-financing) comes from own resources and in some cases, national funds, other donors or private sponsors (in certain cases as costs of support staff and office resources). Bearing in mind all these requirements and differences between the programmes, in this section the Handbook provides details on the aims of the programmes, eligibility and financing criteria, implementation requirements, examples of projects in the EU and Serbia (where applicable) and outlines calls for proposal for 2013.

Section 4 presents the future of EU Programmes for the 2014-2020 budgetary period by focusing on the new programmes, as well as the programmes that continue to exist. Financing of the private sector will gain in prominence in the new budgetary period and it is crucial for the private sector in Serbia to be fully familiar with new rules and opportunities for support.
Instrument for Pre-accession Assistance (IPA) in Serbia

Section 2
Under the Instrument for Pre-accession Assistance (IPA), the EU finances projects that lead to full harmonisation of national legislation with the acquis communautaire (or ‘EU acquis’: the accumulated legislation, legal acts and court decisions that constitute the body of EU law), the full application of harmonised legislation, and preparation for implementation of EU cohesion and agricultural policies. The financial value of the IPA programme for 2007–2013 totals nearly €11.5 billion, of which €1.4 billion has been allocated to Serbia.

IPA Components

IPA is made up of five components which address the priorities of the beneficiary countries.

1. Support for Transition and Institution-building (provides support to Capacity Building, Institution Strengthening).
2. Cross Border Cooperation (provides support Beneficiary Countries in the area of Cross Border Cooperation between themselves or with Member States).
3. Regional Development (provides support the countries preparations for the implementation of Cohesion Policy and in particular ERDF).
4. Human Resources Development (provides support to preparation for Cohesion Policy and in particular European Social Fund)
5. Rural Development (provides support to preparation for the Common Agricultural Policy and related Policies for the European Agricultural Fund for Rural Development)

Serbia is still using support only from first two components.

Existing IPA ensures support to Serbian economy through transposing EU directives, enhancing consumer protection, supporting the enforcement of intellectual property rights, improving the quality, range and availability of business support services, supporting cluster development, supply chain development, export promotion and innovation within SMEs and technology transfer through an enhanced institutional framework, improvement in the business support infrastructure, strengthening conformity assessment structure and development of instruments for financing SMEs innovations, as well as through supporting activities linking tourism potential to economic development, identifying the attractiveness of tourism products and positioning Serbia within the global tourism market.

IPA is important for SMEs since it enhances the overall environment relevant for SMEs performance and at the same time presents business opportunity for SMEs through implementation of tenders.
Different types of companies in various fields of activities can benefit from IPA funds: consulting, service providers, equipment suppliers, engineering companies, research and development companies, etc. Participation in the award of IPA procurement (service, supply and works tenders) or grant contracts is open to all natural and legal persons and international organisations. As such, natural persons must be nationals of, or legal persons established in:

- a Member State of the EU or the European Economic Area (EEA)
- a country that is a beneficiary of the IPA, or
- a country that is a beneficiary of the European Neighbourhood and Partnership Instrument (ENPI).

The IPA funds are disbursed through the programmes and projects that contribute to the realisation of national strategic priorities and EU policies. Private companies can apply for tenders to implement different kinds of projects in which the required tasks cover a wide variety of subjects.

**Types of contracts**

The types of contracts that may offer opportunities to private companies are:

- Services (technical assistance, studies, provision of know-how and training);
- Supplies (equipment and materials);
- Works (infrastructure and other engineering works);
- Secondary procurement (projects implemented through grant schemes).

The calls for tenders are announced by the EU Delegation and relevant Serbian government institutions. Participation in the tenders is open under equal terms to all qualified natural and legal persons. Tender procedures for all kind of contracts established by the European Commission for procurement under the IPA programme are consolidated in the Practical Guide to Contract procedures for EU external actions (PRAG). PRAG rules also define the eligibility criteria for the bidders, which consist of: the rule on nationality, the rule on origin of goods, and the rules describing grounds for exclusion.

PRAG rules also define the eligibility criteria for the bidders, which consist of: the rule on nationality, the rule on origin of goods, and the rules describing grounds for exclusion.
For more information and practical advices on how to participate on IPA tenders consult manual prepared by Serbian Europa Integration Office:

http://www.evropa.gov.rs/Evropa/ShowDocument.aspx?Type=Home&Id=536

New IPA

At the beginning of 2012, European institutions adopted a proposal for a regulation of a new instrument for support which will cover the period 2014-2020. The new instrument will continue to focus on delivering on the EU Enlargement Policy, which among other things will contain support to private sector development.

The new proposal focuses on the simplification of regulations through the introduction of principal policy areas, instead of components:

- Transition process towards Union membership and capacity building;
- Regional development;
- Employment, social policies and human resources development;
- Agriculture and rural development;
- Regional and territorial cooperation.

The main difference between IPA and EU Programmes is that IPA is intended only for pre-accession/accession countries to support them on their way to EU membership, while EU Programmes are intended to Member States, but open to other countries as well. The main differences are between IPA and EU Programmes are listed in the table below:

<table>
<thead>
<tr>
<th>IPA</th>
<th>EU Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open only for pre-accession/accession countries</td>
<td>Open to EU Member States, but open to other countries as well</td>
</tr>
<tr>
<td>Beneficiaries are mainly state institutions, while projects have strong connection to implementation of the acquis communautaire.</td>
<td>Beneficiaries of the projects can apart from state institutions include SMEs, institutes, nongovernmental organisations, education institutions, etc.</td>
</tr>
<tr>
<td>Co-financing is mandatory at the project level</td>
<td>Entry ticket is paid by the state, while the co-financing is mandatory at the project level</td>
</tr>
<tr>
<td>Selection of projects are responsibility of central state institutions</td>
<td>Selection of projects are responsibility of European commission (in some specific cases in consultations with state institutions)</td>
</tr>
</tbody>
</table>
Some of IPA funded projects in Serbia relevant for SMEs are: Support to Enterprise Competitiveness and Export Promotion, Improved Serbian SME Competitiveness and Innovation and Innovation Serbia Project.

**Support to Enterprise Competitiveness and Export Promotion - SECEP.** SECEP is carrying out activities under three interlinked components, namely: cluster development, which supports groups of companies and partner institutions to undertake joint activities leading to improvement of overall business performance and growth in competitiveness; supply chain development, which is designed to improve the management processes and business performance of individual SMEs from a number of key sectors to enhance their prospects of integration into international supply chains; and internationalisation, which is focused on enabling SMEs to connect internationally with foreign business partners by fostering the development of cluster and exporter networks.

**Improved Serbian SME Competitiveness and Innovation - ICIP.** ICIP contributes to the development of the SME sector and improvement of the competitiveness of new and existing businesses through two components. Component 1 of the ICIP, business support to small and medium-sized enterprises, focuses on creating a standardised model of business support services in Serbia and improving the business support infrastructure that will enhance the creation of more SMEs, and improve their survival rates and competitiveness. Component 2 of the ICIP, competitiveness through innovation for economic growth, focuses on supporting competitiveness and innovation through capacity building of both government institutions and specialist Business Innovation Support Organisations (BISOs).

The purpose of **Innovation Serbia Project** is to foster the competitiveness of the Serbian economy by improving the link between R&D and economic development through the capacity building of the Innovation Fund, implementation of financial instruments supporting enterprise innovation by the Innovation Fund and provision of technical assistance to selected research and development institutes.
EU programmes available for Serbia

Section 3
EU programmes available for Serbia are listed in the following table:

<table>
<thead>
<tr>
<th>EU PROGRAMME/WEBSITE</th>
<th>ABOUT THE PROGRAMME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seventh Framework Programme for Research, Technological</td>
<td>EU’s main instrument for funding research in Europe, also designed to respond to Europe’s employment needs, competitiveness and quality of life.</td>
</tr>
<tr>
<td>Development and Demonstration Activities – FP7</td>
<td></td>
</tr>
<tr>
<td>Progress</td>
<td>Financial instrument supporting the development and coordination of EU policy in the areas of employment, social inclusion and social protection, working conditions, anti-discrimination and gender equality.</td>
</tr>
<tr>
<td><a href="http://ec.europa.eu/social/main.jsp?langId=en&amp;catId=327">http://ec.europa.eu/social/main.jsp?langId=en&amp;catId=327</a></td>
<td></td>
</tr>
<tr>
<td>Culture</td>
<td>The programme aims to achieve three main objectives: to promote cross-border mobility of those working in the cultural sector; to encourage the transnational circulation of cultural and artistic output; and to foster intercultural dialogue.</td>
</tr>
<tr>
<td><a href="http://ec.europa.eu/culture/index_en.htm">http://ec.europa.eu/culture/index_en.htm</a></td>
<td></td>
</tr>
<tr>
<td>The Competitiveness and Innovation Framework Programme-</td>
<td>The programme focuses on supporting small and medium-sized enterprises (SMEs) in the area of energy efficiency and renewable energy sources, environmental technologies, entrepreneurship and a better use of information and communication technology.</td>
</tr>
<tr>
<td>CIP</td>
<td></td>
</tr>
<tr>
<td><a href="http://ec.europa.eu/cip/">http://ec.europa.eu/cip/</a></td>
<td></td>
</tr>
<tr>
<td>Customs 2013</td>
<td>The programme gives the national customs administrations of the EU, together with the European Commission, the opportunity to co-operate in areas of common and high interest.</td>
</tr>
<tr>
<td><a href="http://ec.europa.eu/taxation_customs/customs/cooperation">http://ec.europa.eu/taxation_customs/customs/cooperation</a></td>
<td></td>
</tr>
<tr>
<td>programmes/customs_2007/index_en.htm</td>
<td></td>
</tr>
<tr>
<td>EU PROGRAMME/WEBSITE</td>
<td>ABOUT THE PROGRAMME</td>
</tr>
<tr>
<td>----------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Fiscalis 2013</td>
<td>EU cooperation programme enabling national tax administrations to create and exchange information and expertise.</td>
</tr>
<tr>
<td><a href="http://ec.europa.eu/taxation_customs/taxation/tax_cooperation/fiscalis_programme/index_en.htm">http://ec.europa.eu/taxation_customs/taxation/tax_cooperation/fiscalis_programme/index_en.htm</a></td>
<td></td>
</tr>
<tr>
<td>Safer Internet Programme</td>
<td>The programme aims at empowering and protecting children and young people online by awareness raising initiatives and by fighting illegal and harmful online content and conduct.</td>
</tr>
<tr>
<td>Life Long Learning Programme</td>
<td>The programme funds actions such as exchanges, study visits and networking activities, intended for all actors involved in education and training.</td>
</tr>
<tr>
<td>Europe for Citizens</td>
<td>Through this programme, citizens are involved in transnational exchanges and cooperation activities, contributing to developing a sense of belonging to common European ideals and encouraging the process of European integration.</td>
</tr>
</tbody>
</table>

We will focus on two EU Programmes targeting SMEs: the 7th Framework Programme on Research and Development and the Competitiveness and Innovation Programme.
3.1.1 About the programme (objectives and components)

Framework Programmes for Research and Technological Development exist since 1984 and so far there have been seven of them (last called FP7). They have all been designed by the European Union to support collaborative research, development and innovations in science, engineering and technology. Duration of this programme corresponds to the period covering the European Financial (Budget) framework. The total programme budget is over € 50 billion, which represents an increase compared to the previous period 2000-2006 and this trend will continue in the next financial framework, post 2014. (More on this in Section five)

The Framework Programmes for Research have two main strategic objectives:

- to strengthen the scientific and technological base of European industry;
- to encourage its international competitiveness, while promoting research that supports EU policies.

Although at a first glance one might conclude that these programmes are opened only to research institutions and universities, the Framework Programmes are actually open to EU public and private entities of all sizes also allowing participation to entities other than those originating from EU Member States. What is more important is that there are no national quotas as the Programmes are operated on a competitive basis with proposals being evaluated by panels of independent experts against set criteria.

The Framework Programme is divided into five building blocks (subprogrammes) which specify subjects/thematic areas for funding.

1. Cooperation

Cooperation subprogramme fosters collaborative research across Europe and other partner countries through projects by transnational consortia of industry and academia. Research will be carried out in ten key thematic areas:

- Health
- Food, agriculture and fisheries, and biotechnology
- Information and communication technologies
- Nanosciences, nanotechnologies, materials and new production technologies
• Energy
• Environment (including climate change)
• Transport (including aeronautics)
• Socio-economic sciences and the humanities
• Space
• Security

2. Ideas

The Ideas programme will support “frontier research” solely on the basis of scientific excellence. Research may be carried out in any area of science or technology, including engineering, socio-economic sciences and the humanities.

3. People

The People programme provides support for researcher mobility and career development, both for researchers inside the EU and internationally. It is implemented via a set of Marie Curie actions, providing fellowships and other measures to help researchers build their skills and competences throughout their careers:

- Initial training of researchers - Marie Curie Networks
- Industry-academia partnerships
- Co-funding of regional, national and international mobility programmes
- Intra-European fellowships
- International dimension - outgoing and incoming fellowships,
- international cooperation scheme, reintegration grants
- Marie Curie Awards

4. Capacities

The Capacities programme strengthens the research capacities that Europe needs if it is to become a thriving knowledge-based economy. It covers the following activities:

- Research infrastructures
- Research for the benefit of SMEs
- Regions of Knowledge
- Research Potential
- Science in Society
- Specific activities of international cooperation

5. Nuclear Research

The programme for nuclear research and training activities comprise research, technological development, international cooperation, dissemination of technical information, and exploitation activities, as well as training.
FP7 provides financial support for transnational research for and by SMEs wishing to innovate and improve their competitiveness, by enhancing their investment in research activities to acquire new knowledge for growth. Out of four specific subprogrammes programmes, three of them have direct relevance for SMEs. These are:

- **Cooperation** which promote collaborative research;
- **People** which develop human potential; and
- **Capacities** which strengthen research capacity.

Just like any other organisation, research teams (individuals) from SMEs can also compete in the fourth **Ideas** subprogramme, but the most typical programmes remain the mentioned three.

Allocated funds under this FP7 are spent on grants to research actors all over Europe and beyond, in order to co-finance research, technological development and demonstration projects. However, in order to complement the national research programmes, activities funded from FP7 must have a "European added value". One key aspect of the European added value is the transnationality of actions: research projects are carried out by consortia which include participants from different European (and other) countries.

The Framework Programmes offer valuable opportunities for Serbian SMEs and academic researchers to participate in high-quality research collaborations with their European counterparts, with the support of EU funding. The bottom line of this programme is to support moving new discoveries and products to commercialisation and approval.

Applying to FP7 may seem difficult for companies, due to this multi-level approach and complexity of the programmes. Luckily, in all EU Member States and in the countries associated with FP7, **National Contact Points** ("NCPs") have been set up to give personalized help and advice to researchers and organisations intending to participate. The best possible way to start this process is to contact your NCP and explain your situation and your ideas. The NCP’s job is to direct you to the part of FP7 that might be of interest to you and to help you with your application. With their support, getting through the necessary paperwork will be much easier.

In addition to NCPs, the European Commission has established the Enterprise Europe Network, which functions as a ‘one-stop shop’ to meet all the information needs of SMEs and companies in Europe. Services range from expert advice to information on EU legislation, help in finding a business partner, benefiting from innovation networks in region or information on funding opportunities. Contacts of EEN is Serbia are presented on page 43.
3.1.2 Eligibility criteria

While in principle FP7 participants can be based anywhere, there are different categories of countries which may have varying eligibility for different work programmes:

- EU Member States
- Associated countries — with science and technology cooperation agreements that involve contributions to the framework programme budget;
- Candidate countries — currently recognised as candidates for future accession (Serbia falls under this category);
- Third countries - the participation of organisations or individuals established in countries which are not Member States, candidates or associated should also be justified in terms of the enhanced contribution to the objectives of FP7.

For every thematic area of FP7 subprogramme each year during the life span of the Framework Programme, Commission develops the Work Programme, which specifies in more details the conditions regarding the minimum number of participants, or additional conditions on the type of participant or place of establishment, other than those specified in the Rules for Participation (document of the common nature). However the most specific data concerning the application to a grant is in the relevant call for proposal.

There are some general rules to the number of participants in the consortia, especially related to the countries they originate from. Therefore it is important to introduce yourself in detail with the relevant work programme and more specifically with calls of proposals. However the first precondition is to determine whether you fall into the category of SME, according to EU rules.

Work programmes for the FP7 themes for 2013 can be found on the following web page:

There are some general rules to the number of participants in the consortia, especially related to the countries they originate from. Therefore it is important to introduce yourself in detail with the relevant work programme and more specifically with calls of proposals. However the first precondition is to determine whether you fall into the category of SME, according to EU rules:

Is my company an SME according to EU criteria?

- Is the organisation an enterprise, i.e. engaged in economic activity?
  - Does it have fewer than 250 employees?
  - Does it have an annual turnover not exceeding EUR 50 million?*
    - Is it autonomous??

Fits EU criteria as SME

Seek sources of funding elsewhere

* Or does it have a balance sheet total not exceeding EUR 43 million? To answer Yes, one of these 2 conditions must be met.

** AUTONOMOUS ENTERPRISES: My enterprise holds less than 25% (capital or voting rights) in another and/or another holds less than 25% in mine.
Once you have determined that your organization fits in the criteria of eligibility by country and by type of business, you need to know whether you are Research-performing SME or Research-acquiring SME.

- **Research-performing SMEs** are those who have the ability to conduct research in-house and which dedicate at least 10% of their turnover or full-time equivalent (FTE - employed persons) to research and development activities.
- **Research-acquiring SMEs** are those who need to outsource their research to a university or research centre, which will perform the research on their behalf.

Depending to which category of SME you fall into you will choose the appropriate sub-programme of FP7.

SMEs which fall in the category of “Research-performing SMEs” should seek support under the subprogrammes Cooperation and People, while those which fall in the category of “Research-acquiring SMEs” should seek support under the subprogramme Capacities.
3.1.3 Subprogrammes of FP7

3.1.3.1 Cooperation

The Cooperation Programme is the largest component of FP7 with a share of two thirds of the overall budget. Cooperation covers **collaborative research through transnational consortiums in ten themes**. Every of 10 listed themes have its own SME strategy. While the main idea of this component is to devote at least 15% of budget funding for SMEs, this is not uniform throughout the themes. Specification of participation of SMEs and available funding is prescribed by the relevant Calls for Proposals. However, expected results of the projects funded under Cooperation must be of interest and potential benefit to SMEs, and the consortia should have a significant share of the requested EC funding going to SMEs.

Calls for proposals (for more information please see Section 3.1.4) under the prescribed themes are launched under the different funding schemes:

- Collaborative projects and networks: Collaborative Projects, Network of Excellence, Coordination and Support Actions
- Joint Technology Initiatives (JTI): public-private partnership bringing together industry, research institutions and the public in a specific area of interest to define and fund research projects.
- Coordination of national research programmes: networks bringing together national research programmes and agencies to launch transnational research activities (ERA-NET)
- International Cooperation: integration of international researchers and research institutions into collaborative projects and networks.
**Project example-Cooperation**

**FP7 Specific programme:** Cooperation  
**Research theme:** Nanosciences, nanotechnologies, materials and new production technologies  
**Funding scheme:** Coordination (or networking) actions

**Project name:** 2BFUNTEX - Boosting collaboration between research centres and industry to enhance rapid industrial uptake of innovative functional textile structures and textile-related materials in a mondial market.

2BFUNTEX will exploit the untapped potential in functional textile structures and textile related materials. It will bring together all innovation actors in the field fostering a multidisciplinary approach between universities, research institutes, SMEs (in textile 95% of the companies are SMEs) and sector associations. The 2BFUNTEX team will identify technological gaps and will eliminate barriers resulting in a faster industrial uptake of added value functional materials with new functionalities and improved performance, resulting in creation of new business worldwide.

**Project website:** http://www.2bfuntex.eu  
**Total Cost:** 1,828,317 EUR  
**EU Contribution:** 1,467,500 EUR  
**Project Coordinator:** UNIVERSITEIT GENT, BE  
Other partners: 26 partners from 16 European countries - universities, research institutes, SMEs, industrial associations, national innovation agencies.
3.1.3.2 People

The Marie Curie Actions (People Programme in FP7) are focused on **training, mobility and career development of researchers**. Marie Curie Actions are based on the so-called “Industry-Academia Partnerships and Pathways” (IAPP) schemes which aim to support establishing of the long-term research cooperation between the public and the private sector. Funding is provided mainly for staff exchange, recruitment and networking activities but there is also a contribution to research costs and equipment costs for SMEs. Applicants may be situated in EU Member States, associated countries and third countries. All research areas are eligible, since there are no thematic priorities. Under these schemes consortium consisting of one research organisation from the public sector (university, research centre) and one from the private sector (any size: SME, large company) are the most common, but there is no predefined maximum number of participants. Proposals must include as a minimum at least one organisation from each sector. The different participating organisations should be either from at least two different Member States or an associated country and a Member State.

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**Project example-People**

**FP7 Specific programme:** People  
**Research theme:** Marie Curie Action: “Industry-Academia Partnerships and Pathways”  
**Funding scheme:** Coordination (or networking) actions

**Project name:** IHACS  
**Budget Total Cost:** Project cost: 443,000 EUR  
**EU Contribution:** 443,000 EUR  
**Project coordinator:** ELECTRONIC SYSTEMS AND SOFTWARE APPLICATIONS S.A. - SENSAP SA, GR  
**Other partners:**  
- CENTER FOR RESEARCH & TECHNOLOGY – THESSALY, GR  
- ECOLE POLYTECHNIQUE FEDERALE DE LAUSANNE, CH  
- SENTRONIS AD, RS

Electronic systems for smart power control are being increasingly installed in modern electrically-propelled vehicles, motors, and actuators. The functionality of such controllers relies primarily on electric current sensors capable of monitoring precisely pulsed currents. The IHACS project aims at the development of a new family of very compact, galvanically isolated, open-loop, wide-band, self-calibrating current sensors. The sensors are based on sophisticated multi-axes CMOS HALL magnetometers with no ferromagnetic parts that employ a new, elaborate technique for sensitivity stabilization against temperature effects.
3.1.3.3 Capacities

The Capacities subprogramme is divided into six broad areas. One of these “Research for the benefit of SMEs” is aimed specifically at small to medium-sized enterprises and their associations wishing to outsource their research. It is intended to strengthen the innovation capacities of SMEs and help develop new products and markets. Outsourcing will allow SMEs to increase their research efforts, acquire technological know-how, extend business networks and improve the exploitation of research results. Research-acquiring SMEs can receive support as individual SMEs through the “Research for SMEs” scheme or as SME associations through the “Research for SME Associations” scheme.

a) “Research for SMEs” scheme

This scheme is intended for SMEs that need to ‘acquire’ research by outsourcing, such as low to medium technology SMEs with little or no research capacity, or research intensive SMEs that need to outsource in order to complement their core research capability. Projects are intended to create new knowledge or produce results with clear potential to improve or develop new products, processes or services for the SMEs taking part in them.

Within the framework of each project, the “Research for SMEs” scheme will support SMEs in:

- **Research and technological development activities (RTD)** are those which represent the core of the project with a major contribution from the RTD performers. SMEs focus on specifications, testing and validation of project results and the preparatory stages for further use.
- **Demonstration activities (DEMO)** are designed to prove the viability of new technologies that offer a potential economic advantage but which cannot be commercialised directly (e.g. testing of product-like prototypes). This is the last development stage before products or processes enter production.
- **Other activities (OTHER)** facilitate the take-up of results by the SMEs, in particular training and dissemination.
- **Management activities (MANAG)** are a regular part of the project and provide an appropriate framework that brings together all project components and maintains regular communications with the Commission.

Taking into account the situation in Serbia and the low level of investments in research and development by SMEs in Serbia (less than 1% of GDP), this programme can be potentially attractive to those companies seeking external financing of R&D activities.
What does this mean in practice?

This scheme actually funds a typical relationship between a SME which wants to outsource know-how from RTD performer with the aim to develop new or to improve existing products, systems, processes or services. The idea behind is to allow SMEs to further develop their activities by buying knowledge from RTD performers who sell their expertise and work. The process functions in a way that SMEs are financing themselves, with their own resources, initial specifications and, later on validation and testing of the acquired knowledge.

In this context, the real investment or cost incurred by the SMEs includes the price they pay for the know-how they wish to acquire: the Intellectual Property Rights and knowledge developed during the project. Part of the occurred costs is actually covered by EC through this programme, using the following funding model:

- Research and technological development activities: maximum of 50% of the eligible costs. However, for SMEs, non-profit public bodies, secondary and higher education establishments and research organisations: a maximum of 75%.
- Demonstration activities: maximum of 50%
- Management and other activities: maximum of 100%

These types of projects require participants from the following categories:

- SME participants: At least three independent SMEs, established in three different Member States or associated countries.
- RTD performers: At least two RTD performers which must be independent from any other participant and which can come from any country. 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. They must also be independent from any other participant.

The size of the consortium should typically be between five and 10 participants. The overall budget of the project should typically range from EUR 0.5 million to EUR 1.5 million and the duration of the project should normally be between one and two years.
“Research for SME Associations” scheme
“Research for SME Associations” covers the development of solutions which are common to a number of SMEs in specific industrial sectors or segments of the value chain through research that cannot be addressed under “Research for SMEs”. Projects can, for example, aim to develop or conform to the European norms and standards, and to meet regulatory requirements in areas such as health, safety and environmental protection. Projects must be driven by the SME associations, which are given the opportunity to subcontract research to RTD performers in order to acquire the necessary technological knowledge for their members.

Types of activities

Types of activities are similar to those intended for individual SMEs, but instead of SMEs the focus is on SMEs associations.

Co-financing rates for this scheme are:

- Research and technological development activities: maximum of 50 % of the eligible costs. However, for SMEs, non-profit public bodies, secondary and higher education establishments, and research organisations: a maximum of 75 %. (SME associations, which fulfil any of the above mentioned conditions, qualify for a higher funding rate)
- Demonstration activities: maximum of 50%
- Management and other activities: maximum of 100%

These types of projects require participants from the following categories:

- **SME participants**: At least three independent SME associations/groupings, established in three different Member States or associated countries or one European SME association/grouping. SME associations/groupings are legal persons, composed mostly of and representing the interests of SMEs (e.g. industrial associations, national or regional industrial associations and chambers of industry and commerce).
- **RTD performers**: At least two RTD performers which must be independent from any other participant and which can come from any country. Examples of RTD performers are universities, research organisations and industrial companies, including research performing SMEs.
The size of the consortium should typically be between **10 and 15 participants**. In addition, the SME end-users group should be limited to 2 to 5 members. The overall budget of the project should typically range between **€1.5 million to €4.0 million** and the duration of the project should normally be between **2 and 3 years**. If a project deviates from these recommendations a justification is required.

**Project example-Capacities**

**FP7 Specific programme:** Capacities  
**Research theme:** Research for the benefit of SMEs

**Project name:** A novel system for the treatment of milk based on the combination of ultrasounds and pulsed electric field technologies

This project will build on the research and will build prototype system on thermosonication (TS) combined with pulsed electric field (PEF). It will be tested and validated in milk production facilities. A key innovation of the SmartMILK project will centre on optimising the combination of TS and PEF, whereby TS can assist the treatment technology resulting in a lesser degree of thermal damage in milk, thereby retaining more of the organoleptically and nutritionally favourable characteristics of the fresh product, while potentially achieving similar or superior shelf life to the conventional treatment.

**Project website:** http://www.smartmilk.eu  
**Budget Total Cost:** 1,524,647 EUR  
**EU Contribution:** 1,146,043 EUR  
**Project coordinator:** INNOVACIO I RECERCA INDUSTRIAL I SOSTENIBLE S, ES  
**Other partners:**
- GLYNHYNOD ORGANIC FARMERS PARTNERSHIP, UK
- JWC SERVICES LTD, UK
- HIGHLAND FINE CHEESES LIMITED, UK
- AGENCIA ESTATAL CONSEJO SUPERIOR DE INVESTIGACIONES CIENTIFICAS, ES
- ARLA FOODS AMBA, DK
- INGENIERIA Y MAQUINARIA PARA LA INDUSTRIA LACTEA SL, ES
- MURATBEY GIDA VE SUT URUNLERI PAZARLAMA SANAYI VE TICARET LIMITED SIRKETI, TR
- ATASANCAM ACPAYAM TARM ISLETMESISANAYI VE TICARET AS, TR
- BIOCONNECT LTD, IR
- DUNREIDY ENGINEERING LIMITED, IR
- UNIVERSITY COLLEGE DUBLIN, NATIONAL UNIVERSITY OF IRELAND, IR
- EL PASTORET DE LA SEGARRA SL, ES
### 3.1.4 Types of funding schemes

Funding of a grant application under the FP7 programme can be implemented under different set of rules defined under something which is called **funding scheme**. All of these schemes have its own rules, but we will here present only first type of funding schemes, as they have most importance for SMEs. Each of the call for proposal set the type of funding scheme.

**a) Collaborative Projects (CP)** scheme represent support for research projects carried out by consortia with participants from different countries, aiming at developing new knowledge, new technology, products, demonstration activities or common resources for research. The size, scope and internal organisation of projects can vary from field to field and from topic to topic. Projects can range from small or medium-scale focused research actions to large scale integrating projects for achieving a defined objective. Projects should also target special groups such as SMEs and other smaller actors.

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Developing new knowledge, new technology, products, including scientific coordination. Demonstration activities or common resources for research.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific programmes concerned</td>
<td>Cooperation, Capacities</td>
</tr>
<tr>
<td>Minimum conditions</td>
<td>At least 3 independent legal entities, each of which is established in 3 different Member States (MS) or associated country (AS)</td>
</tr>
<tr>
<td>Target audience</td>
<td>Research institutes, universities, industry, SMEs.</td>
</tr>
<tr>
<td>Size and resources</td>
<td>The number of participants and volume of resources should be compatible with overall objective and manageability of the whole endeavour. A distinction between different forms of collaborative projects, based on budgetary thresholds, may be made on a call-by-call basis. Projects can range from small or medium-scale focused research actions to large-scale integrating projects for achieving a defined objective. Any such limits will be applied as eligibility criteria and will be specified in the call text.</td>
</tr>
<tr>
<td>Duration</td>
<td>24–60 months, no formal minimum duration</td>
</tr>
<tr>
<td>Activities</td>
<td>Research, demonstration, management of the consortium, other activities such as dissemination, training</td>
</tr>
<tr>
<td>Form of funding</td>
<td>Based on eligible costs or other forms of grants as specified in the work programme</td>
</tr>
</tbody>
</table>
b) Networks of Excellence (NoE) support activities implemented by a number of research organisations integrating their activities in a given field, carried out by research teams in the framework of longer term cooperation. The implementation of this Joint Programme of Activities will require a formal commitment of the organisations integrating part of their resources and their activities.

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Durable integration of the participants’ research activities/capacities with a view to creating a European virtual centre of research in a dedicate field.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific programmes concerned</td>
<td>Cooperation, Capacities</td>
</tr>
<tr>
<td>Minimum conditions</td>
<td>At least 3 independent legal entities, each of which is established in 3 different MS or AC</td>
</tr>
<tr>
<td>Target audience</td>
<td>Research institutes, universities and companies</td>
</tr>
<tr>
<td>Size and resources</td>
<td>Once the minimum conditions have been satisfied, a range between 3 and 7 participants would seem to be optimal for a NoE.</td>
</tr>
<tr>
<td>Duration</td>
<td>48–60 months</td>
</tr>
<tr>
<td>Activities</td>
<td>Joint programme of activities (JPA):</td>
</tr>
<tr>
<td></td>
<td>• Combination and complementary use of resources of the participants such as mutual access to infrastructure, equipment, material, data and knowledge; exchanges of researchers, managers and technicians; redesign of the research portfolios and the research priorities, and reallocation of the resources in a way to allow increase of the number and the quality of the results produced, while optimising the use of the participants’ capacities.</td>
</tr>
<tr>
<td></td>
<td>• Management of the consortium and where appropriate, training, dissemination and communication activities</td>
</tr>
<tr>
<td>Form of funding</td>
<td>Based on eligible costs or other forms of grants as specified in the work programme</td>
</tr>
</tbody>
</table>
c) Coordination and Support Actions (CSA) represents support for activities aimed at coordinating or supporting research activities and policies (networking, exchanges, transnational access to research infrastructures, studies, conferences, etc.). These actions may also be implemented without calls for proposals. Under Coordination and Support Actions we have two types of activities funded: coordination and supporting.

**c1) Coordination and Support Actions: Coordinating (CSACA)**

<table>
<thead>
<tr>
<th>Purpose</th>
<th>No funding of actual work on the research, development or demonstration activities; Focusing of the scheme is to support coordination of research activities and policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific programmes concerned</td>
<td>Cooperation, People, Ideas, and Capacities</td>
</tr>
<tr>
<td>Minimum conditions</td>
<td>At least 3 independent legal entities, each of which is established in 3 different MS or AC</td>
</tr>
<tr>
<td>Target audience</td>
<td>Research organisations; universities; industry, including SMEs; research programme managers and owners (ERA-NET and Research Infrastructure actions)</td>
</tr>
<tr>
<td>Size and resources</td>
<td>The size, scope and internal organisation of coordination actions and support actions can vary from research theme to research theme and from topic to topic.</td>
</tr>
<tr>
<td>Duration</td>
<td>Few months – 48 months</td>
</tr>
<tr>
<td>Activities</td>
<td>Networking, coordination and dissemination activities. Common type of activities are: the organisation of events – including conferences, meetings, workshops or seminars, related studies, exchanges of personnel, exchange and dissemination of good practices, and, if necessary, the definition, organisation and management of joint or common initiatives, together with management of the action.</td>
</tr>
<tr>
<td>Form of funding</td>
<td>Based on eligible costs or other forms of grants as specified in the work programme</td>
</tr>
</tbody>
</table>
### Coordination and Support Actions: Supporting (CSASA)

<table>
<thead>
<tr>
<th><strong>Purpose</strong></th>
<th>No funding of actual work on the research, development or demonstration activities; Normally focused on one specific activity and often one specific event</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Specific programmes concerned</strong></td>
<td>Cooperation, People, Ideas, and Capacities</td>
</tr>
<tr>
<td><strong>Minimum conditions</strong></td>
<td>At least one legal entity</td>
</tr>
<tr>
<td><strong>Target audience</strong></td>
<td>Research organisations; universities; industry, including SMEs; research programme managers and owners (ERA-NET and Research Infrastructure actions)</td>
</tr>
<tr>
<td><strong>Size and resources</strong></td>
<td>The size, scope and internal organisation of coordination actions and support actions can vary from research theme to research theme and from topic to topic</td>
</tr>
<tr>
<td><strong>Duration</strong></td>
<td>Few months – 48 months</td>
</tr>
<tr>
<td><strong>Activities</strong></td>
<td>monitoring and assessment; conferences; seminars; workshops; working or expert groups or individual expert appointment letters; studies; fact finding; monitoring; strategy development; high level scientific awards and competitions; operational support; data access and dissemination, information and communication activities; management activities; specific services activities related to research infrastructures, such as for example transnational access; preparatory technical work, including feasibility studies for the development of new infrastructures; contribution to the construction of new infrastructures; cooperation with other European research schemes; or a combination of these.</td>
</tr>
<tr>
<td><strong>Form of funding</strong></td>
<td>Based on eligible costs or other forms of grants as specified in the work programme</td>
</tr>
</tbody>
</table>

---

**Calls for 2013**

All calls for FP7 programme can be found on the webpage of the Participant portal on the address

http://ec.europa.eu/research/participants/portal/page/capacities&state=open
3.1.5 Common financial rules for FP7 Programme

Beneficiaries of EU funds under FP7 programme may charge eligible direct and indirect costs. **Direct costs** are those costs directly related to the project, which can be clearly identified and justified by the accounting rules and principles of the beneficiary. **Overhead costs** (also referred to as **Indirect costs**) are those costs which are not directly related to the project, not identified as direct costs and which do not include any costs already directly charged to the project. They are determined in accordance with the accounting principles of the beneficiary but must be related to the project, subject to audit trail and be real.

Eligible costs are actual costs occurred during duration of project in accordance with its usual accounting and management principles and recorded in accounts of beneficiary. Under the actual costs beneficiaries are expressing also average personnel costs which must be consistent with the management principles and accounting practices and they do not significantly differ from the actual personnel costs, identified according to a methodology approved by the Commission.


Examples of eligible **direct costs** are:
- Actual personnel costs
- Equipment/ Consumables
- Subcontracting
- Business trips

Examples of **indirect costs**:
- Costs for general administration and management;
- Office or laboratory space, including rent or depreciation of buildings and equipment and all related expenditures such as water, electricity; maintenance; insurance and safety costs
- Communication expenses, network connection charges, postal charges and office supplies;
- Depreciation of common office equipment such as PC’s, laptops, office software;
- Various consumables
**Non eligible costs** are:

- identifiable indirect taxes including VAT
- duties
- interest owed,
- provisions for possible future losses or charges,
- exchange losses, cost related to return on capital,
- costs declared or incurred, or reimbursed in respect of another EU funded projects, (avoiding double funding),
- debt and debt service charges, excessive or reckless expenditure

Reimbursement rate for projects funded under FP7 programme depend on the type of funding scheme. However it is important to consult relevant call for proposals for exact rules and eligibility of costs.

Reimbursement rates according to funding schemes and type of activities for SMEs are the following:

<table>
<thead>
<tr>
<th>Type of activities/Type of funding scheme</th>
<th>Research and technological development (*)</th>
<th>Demonstration activities</th>
<th>Management of the consortium activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network of excellence</td>
<td>50%</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>75% (***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collaborative project</td>
<td>50%</td>
<td>50%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>75% (***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coordination and support action</td>
<td></td>
<td></td>
<td>100% (****)</td>
</tr>
</tbody>
</table>

(*) Research and technological development includes operational activities directly related to the protection of foreground and coordination of research activities.

(**) Other activities means any “specific activity” covered by Annex I.

(***) For beneficiaries that are non-profit public bodies, secondary and higher education establishments, research organisations and SMEs.

(****) The reimbursement of indirect eligible costs, in the case of coordination and support actions, may reach a maximum 7% of the direct eligible costs, excluding the direct eligible costs for subcontracting and the costs of reimbursement of resources made available by third parties which are not used on the premises of the beneficiary.
3.2.1. About the programme (objectives and components)

The Competitiveness and Innovation Framework Programme (CIP) focuses on supporting small and medium-sized enterprises (SMEs) in the area of energy efficiency and renewable energy sources, environmental technologies, entrepreneurship and a better use of information and communication technology (ICT).

The CIP provides the following types of support:

- Better access to finance through the financial instruments
- Services to companies through the centres under the Enterprise Europe Network
- Grants to pilot and market replication projects in the area of ICT or eco-innovation
- Grants for policy makers for networking and exchange of best practices on innovation policy
- Support to the elaboration of studies to analyse latest trends in SMEs or innovation policies in EU Member States or different industrial sectors at European or global level

The CIP, with an overall budget of €3,621 million, covers 2007-2013 period and comprises three operational sub-programmes aimed at contributing to the competitiveness of enterprises and their innovative capacity in their own areas:

1. The Entrepreneurship and Innovation Programme (EIP) focusing on SMEs
2. The Information Communication Technologies Policy Support Programme (ICT-PSP) to support the adoption of ICTs in businesses, administrations and public sector services
3. The Intelligent Energy Europe Programme (IEE) to support the use, dissemination and exchange of related knowledge and know-how for improving energy sustainability
Entrepreneurship and Innovation Programme (EIP) | 2166
---|---
of which eco-innovation | 430
of which financial instruments | 1,130
of which Enterprise Europe Network | 338
ICT Policy Support Programme (ICT-PSP) | 728
Intelligent Energy Europe Programme (IEE) | 727
**TOTAL** | **3,621**

All three operational sub-programmes of CIP are managed by the European Commission, which is assisted by separate committees consisting of Member States representatives. Each operational programme has a separate annual work programme which needs to be adopted by the European Commission after receiving a favourable opinion of the respective committee. Work programmes are public and available on the websites of the three CIP programmes. Besides work programmes, the EC also adopts annually the support measures, such as analysis, studies, conferences and communication, which are not covered by the annual work programmes. By consulting the work programmes and the support measures potential beneficiaries can have a clear idea about the actions covered by the CIP every year before the calls are published.
*IEE is not officially open to Serbia
3.2.2 Country criteria

The CIP is open for the participation of EEA countries (EU countries plus Iceland, Liechtenstein and Norway) and the following non-EU-member countries:

- Entrepreneurship and Innovation Programme (EIP): Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Turkey and Serbia fully participate in the EIP; Israel and Albania participate in certain parts.
- Intelligent Energy Europe Programme (IEE): the former Yugoslav Republic of Macedonia, and Croatia.

The calls for proposals are published on the CIP website http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/index_en.htm.

There is no specific deadline for publication of proposals. The website of each CIP programme also host a list of projects funded so far.

Eligible SMEs under terms that are defined for CIP by the European Commission are those which employ less than 250 persons and which have either an annual turnover not exceeding 50 million euro, or an annual balance sheet total not exceeding €43 million.

3.2.3 CIP Subprogrammes

3.2.3.1 The Entrepreneurship and Innovation programme (EIP)

The Entrepreneurship and Innovation programme (EIP) is the largest sub-programme of CIP with a budget of €2.17 billion for 2007-2013. Serbia joined EIP at the end of 2008. Current 2012 is the fifth year of Serbian participation in this Programme with €820,000 worth annual contribution. EIP 2013 Work Programme still being in its draft stage, we will illustrate the scope of EIP interventions by focusing on the previous Work Programme for 2012.
EIP 2012 Work Programme aims to achieve its objectives given in the CIP legal base (Decision No. 1639/2006/EC of the European Parliament and of the Council of 24 October 2006, establishing a Competitiveness and Innovation Framework Programme 2007-2013) through the following actions:

**Access to finance for SMEs** through CIP financial instruments and investment in innovation activities with €181.6 million (including €39 million for eco-innovation), which target SMEs’ needs for financing at various stages of development and support investments in technological development, innovation and eco-innovation, technology transfer and the cross border expansion of business activities. More information are available on page 38.

**Creation of an environment favourable to SME cooperation** with €63.3 million supports financing of the contracts with partners of the Enterprise Europe Network (€ 47.9 million) and the animation of this network (€ 3.2 million), actions to enhance a favourable environment for SMEs (€ 4.2 million), the competitiveness and sustainability in European tourism (€6 million), and SME and Craft Enterprises’ Participation in European Standardisation (€2 million).

**Innovation in enterprises action** worth €33.8 million supports the following: key technologies and e-skills (€14.5 million), measures broadening the concept of innovation, e.g. design initiatives and social innovation (€7.5 million), innovation partnerships on raw materials and on water (€3.1 million), innovation analysis and promotion, such as the Innovation Union Scoreboard and a European service innovation centre (€6.5 million), and promotion of electric vehicles technologies (€ 2.3 million).

**The eco-innovation action** worth €39 million supports innovative products, processes and services that are not fully marketed due to residual risks and aim to reduce environmental impacts, prevent pollution or achieve a more efficient and responsible use of natural resources. Out of total budget, €35 million are foreseen for the first application and market replication projects, €3 million for the Sustainable Industry Low Carbon Scheme (SILC) and €1 million for an EU Environmental Technology Verification (ETV) Pilot programme.
Entrepreneurship and innovation culture action with €11.2 million budget is directed towards promoting entrepreneurship (€10.2 million), such as Erasmus for Entrepreneurs and the European SME Week, and the promotion of Corporate Social Responsibility (€1 million).

Enterprise and innovation-related economic and administrative reform worth €6.3 million supports the implementation of the Small Business Act for Europe (SBA) (€4 million), such as the SME Performance Review and the monitoring and exchange of good practices, as well as international cooperation in the field of enterprise policy (€1.7 million) and administrative burden studies (€0.6 million).

Evaluation criteria

As for the selection and award criteria, each proposal will be evaluated on the basis of criteria specified in the respective call for proposals. Essentially, selection criteria are based on the following:

(a) financial capacity to complete the proposed operation;
(b) stable and sufficient sources of finance to ensure the continuity of the organisation throughout the project and to play a part in financing it;
(c) operational (technical and management) capacity to complete the operation;
(d) capacity to manage activities corresponding to the size of the project for which a grant is requested;
(e) adequate professional qualifications and experience of the team responsible for the project/operation.

An evaluation of the quality of proposals, including the proposed budget, will be based on the following award criteria:

(a) relevance of the actions proposed in view of the objectives established in the call;
(b) quality of the proposed actions;
(c) impact on target audience;
(d) budget and cost-effectiveness.
Eco-innovation initiative under EIP component

Eco-innovation initiative is a part of the EIP component. It supports environment friendly ideas for innovative products, services and processes commercially ready to use for business and industry. It’s not only helping EU to meet its environmental objectives but also to boost economic growth.

Objective
Eco-innovation strives to reduce environmental impact and make better use of resources in the following areas:

- Materials recycling and recycling processes;
- Sustainable building products;
- Food and drink sector;
- Water efficiency, treatment and distribution;
- Greening business.

The EU aims to maximise the impact of Eco-innovation in a way that the best Eco-innovation projects can be replicated across the EU. It is important to emphasise that Eco-innovation projects are not research projects, but those whose ideas are developed, feasible and viable on the market in the long-term.

SMEs play a major role in this regard which is why priority is given to their projects. Funding is made available in form of grants.

Co-financing rates
The financial contribution under CIP eco-innovation takes the form of a grant off-setting part of the eligible costs of the project, under the following maximum rate:

- 50 % if the benefiting company is a medium enterprise;
- 60% if the benefiting company is a small enterprise.

If the project involves industrial or commercial activities, the rules governing the funding from CIP follow the Community guidelines for State aid for environmental protection. This includes in particular:

- Costs eligible for funding should correspond to the extra investment costs necessary to achieve a level of protection higher than the level required by the Community standards, and should be directly related to the innovative technique or method proposed.
- Eligible costs must be calculated net of any operating benefits and costs incurred during the first five years of the life of the investment.
• If the project receives funding from other public sources of funding, their contribution should be deducted from the maximum rate indicated above, which applies to the sum of all public funding.

If the project does not involve industrial or commercial activities, the total cost of the project may be considered eligible, with the exceptions listed below:

• land purchase or any other related costs;
• studies not specifically addressing the objective stated in the financed proposals;
• investments in major infrastructure or investments of a non-innovative nature, including activities already confirmed on an industrial scale;
• research and technological development activities;
• land remediation costs, which are subject to the polluter-pays principle;
• any cost incurred for action which benefits from aid under other Community financial instrument,

Eco-innovation has been open for Serbia since 2009 with no successful projects so far. The initiative is promoted by Enterprise Europe Network in Serbia (see page 43 for more information). The biggest problems for applicants thus far can be summarized in the following:

• lack of European value-added;
• poor budget/business plan preparation
• lack of adequate partners from other European countries and
• lack of projects/product ideas stemming from public-private partnerships/academic institutions and spin-off/spin-out companies

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**Project example - Eco-innovation**

**CIP - Entrepreneurship and Innovation Programme (EIP)**  
**Eco-innovation**  
**Project type:** Market Replication Project

**Project name:** Used tyres valorisation as lightweight filler for embankments  
The project aimed at contributing to reduction of the impact of tyres wastes treatment using scraped tyres as filler for road embankments. The first step of the project was the design of the embankment, substituting the traditional parameters of design for natural soil for those needed for the calculation and design with synthetic filler.

**Project website:** [http://www.rectyre.solintel.eu/](http://www.rectyre.solintel.eu/)  
**Budget Total Cost:** 1.29MEUR  
**EU Contribution:** 0.58MEUR  
**Project coordinator:** ACCIONA INFRAESTRUCTURAS, ES  
**Other partners:**  
• SOLINTEL, ES  
• MOSTOSTAL WARSZAWA, PL  
• CONSTRUCTION CLUSTER OF SLOVENIA, SI  
• DAPPOLONIA, IT
Access to finance

The main funding schemes under the CIP available to Serbian SMEs are the following:

- **Community financial instruments**
  The financial instruments, managed by the European Investment Fund (EIF) on behalf of the European Commission, aim to lower market gaps in the supply of debt and equity finance to SMEs. These instruments are implemented solely through financial intermediaries or specialised funds (http://www.access2finance.eu).

The financial instruments which target the needs of SMEs at various stages of their life-cycle (the seed, start-up, expansion and business transfer phases) are the following:

<table>
<thead>
<tr>
<th>TYPE OF INSTRUMENT</th>
<th>FOCUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Growth and Innovative SME Facility - GIF1</td>
<td>Provides venture capital for innovative SMEs for their early stage investments.</td>
</tr>
<tr>
<td>High Growth and Innovative SME Facility - GIF2</td>
<td>Provides capital for innovative SMEs in their expansion stage investment.</td>
</tr>
<tr>
<td>SME Guarantee Facility - SMEG</td>
<td>Guarantees loans to SMEs, including micro-credit and mezzanine finance. The guarantees are given to financial intermediaries who provide the finance to SMEs.</td>
</tr>
</tbody>
</table>

Due to low level of interest of Serbian banks to take an active role in EU supported financial instruments, EU backed loans are available in Serbia only through one financial intermediary - Čačanska banka a.d. Loans are extended with a purpose to enhance micro-enterprises’ access to finance, with particular focus on entrepreneurs starting up their business. Eligible borrowers are entrepreneurs and micro enterprises which employ fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million. Loans can go up to €25,000 with a minimum maturity of 12 months and a minimum grace period of up to 12 months. Loans for fixed assets are provided without additional collateral other than security over the asset which is being acquired through the loan and without any contribution, while loans for working capital require no additional collateral and have an increasing maximum maturity from 3 to 5 years.
Erasmus for Young Entrepreneurs under EIP component

CIP cross-border exchange programme Erasmus for Young Entrepreneurs aims at enhancing entrepreneurship, developing the international outlook and competitiveness of European SMEs and fostering potential start-up entrepreneurs and newly-established micro and small enterprises. This programme is to help new entrepreneurs enrich their experience, deepen their knowledge and expand their network by spending periods of time of 1 to 6 months in enterprises run by experienced entrepreneurs in other EU Member States and in other countries participating in the Competitiveness and Innovation Programme.

As part of their registration, new entrepreneurs and host entrepreneurs have to choose an Intermediary Organisation (IO) that is officially appointed by the European Commission to handle applications, establish exchanges and provide guidance and support. Serbian eligible institutions applied (some by forming consortia) to become IOs for the implementation of Erasmus for Young Entrepreneurs for the first time in 2012.

Currently, applications are still in the evaluating process. Regardless of whether Serbian bids for IOs get accepted or rejected, Serbian new entrepreneurs (NEs) and host entrepreneurs (HEs) will be able to apply for participation. In case there are no approved IOs in Serbia, NEs and HEs can apply to other countries with established structures on the list of local contact point which can be found on the official programme website http://www.erasmus-entrepreneurs.eu/page.php?cid=5.

Calls for 2013

EU Programme name: Competitiveness and Innovation Framework Programme (CIP)

Subprogramme: Entrepreneurship and Innovation Programme/Eco-innovation initiative

The last call of the eco-innovation initiative with a foreseen budget of approximately EUR 40 million is expected to be launched in May 2013 and to be closed in September 2013.

Call will be published on this page:

3.2.3.2 ICT Policy Support Programme (ICT PSP)

The second pillar of CIP, the ICT Policy Support Programme (ICT PSP), with an overall budget of €730 million over 7 years, is the major financial instrument used at the EU level for stimulating sustainable and inclusive growth by stimulating the wider uptake and best use of innovative digital technologies and content by citizens, governments and businesses, in particular SMEs. Serbia joined this programme in 2010 with an annual contribution of €272,733.

The ICT-PSP has as its objectives: to develop the Single European Information Space and strengthen the market for ICT and ICT based products and services; to stimulate innovation through investment in ICT and their wider adoption; and to develop an inclusive information society and more efficient and effective services in areas of public interest.

More specifically, the 2012 work programme focuses on 5 themes, each of which has its own objectives:

- **ICT for “smart” cities.** Total funding available for this theme is €27 M and it is intended to fund projects under the three objectives: smart urban digital services for energy efficiency; cooperative transport systems for smart mobility; open innovation for Internet-enabled services and next generation access (NGA) services in ‘smart’ cities.

- **Digital content, open data and creativity.** The total funding available for this theme is €41 M, encompassing three objectives: Europeana and creativity; open data and open access to content; eLearning.

- **ICT for health, ageing well and inclusion.** The total funding available for this theme is €24 M and actions will be funded under the following objectives: wide deployment of integrated care services; towards open and personalised solutions for active and independent living; digital capacity and skills; fall prevention network for older persons; large scale deployment of telehealth services for chronic conditions management; adoption, taking up and testing of standards and specifications for eHealth interoperability; community building on active and healthy ageing.
• **Innovative government and public services.** The total available funding for this theme is €20 M, encompassing three objectives: basic cross sector services; extension of eCodex (on eJustice); Extension of HeERO (on eCall).

• **Trusted eServices and other actions.** The total EU funding available for this theme is €15 M and it is intended to fund projects under the following three objectives: cybersecurity with a particular focus on fighting botnets; mobile cloud for business applications; satellite contribution to 100% EU broadband coverage.

These themes and actions are supported by a limited number of high impact pilot or best practice projects, as well as thematic networks. The projects are selected through a call for proposals, define the following:

In addition, support is given through calls for tender for studies, analysis, benchmarking activities, conferences and events that help monitor and promote the development of the Digital Agenda.

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**Project example - ICT PSP**

**CIP - Entrepreneurship and Innovation Programme (EIP)**

**Information Communication Technologies Policy Support Programme (ICT-PSP)**

**Project type:** Pilot Action

**Project name:** Central and South European Language Resources

The project intends to enhance, upgrade, standardise and cross-link a wide variety of language resources and tools and make them available, thus contributing to an open European linguistic infrastructure. The project will make available a comprehensive set of language resources and tools, covering the Hungarian, Polish, Croatian, Serbian, Bulgarian and Slovak languages.


**Budget Total Cost:** 4.16 MEUR; **EU Contribution:** 2.08 MEUR

**Project coordinator:** Hungarian Academy of Sciences, HU

**Other partners:**
- Institute of Computer Science Polish Academy of Sciences, PL
- University of Łódź, PL
- University of Zagreb, HR
- University of Belgrade, RS
- Pupin Institute, RS
- Institute for Bulgarian Language, BG
- Slovak Academy of Sciences, SK
3.2.3.3 Intelligent Energy Europe

The Intelligent Energy Europe (IEE) with a budget of € 730 million for 2007-2013 is a sub-programme of CIP for the promotion of energy efficiency and use of renewable energy sources. The sub-programme is aiming towards a secure, clean and sustainable energy for Europe, by at the same time enhancing European competitiveness.

The Intelligent Energy – Europe programme objectives are as follows: to promote energy efficiency and stimulate the rational use of energy sources; to promote the use of new and renewable energy sources and to encourage energy diversification; to promote energy efficiency and the use of new and renewable energy sources in the field of transport.

This component is not available to Serbia.
Enterprise Europe Network (EEN) is a network of business support organizations from more than 50 countries connected through databases. EEN, co-financed through the CIP has been launched in 2008 by the Commission’s Directorate-General for Enterprise and Industry. The EEN provides integrated business and innovation support services to help make enterprises more competitive. It provides enterprises with up-to-date information on European directives and regulations, public sector contract opportunities, business opportunities, funding, and research and development initiatives.

EEN services are tailored to SMEs and comprise the following:

- Going international
- Technology transfer
- Access to finance
- Research funding
- Advice on EU law and standards
- Intellectual property and patents
- Speak up on EU law

For more information please visit

http://portal.enterprise-europe-network.ec.europa.eu/

and Serbian portal

http://www.een.rs/

Enterprise Europe Network in Serbia informs you through the Newsletter about all events within the Network. In the EEN Newsletter you can find information about foreign companies which are interested in finding Serbian partners and willing to establish business cooperation.
The Republic of Serbia’s National Agency for Regional Development (NARD) coordinates the EU project “Enterprise Europe Network” (EEN), which is jointly implemented with the partners listed below:

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>CONTACT POINT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgrade</td>
<td>Mihailo Pupin Institute</td>
</tr>
<tr>
<td>Belgrade</td>
<td>Serbian Investment and Export Promotion Agency</td>
</tr>
<tr>
<td>Belgrade</td>
<td>National Agency for Regional Development</td>
</tr>
<tr>
<td>Belgrade</td>
<td>University of Belgrade</td>
</tr>
<tr>
<td>Belgrade</td>
<td>Serbian Chamber of Commerce</td>
</tr>
<tr>
<td>Nis</td>
<td>University of Nis</td>
</tr>
<tr>
<td>Novi Sad</td>
<td>University of Novi Sad</td>
</tr>
</tbody>
</table>
After you have identified the desired Call for proposal you need to read carefully the Information Package for the Call you have expressed the interest for. The package is consisted of the Call fiche, Work Programme and Guide for Applicants (depending on what type of activity you choose to apply for - Types are defined in the Call fiche).

Once you have thoroughly introduced yourself with these information you can begin the process of preparing the proposal. Proposals are submitted through the Participants portal.

The Participant Portal is an Internet portal for the participants to the 7th Framework Programme (FP7) and the Competitiveness and Innovation Programme (CIP).

https://ec.europa.eu/research/participants/portal/page/home

The Submission system allows electronic submission of proposals, via the web. The system helps you in selecting the Funding scheme, managing the list of participants and contact details, communicating with partners on the proposal, uploading the necessary files and filling the administrative forms. Once the proposal is completed, it can be submitted multiple times if revisions are needed before the call deadline.
**STEP 1**

First it is important to register on the ECAS (European Commission Authentication Service)

https://webgate.ec.europa.eu/cas/eim/external/register.cgi

Here you will insert basic information about your organization/yourself. After completing registration you will obtain login information necessary for login on the Participant Portal.

**STEP 2**

After registration it is necessary to obtain the Participant Identification Code (PIC) which is a 9 digits unique identifier for every validated legal entity. Each participant in the proposal (member of the consortium) needs to have its own PIC number. Follow the registration and validation process from the following page

http://ec.europa.eu/research/participants/portal/page/myorganisations#

Once you have obtained the necessary registration, it is of utmost importance that you read thoroughly the User manuals for the usage of the Portal.

**STEP 3**

Once you have completed step 2 you can start preparing your proposal. Proposals are usually consisted of two parts: Part A and Part B (sometimes part C as the Budget is included).

**Part A**

The Part of a proposal is dealing with administrative data, contact details, summary of the proposal, summary of the budget and all other identifiers necessary to determine your eligibility.

**Part B**

Part B is the heart of the proposal and differs from call to call. This part of the proposal explains the work to be carried out and the roles and capacities of the participants in the consortium. This part is uploaded to the Submission system as a PDF file.

We will present here simplified contents of Part B: one for one FP7 project and one for CIP.
**EXAMPLE: PART B-FP7**

Type of funding scheme: Research for SMEs

**Section 1 (15 pages, plus the tables)**

1. Scientific and/or technological excellence, relevant to the topics/activities addressed by the call
   a. Soundness of concept and quality of objectives
   b. Innovative character in relation to the state-of-the-art
   c. Contribution to advancement of knowledge/technological progress
   d. Quality and effectiveness of Scientific/Technological methodology and associated work plan (following type of activities)
      - Research, technological development and innovation activities
      - Demonstration activities
      - Other activities

Tables:
Work package list and deliverables list (must be interlinked)
Summary of staff effort (linked with work packages and essential for budget design)
List of milestones (including timing and means of verification)

**Section 2 (around 10 pages and the table)**

2. Quality of the Consortium as a whole
   a. Description of project management structure and procedures
   b. Description of the consortium
   c. Appropriate allocation and justification of the resources to be committed
   d. Indicative breakdown of the offer from the RTD performers to the SME participants

**Section 3: (10 pages plus table)**

3. Impact. The potential impact through the development, dissemination and use of project results
   a. Contribution, at the European and/or international level, to the expected impacts listed in the work programme under the relevant activity
   b. Appropriateness of measures envisaged for the dissemination and/or exploitation of project results, and management of intellectual property
      - Project results and management of intellectual property
      - Dissemination and/or exploitation of project results

Table:
Project Results (including knowledge) to be acquired by the SME participants
Section 4: (no limit)

4. Ethical issues
Describe any ethics issues that may arise in the project. In particular, you should explain the benefit and burden of the experiments and the effects it may have on the research participants. All countries where research will be undertaken should be identified.

Section 5: (one page)

5. Consideration of gender aspects
Providing indication of what kind of actions would be undertaken during the course of the project to promote gender equality in the project, or in the field of research.

**EXAMPLE: PART B-CIP Eco-innovation**

Section 1 (1 page)

1. Summary of the project
   - Specific Objectives
   - Description of the proposed solution and summary of the work programme
   - Major outputs and results (including main result indicators)

Section 2 (4 pages)

- Description of the technology, product or process including its innovation aspects
- Description of any preparatory research, existing prototype or previous tests in real-life (and their results)
- Summary of quantified environmental impacts
- Similar or comparable solutions on the market, existing competitors
- Description of possible technical and economic risks
- Issues of Intellectual Property Rights (IPR), existing, requested or planned patents
- A flowchart related to your innovative solution (process, material, product...) including a general mass and energy balance

Section 3 (3 pages)

- Short-term and potential market size for uptake
- Identified market barriers to the proposed solution
- Market demand and/or results of market analyses
- Legislative/policy frameworks in participating countries/EU and how they affect the implementation of your solution.
Section 4: (2 pages)

- Marketing strategy/expected return on investment/business plan
- Transferability and replication
- Target groups and key actors
- Exploitation and business opportunities of the project during and after the project duration

Section 5: (2 pages per bullet point)

Objectives – Results – Impacts of the Action
- Environmental benefits and resource efficiency in a life-cycle approach (when evaluating the net environmental benefits, please consider the entire life cycle of the solution proposed (e.g. resources, production, use, and disposal)
- Economic sustainability (including cost-benefits)

Objectives – Results – Impacts of the Action

Section 6: (half page per participant)

Rationale for the Composition of the Consortium

Section 7 Co-financing Sources

Section 8 European Added Value

- EU dimension of the market barriers and environmental challenges and how they will be tackled
- Level of European cooperation in the project

Section 9 (Introduction to Work programme 2 pages, Work Packages 2-4 pages per WP)

- Rationale and structure of your work programme divided up in Work Packages (mainly project phases)
- Diagram summarising and illustrating the logic of your work programme
- Work Packages

Part C: Detailed budget
Introduction into the New Financial Framework 2014-2020

Section 4
Horizon 2020

On 29th June 2011, the European Commission published its proposal for the next Multiannual Financial Framework (MFF) 2014-2020. It proposes the financial basis for the period 2014-2020 and sets the frame for the follow-up structure of all current EU programmes, as well as the entire EU budget. Negotiations between the Council, the European Parliament and the Member States have started on the basis of this proposal. The final agreement should be reached by the end of 2012, early 2013. It is expected that relevant regulations will be adopted during 2013, while implementation of different financial instrument will start during 2014. The EC has proposed several instruments under the MFF 2014-2020 which will represent continuation or new EU Programmes, including those relevant for SMEs.

First, the Horizon 2020 - the Common Strategic Framework for Research and Innovation (CSF) will be created in order to streamline three existing initiatives and make them more SME-friendly and open to new participants: the 7th Framework Programme (FP7), the innovation part of the Competitiveness and Innovation Framework Programme (CIP) and the European Institute for Innovation and Technology (EIT).

The CSF will have a total budget of €80 billion and will promote activities covering the entire spectrum from research to market structured around three distinct blocks, in line with the Europe 2020 priorities:

- **Creating industrial leadership and competitive frameworks** – aiming to support and promote business research and innovation in enabling technologies; services and emerging sectors with a strong focus on leveraging private sector investment in R&D; address SME-specific problems and providing EU wide support for innovation in SMEs with high growth potential.
- **Excellence in the science base** – emphasising stronger support for frontier research; future and emerging technologies; skills, training and career development of researchers; and networking of, access to and development of priority research infrastructures;
- **Tackling societal challenges** - focusing on integrating innovation actions, cross-disciplinary approaches, and socio-economic and humanities research;

More information on the Horizon 2020 can be found on:

www.ec.europa.eu/research/horizon2020
Under the priority “Industrial leadership” with the budget of €17.9 billion aim will be to make Europe a more attractive location for businesses, large and small, to invest and set the research and innovation agenda. Three key elements will support this goal:

1. **Leadership in enabling and industrial technologies** will support the development of technologies underpinning innovation across a range of sectors, including ICT and space. Horizon 2020 will have a strong focus on developing European industrial capabilities in Key Enabling Technologies (KETs) with a budget of €5.89 billion. These include:
   - Micro- and nano-electronics; photonics
   - Nanotechnologies
   - Advanced materials
   - Biotechnology
   - Advanced manufacturing and processing

2. **Access to Risk Finance.** Under Horizon 2020, a total amount of €3.5 billion is budgeted for financial instrument facilities, and accompanying measures, for research and innovation. At least one-third of this amount will be dedicated to SMEs. Two financing facilities will be available:
   - A debt facility providing loans, guarantees and other forms of debt finance to entities of all forms and sizes, including research and innovation-driven SMEs
   - An equity facility providing finance for early- and growth-stage investments, with a particular focus on early-stage SMEs with the potential to carry out innovation and grow rapidly.

Their aim will be to support the achievement of the research and innovation objectives of all sectors and policy areas crucial for tackling societal challenges, enhancing innovation and fostering sustainable growth. They will be implemented via a mandate to, or a partnership with, the European Investment Bank Group and/or other international financial institutions and national intermediaries.

3. **Innovation in SMEs.** The new dedicated SME instrument will be designed to provide easy access with simple rules and procedures. The new instrument will encourage SMEs to put forward their most innovative ideas with an EU dimension. However, it will be also used across all societal challenges and industrial technologies. The new instrument will integrate the specific SME measures of FP7 in one comprehensive, simple and easily accessible scheme.
It covers the possibility to outsource research and development critical to the innovation projects of non-research intensive SMEs, currently supported under “Research for the Benefit of SMEs”. Support will be provided in three different stages covering the whole innovation cycle (feasibility part, research and development with the emphasis on demonstration and market replication and finally commercialisation phase which will be supported indirectly through simplified access to debt and equity financial instruments).

Under the priority “Excellent Science”, €3.1 billion will be allocated to Future and Emerging Technologies (FET) which supports collaborative research across scientific and engineering disciplines with a clear final goal or purpose. Researchers may be investigating the foundations for radically new technologies, or working towards a breakthrough, which could transfer new ideas from science into technology. Under Horizon 2020, the Commission proposes to make FET an integral part of this objective and open it up to collaborative projects in any technological area (for example material science or health).

Companies are also expected to play a major role in the third key objective of Horizon 2020, “Societal challenges”, which has a dedicated budget of €31.7 billion. For each of the six challenges a “whole innovation cycle” approach will be developed, with a greater emphasis on ‘close to the market’ activities such as demonstration and piloting.
COSME

Competitiveness and SMEs Programme – COSME will be introduced as a successor to the non-innovation part of the CIP. The proposed budget is €2.5 billion. Main target of the Programme will be SMEs, Entrepreneurs, Business Support Organisations, regional and national Administrations. The Programme will focus on promoting entrepreneurship and more dynamic and internationally-competitive SMEs, through the following measures:

1. **Access to finance: financial instruments for growth** - including an equity facility for growth-phase investment, providing commercially-oriented reimbursable equity financing primarily in the form of venture capital (VC) through financial intermediaries to SMEs and a loan facility, providing direct or other risk sharing arrangements with financial intermediaries to cover loans for SMEs. The facility will generate a high leverage effect and would provide the cross-border lending or multi-country lending that could not easily be achieved through facilities at national level.

2. **Improving the competitiveness and sustainability of EU industry supporting:**

   - Activities to improve European competitiveness by improving the economic and regulatory environment at European level through benchmarking, the exchange of best practices and sectoral initiatives;
   - Developing SME policy and promoting SME competitiveness in line with the goals of the Small Business Act (SBA) through reinforcing the „Think Small Principle“ in policy making, identifying and exchanging best practices in order to contribute to the implementation of the SBA, maintaining a single entry point to EU policies the Small Business Portal and support to SMEs to exploit the potential of the Single market;
   - Tourism, by providing reliable information on trends in tourism demand at European level; promoting ICT uptake by tourism enterprises; combating tourism seasonality; promoting sustainable tourism products and destinations; deploying a skills and competences framework for employees and employers in the sector; facilitating exchange of best practices and partnership creation;
   - New business concepts for sustainable, user-driven design-based goods focusing on the commercial use of relevant concepts and ideas in the textiles, footwear and sport and other consumer goods sectors;
3. Access to markets – through provision of growth-oriented business support services via the Enterprise Europe Network, SME business support in markets outside the EU in order to equip SMEs from the EU with appropriate skills and knowledge of the third country regulatory framework and International industrial cooperation to reduce differences in regulatory and business environments between the EU and its main trading partners and the countries in the “European Neighbourhood”;

4. Promotion of Entrepreneurship – which will encompass the simplification of administrative procedures and the development of entrepreneurial skills and attitudes, especially among new entrepreneurs, young people and women, as well as complement the Erasmus for Entrepreneurs exchange programme.

SMEs are a fundamental part of the economic fabric in developing countries, and they play a crucial role in furthering growth, innovation and prosperity.

However, the SMEs vulnerabilities to face the financial markets have well emerged with the recent financial-economic global crisis that have further constrained access to financial sources, having a global negative impact on business activity, production, demand of goods and services and employment. Moreover, due to the feeble economic tissue, the shock was greater, and the lending slowing down was in the case of SMEs, sharper. Especially more innovative SMEs were hit harder as being more vulnerable due to their elevated activity risk and weaker financial structure.

In accessing the EU Programmes (and implementing IPA tenders) the SMEs should see an opportunity to grow and expand and prepare for future EU funding opportunities. The best case is Croatia where post-accession funds will be around 10 times greater than pre-accession. In addition, participation in implementation of different projects with international partners can boost some other business opportunities and development activities.

More information on the COSME can be found on: www.ec.europa.eu/enterprise/cosme
Literature

Publications:

Assessment of EU funded innovation and research projects in Serbia, J. Kappenmann, Chamber of Commerce and Industry of Serbia - Bureau for the Cooperation with the EU, Vojvodina ICT Cluster, supported by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH Program for Private Sector Development in Serbia ACCESS, 2012

CIP Financial Instruments, EC Publications Office


Factsheet on Industrial participation in Horizon, European Commission, 2011

Factsheet: Rules under Horizon 2020, European Commission, 2011

Factsheet: SMEs in Horizon 2020, European Commission, 2011

Finance for Europe’s Entrepreneurs, European Union and European Investment Fund, 2012

FP7 in Brief - How to get involved in the EU 7th Framework Programme for Research: a pocket guide for newcomers, European Commission, 2007


Instrument for Pre-accession Assistance, European Movement, 2011


New Practical Guide to EU Funding Opportunities for Research and Innovation, Seventh Framework Programme, CIP and EU Cohesion Policy, 2011

Situation Analysis - Background on the Eco-innovation programme in Serbia highlighting possible improvements to the support for SMEs, Group of authors for Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) “Assistance to the Competitiveness and Compatibility for the EU of Serbian SME” (ACCESS) Programme

SME definition - User guide and model declaration, EC Publications Office

Support the National Agency for Regional Development and EEN partners in Serbia in building their capacities for the preparation of project proposals under the CIP Eco-innovation programme, Technical report, GIZ - “Assistance to the Competitiveness and Compatibility for the EU of Serbian SME” (ACCESS) Programme
Websites:

CIP Frequently asked questions and answers
http://ec.europa.eu/cip/faq/index_en.htm#0901262484312773

CIP Reference documents

CIP Success Stories

Community Research and Development Information Service (CORDIS)
http://cordis.europa.eu/eu-funding-guide/checklist06_en.html#checklist

Cosme
http://www.ec.europa.eu/enterprise/cosme

Eco-innovation User Guide

EIP Work programme 2012

Enterprise Europe Network
http://portal.enterprise-europe-network.ec.europa.eu/

Final Evaluation of the Competitiveness and Innovation Framework Programme

Horizon 2020
http://www.ec.europa.eu/research/horizon2020

ISDACON
http://www.evropa.gov.rs

Regional dimension of innovation
http://ec.europa.eu/research/regions/index_en.cfm?pg=practical_guide&lg=en
ACCESS - PROGRAM FOR PRIVATE SECTOR DEVELOPMENT IN SERBIA

The ACCESS is a programme implemented by the German Technical Cooperation (GIZ) on behalf of the German Ministry for Economic Cooperation and Development (BMZ). It aims to further Serbia’s economic development and facilitate the country’s future membership in the European Union (EU) by supporting the implementation of the Serbian National Strategy for the Development of Small and Medium-sized Enterprises and Entrepreneurship, as well as the National Strategy for EU Accession.

The Program is realised by the GIZ in collaboration with the Ministry of Finance and Economy, as well as Serbian business organisations. Through ACCESS’s assistance to Serbian support intermediaries, small and medium-sized companies of select sectors and regions are being empowered to make better use of their production, employment, and growth potentials, and to find new markets both in the region of South East Europe and the EU.

Specifically, ACCESS aims to:

- Support the development of sound policy environments that enable open markets, private sector investment and gender equitable access to factors of production and income.
- Promote effective institutions and services to enable both women and men to acquire, protect and use the assets they need to take advantage of emerging market and trade opportunities.
- Strengthen organisations enabling them to participate effectively in different markets, reduce transaction costs, acquire productivity-enhancing technologies and efficiently use information on domestic, regional and international markets.
- Support the development of a sound quality infrastructure in order to comply with product standards and quality control to meet EU market demands and reach higher value markets.
- Assist in the development of the public sector’s role to make better use of EU support programmes and increase the absorption capacity of the private sector. In that line also assist the development of their role as a provider of market facilitating services and monitoring systems.

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EU Funding opportunities for SMEs in Serbia : 2013 and beyond / Mirjana Lazović, Andrija Pejović. - Belgrade : #European Project Center #EPC, 2012 (Belgrade : Čugura print). - [5], 58 str. : graf. prikazi, tabele ; 25 cm

Tiraž 1.000. - Str. [3]: Foreword / Tobias Stolz. - Bibliografija: str. 56-57.

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a) Европска унија - Придруживање - Србија
b) Европска унија - Финансирање - Србија
c) Мала привреда - Финансирање - Србија - 2013

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