



EU Insight - Fast-Tracking Innovation in the EU

As one of the central objectives outlined by the European Union, innovation plays a major role in assuring the Union's continued growth and well-being. This fact is underscored by its prominent inclusion in Horizon 2020, the current framework programme for research and innovation in Europe (2014-2020), as well as through the numerous actions and initiatives designed to ensure its fostering and support. The recent introduction of two new measures aimed at bolstering innovation—the Fast Track to Innovation (FTI) initiative and the release of additional grants under the SME Instrument—demonstrate the depth of this commitment.

Accelerating the Pace

On 9 January 2015, the European Commission, operating under the premise of speeding up the time it takes to bring original and unique ideas to market, launched its new [Fast Track to Innovation \(FTI\) pilot initiative](#). European Commissioner for Research, Science and Innovation, Carlos Moedas outlined the initiative as focused on “help[ing] highly innovative businesses in Europe reach the finish line faster, [by] attracting more private investors to European research and innovation...”.^{1,2} As a component of Horizon 2020, and while firmly rooted in the Societal Challenges priority area of the framework programme, FTI supports a broad spectrum of innovative actors (especially those stemming from industry) to come together, regardless of topic, with the aim of bringing mature, innovative concepts to market as quickly as possible. Scheduled to run over two years (2015-2016), FTI is supported by a budget of EUR 200 million, with continuation of the initiative after this period contingent upon evaluation of initial outcomes.

Similar to other Horizon 2020 initiatives, the pilot will be implemented via a single, continuous open call with three cut-off dates occurring over the course of the initiative.³ Projects eligible for funding must be “business driven” and those comprised of “mature innovative concepts that have been tested in an

¹ Ready, set, innovate: Commission steps up support to innovative companies [Press release]. European Commission, (9 January 2015); http://ec.europa.eu/commission/2014-2019/moedas/announcements/ready-set-innovate-commission-steps-support-innovative-companies_en

² Building a new innovation fast track to bring ideas to market quicker [Press Release]. European Commission, (9 January 2015); <http://ec.europa.eu/research/index.cfm?pg=newsalert&year=2015&na=na-090115>

³ The three announced cut-off dates for proposal submissions are: **29 April 2015, 1 September 2015, and 1 December 2015.**



operational environment”,⁴ notably those concerning “systems validation in real working conditions, testing, piloting, business model validation as well as standard setting and pre-normative research”⁵ are particularly welcome.

Along with the FTI initiative, innovation within the Union will be supported by an additional EUR 117 million in new grants⁶ under the preexisting SME Instrument programme.⁷ Just as with the FTI initiative, money offered through this programme is specifically allocated for the operation of businesses, small and medium-sized in nature to help “finance innovation activities..., the development of their business plans or feasibility studies” associated with their projects. In total, 275 SMEs, identified for their high growth potential have been selected to benefit from this grant money following the end of the second phase.⁸

Through the SME Instrument, the European Union wants to finance the most innovative small companies with the potential for high growth. The Instrument itself is worth approximately EUR 3 billion over seven years. Furthermore, investment-ready concepts can benefit from business development advice and other services.

Application for grants available under the SME Instrument programme is easy, but only the very best projects will receive funding. Eligible topics are listed under the [Horizon 2020 Work Programme on 'Innovation in SMEs'](#). SMEs stemming from EU Member States or Associated Countries (ACs) are eligible to apply. More than 1,300 projects are expected to be funded over two years, beginning in 2014 and ending in 2015.

List of beneficiaries in the 2014 call:

[SME Instrument Phase 1 2014](#)

[SME Instrument Phase 2 2014](#)

⁴ Building a new innovation fast track to bring ideas to market quicker [Press Release]. European Commission, (9 January 2015);

<http://ec.europa.eu/research/index.cfm?pg=newsalert&year=2015&na=na-090115>

⁵ Ibid.

⁶ Commission supports innovative SMEs with €117 million in new grants [Press release]. European Commission, (9 January 2015);

<http://ec.europa.eu/research/index.cfm?pg=newsalert&year=2015&na=na-090115-2>

⁷ To date, the full amount of funding allocated to the SME Instrument launched under Horizon 2020 is €3 billion. With the addition of the most recent grants, the total amount of funding specifically destined for “innovative” companies is €125 million, a cumulative total based on the first two stages of the programme.

⁸ The SME Instrument programme went into effect on 1 January 2014.