

EUROPEAN PARTNERSHIP



European Partnership on Innovative SMEs / Innowwide

Call text (for applications submitted by 15 November 2022 deadline)

This document is an overview of the first Eureka Innowwide call for market feasibility projects.

Contents

1. What is Eureka Innowwide?	2
1.1. What is a market feasibility project?	3
1.2. Eligibility criteria	4
1.3. Outcome of market feasibility projects	ô
2. Which activities will be funded?	ô
3. Who can apply? 8	8
4. Geographical coverage	9
5. How will applications be evaluated? 11	1
6. Funding conditions 12	2
7. How and when to apply? 12	2
8. Further information 14	4



First Eureka Innowwide call for market feasibility projects in international markets

Global call with a reserved number of projects with partners in African countries

Call opening: 5 September 2022 Call deadline: 15 November 2022, 17:00 CET

1. What is Eureka Innowwide?

Are you an innovative SME with the ambition to compete in new international markets?

Do you need to test the technical, commercial, legal and socio-economic feasibility of your innovation in a new market?

Eureka Innowwide could be the solution.

SMEs can develop product- (process- or service-) market combinations and partnerships with strategic counterparts to generate business opportunities and compete in new and emerging markets.

Before developing a new product-market combination with an international partner outside the European Union and Horizon Europe Associated Countries and launching a new commercial venture, it is important to have a deeper understanding of the business environment (including the financial, legal, market and cultural aspects) in the markets you want to target.

Innowwide gives you insights beyond conventional market studies, selecting sales channels and export aid. It de-risks your commercialisation track by supporting **market feasibility projects**, creating the favourable conditions you need to increase uptake of your innovative solution in foreign markets.

Innowwide is co-funded by the European Union under the Horizon Europe framework programme.

1.1. What is a market feasibility project?

A market feasibility project includes preliminary technical, market, legal and/or socioeconomic assessments intended to validate the feasibility of your international and innovative business solution (product-, process- or service-market combination) within new and emerging global value chains.

Your market feasibility project must have a target country (a pilot market) where you intend to develop and validate your innovative business solution in collaboration with local counterparts. You should consider, where appropriate, frugal innovation.¹

For the purpose of this call, the target country is generally a non-EU Member State and non-Horizon Europe Associated Country (see list of eligible target countries in section 4).

Only in the case of an SME from an African country directing its innovation towards EU Member State or Horizon Europe Associated Country, the target country could be any EU Member State or Horizon Europe Associated Country. However, it is the company in the EU MS or Associated Country applying and eventually receiving the funding on behalf of the African company, and then carrying out the market feasibility project in the EU/Horizon Europe Associated Country for the innovative African company.

Market feasibility projects must:

- Feature product- (or process-, or service-) market development by an innovative SME from a European Union Member State or Horizon Europe Associated Country with at least one local partner (e.g., a supplier, customer, end user, research provider or complementary technology developer), initially as a subcontractor for the market feasibility project. The expected outcome must have a high impact in the target country (pilot market).
- Include a variety of activities to identify and assess key local technical and market framework conditions in the target country that may favour or impede the effective deployment of your innovation.

Market feasibility projects may:

• Be the preliminary phase of a future international R&I project with local counterparts in the target country that you intend to carry out in the short or medium term². This future cooperation project may be oriented towards the development, improvement or research

¹ "The process of innovating in conditions of constraint, to produce solutions that are substantially more affordable than alternatives, and accessible to a broader range of people, while also meeting user needs as – or even more – effectively." (Frauenhofer and Nesta, 2017). If the target country you have chosen is a lower end developing country, consider frugal innovation.

² Local counterparts could be the strategic subcontractor and/or another SME, large company, university or research organisation with R&I capabilities (e.g. laboratory and test facilities, demonstration, deployment) that is prepared to exploit future international R&I project results.

of new applications for your proposed innovative solution (product, process or service), including frugal innovation.

After your market feasibility project, you should have a clearer understanding of your target market and be able to make informed business decisions.

Market feasibility projects are NOT:

- unilateral or
- exclusively business trips, workshops, matchmaking events or promotional activities.

1.2. Eligibility criteria

Your application form will be reviewed to ensure it is complete and all eligibility criteria are met. The Eureka Secretariat will communicate the results with you.

Your market feasibility project and SME must meet all the following eligibility criteria:

1. Complete application

2. SME legal status³

To receive Innowwide funding, you must be an SME.

SME stands for small and medium-sized enterprise as defined in European Union law (<u>EU</u> <u>recommendation 2003/361</u>). The main factors that determine whether a company is an SME are:

- economic activity,
- number of employees and
- revenue or balance sheet total.

To be an SME, your company must fit the <u>European Commission definition of an SME</u>.

You can also receive Innowwide funding if you are⁴:

- A newly established enterprise (start-up) not yet having closed annual accounts
- A company without economic activity (but expecting to enter the market soon). You must provide a business plan with a "bona fide estimate" (see Annex 1) covering the period your company will need to generate turnover.
- An enterprise without turnover whose activities require a long time to market. You must demonstrate that you have economic activities by showing investments made and expected return.

³ In the case of African companies targeting EU Member States or Horizon Europe Associated Countries, the African company must also meet the SME legal status.

⁴ You should look carefully at your actual internationalisation capabilities and resources, since these will be considered in the evaluation.

You must complete an **SME self-assessment in your application form and validate your status to receive Innowwide funding** (see Annex 2 – call guidelines).

3. Commitment signed by the local counterpart⁵

Each market feasibility project must include at least an applicant SME and an independent subcontractor (local counterpart) in the target country.

Your counterpart will be invited to approve the commitment in the application platform.

Local subsidiaries/affiliated companies of EU Member States or Horizon Europe Associated Countries or non- EU Member States non-Horizon Europe Associated Countries parent firms may qualify as main subcontractor only if (1) they are independent from the applicant SME, (2) they are based in the potential, eligible target country, (3) they are validated legal entities according to EU definition⁶ and (4) they have local competences to collaborate at project implementation stage with the applicant SME.

4. Exclusive focus on civil applications

5. Online declaration of honour completed

None of the participating organisations can have:

- convictions for fraudulent behaviour, other financial irregularities or unethical and illegal business practices,
- been bankrupt or be in the process of being declared bankrupt or
- be 'undertaking in difficulty' according to the EU definition (<u>Article 2, no. 18 of</u> <u>COMMISSION REGULATION (EU) No 651/2014 of June 2014</u>).

6. Six-month project duration

Complete the GANTT chart requested in the application form.

7. Minimum total project cost of 86,000 euro

The maximum funding rate is 70% of a funding amount fixed at 60,000 euro (see section 6), so your total eligible project costs must be at least 86,000 euro.

Eligible costs: personnel, subcontracting, purchasing costs (travel and subsistence, equipment depreciation, other goods, works and services).

Subcontracting costs may vary from country to country, therefore, no minimum nor specific limit to the sub-contracting budget applies.

⁵ If selected for funding, you must submit a signed contract with your main subcontractor upon signature of your Grant Agreement (see Annex 2).

⁶ <u>https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/rules-lev-lear-fca_en.pdf</u>

The beneficiary who has awarded the subcontract is responsible for the work of the subcontractor (quality of work, timely completion etc.).

Main subcontractors must be chosen in view of appropriate capabilities (e.g. legal, technical, market analysis) to accomplish eligible activities.

Other minor subcontractors, including EU or associated countries' SMEs, suppliers, research providers, large companies, interface and facilitating organisations, etc., are allowed if duly justified and only if dealing with minor tasks (i.e., publishing, preparation of promotional material, trade fair participation support, basic matchmaking support, clerical support, etc.).

Subcontracts must be awarded on the basis of the best value for money.

8. Combination of eligible activities (see section 2)

1.3. Outcome of market feasibility projects

After you finish your market feasibility project, you must complete a final report⁷ that addresses:

- the technical feasibility (including upgrades, transfers and/or integration) of your proposed product-market combination and (if relevant) preparation of a future international R&I project,
- the feasibility of your business model,
- key local legal, financial, political, cultural and behavioural characteristics that affect R&I and business development and how to cope with them and the optimal exploitation pathways, including further R&I with local counterparts and involvement of future end users, clients or customers.

2. Which activities will be funded?

The funded market feasibility project must include some of (or all) the following activities:

1. Co-creation and technology uptake preparatory work (innovation and technology transfer services)

a) Frugal innovation and the preparatory phase of a future international R&I project with the local strategic subcontractor

b) Analysis of the IP environment: Identification and assessment of the legal (and related technical and financial) IP environment in the target country, legal, technical (certification

⁷ A final report template will be provided before your market feasibility project ends. The final report must be submitted within 45 days since the project official end date.

and alike) and commercial (royalties or duties) constraints or advantages for IP registration and defence

c) Technology scouting and novelty verification: Inventory and study of legal, technical and commercial situation of existing, registered and potentially legally conflictive technologies in the target market

d) Technology valuation: Technology market value calculation by experts (valuation and pricing through discounted cash flow, market comparison, benchmarking, rating and ranking, etc.)

e) Technology legal situation analysis: Due diligence of the technology legal situation in the target country (legal evaluation and actions to ensure overall technology freedom to operate and legal protection in the target country)

f) Technology protection and valorisation strategy design: Design, planning and preliminary implementation of measures to valorise existing technologies (licensing, venturing or partnering)

g) Certification and homologation compliance verification: Compulsory regulatory technical certification, testing and benchmarking activities

h) Technology partnership matchmaking

i) Small-scale proof of concept (trial and assimilation, further R&I preparatory work)

2. Market research (desk and field studies):

a) Business opportunities early survey detection (pre-conceptualisation)

b) Qualitative analysis (consumer analysis: segments, preferences, patterns, motivations, opinions, attitudes, values, culture, etc.)

c) Product commercial research (local customer experience oriented: concept, design, supply, use, etc.)

d) Market quantitative analysis (real, potential or tendencies)

e) Competition analysis (market share, positioning, value propositions, value chains, etc.)

f) Analysis of potential partners for distribution and marketing

g) Analysis of potential suppliers

h) PESTLE (political, economic, sociological, technological, legal and environmental issues) and market barriers analysis

3. Compliance verification:

a) Administrative and legal freedom to operate or due diligence verification

b) Business related social and cultural best practices identification and implementation planning

4. Business prospection trips – limited and justifiable within your market feasibility project:

- a) Trade fairs, conferences, info days or networking and matchmaking events
- b) Joint workshops or meetings with potential partners
- c) Workshops with partners to prepare international R&I projects

5. Specific promotional technical material preparation (technology valorisation-oriented) – limited and justifiable within your market feasibility project

This is a fixed and exhaustive list of eligible activities that can be funded by Innowwide.

To be eligible, your application <u>must</u> include elements from sections 1, 2 and 3 (market and technical activities) and <u>can</u> include (but not exclusively) elements from sections 4 and 5 (business development and promotion).

Subcontractors may collaborate in the implementation of any eligible project activities, i.e., frugal innovation and the preparatory phase of a future international R&I project; technology legal situation analysis; market research qualitative and quantitative analysis; administrative and legal freedom to operate or due diligence verification, etc.

3. Who can apply?

Innovative SMEs⁸, including young companies and start-ups⁹ from any sector:

- Established in an EU Member State or a Horizon Europe Associated Country
- Looking to compete and start business in new and emerging markets around the world
- Engaged in an economic activity (selling products or providing services on the market at a given price).
- Meeting eligibility, financial viability and ethical criteria as specified in the call guidelines (<u>https://www.eurekanetwork.org/programmes/innowwide/</u>)

Self-employed, partnerships and associations or any other entity different from the above mentioned will not be eligible for Eureka Innowwide funding.

Only one proposal per applicant SME per call is allowed.

⁸ <u>http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en</u>

⁹ Newly established enterprises, start-ups or companies without economic activity (but expecting to enter soon into the market) may also qualify as SMEs but should carefully look at their actual internationalization capabilities and resources, since they will be considered at the evaluation stage.

4. Geographical coverage

The first Eureka Innowwide call is global, with a reserved number of market feasibility projects with partners in African countries.

Market feasibility projects must:

- a. be submitted by an SME from an EU Member State or Horizon Europe Associated Country¹⁰ and
- b. include an independent partner entity (main subcontractor for the market feasibility project), legally established in a target country.¹¹

The first Innowwide call for market feasibility projects will fund:

- At least 25 projects with partners in North or South America, Asia-Pacific and the Middle East. Your innovative solution must be from an EU Member State or Horizon Europe Associated Country and directed towards the target country.
- **Up to 25 projects with partners in Africa.** Your innovative solution can be either from an EU Member State or Horizon Europe Associated Country and directed towards and African country or from an African country and directed towards an EU Member State or Horizon Europe Associated Country (in the latter case, the company in the EU or Associated Country applies and receives the funding on behalf of the African company, and then carries out the market feasibility project in EU/Horizon Europe Associated Country for the African innovation company).

List of eligible target countries¹² (*non-exhaustive list, in case of doubt, contact the Innowwide team*) within the eligible target regions: North or South America, Asia-Pacific, the Middle East and Africa:

Afghanistan, Algeria, American Samoa, Angola, Argentina, Azerbaijan, Australia,

Bangladesh, Belize, Benin, Bhutan, Bolivia, Botswana, Brazil, Burkina Faso, Burundi,

¹⁰EU Member State countries: Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

A list of Horizon Europe Associated Countries can be found here: <u>https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/list-3rd-country-participation horizon-euratom en.pdf</u>

¹¹Please note that organisations subject to EU restrictive measures under Article 29 of the Treaty on the European Union and Article 215 of the Treaty on the Functioning of the EU 8 and organisations covered by Commission Guidelines No 2013/C 205/059 are NOT eligible to participate in Horizon Europe actions (including as beneficiaries, affiliated entities, associated partners, third parties giving in-kind contributions, subcontractors or recipients of financial support to third parties, if any).

¹² In the case of an SME from an African country targeting EU Member State or Horizon Europe Associated Country, the target country could be any EU Member State or Horizon Europe Associated Country.

Cabo Verde, Cambodia, Cameroon, Canada , Central African Republic, Chad, Chile, China, Colombia, Comoros, Congo (Democratic People's Republic), Congo (Republic), Costa Rica, Côte d'Ivoire, Cuba,

Djibouti, Dominica, Dominican Republic,

Ecuador, Egypt (Arab Republic), El Salvador, Equatorial Guinea, Eritrea, Ethiopia,

Fiji,

Gabon, Gambia, Ghana, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana,

Haiti, Honduras,

India, Indonesia, Iran, Iraq,

Jamaica, Japan, Jordan,

Kazakhstan, Kenya, Kiribati, Korea (Democratic People's Republic), Kosovo, Kyrgyz Republic,

Lao (People's Democratic Republic), Lebanon, Lesotho, Liberia, Libya,

Madagascar, Malawi, Malaysia, Maldives, Mali, Marshall Islands, Mauritania, Mauritius, Mexico, Micronesia (Federated States), Mongolia, Morocco , Mozambique, Myanmar,

Namibia, Nepal, New Zealand, Nicaragua, Niger, Nigeria,

Pakistan, Palau, Palestine¹³, Panama, Papua New Guinea, Paraguay, Peru, Philippines,

Rwanda,

Samoa, São Tomé and Principe, Senegal, Seychelles, Sierra Leone, Singapore, Solomon Islands, Somalia, South Africa, South Sudan, Sri Lanka, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Sudan, Suriname, Swaziland, Syrian Arab Republic,

Taiwan, Tajikistan, Tanzania, Thailand, Timor-Leste, Togo, Tonga, Turkmenistan, Tuvalu,

Uganda, United States of America, Uruguay, Uzbekistan,

Vanuatu, Venezuela (Bolivarian Republic), Vietnam,

Yemen Republic,

Zambia, Zimbabwe.

Innowwide is a mono-beneficiary programme. Only organisations in EU Member States or Horizon Europe Associated Countries are eligible beneficiaries. All contracts must be signed with the EU Member State or Horizon Europe Associated Country counterpart, which will eventually be responsible for paying the local partner entity (main subcontractor) in the non-EU Member State non-Associated Country for the services and activities foreseen in the market feasibility project.

¹³ This designation is not to be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

5. How will applications be evaluated?

All submitted proposals having passed the eligibility check will go through an independent evaluation process by international remote experts according to criteria that support Innowwide's objectives. Then, an independent evaluation panel ranks the applications.

Applications will be evaluated according to three criteria: excellence, impact, and quality and efficiency of the implementation, and given points out of 200 with the distribution described below:

Evaluation criteria			
Excellence 60 Points	 Threshold: 30/60; weight: 30% Project objectives Technical and commercial novelty and ambition Competitive advantage Alignment with SME's overall business strategy 		
Impact 80 Points	 Threshold: 50/80; weight: 40% Market generation potential in the short, medium and long term in the target country: Estimated added value of the proposed product, service or business model Potential reduction in market barriers and future end user or customer engagement Global dimension (development and commercialisation and co-creation or collaborative adaptation) Potential scale-up and job creation for the SME and, if applicable, foreign technology and business partners Cost and time-to-market reduction Expected market expansion beyond the initial target country Societal, environmental, ethical and gender relevance, in particular, within the frame of Sustainable Development Goals (SDGs) 		
Quality and efficiency of the implementation - 60 Points	 Threshold: 30/60; weight: 30% Consistency between objectives, impact, approach and proposed activities Technical or business experience of the team and complementary expertise and competences that results in high added value and clear mutual benefits Availability of resources required (personnel, facilities, networks, etc.) Relevant, realistic description of how the SME and the subcontractor(s) will be involved and related 		

0	Clear justification of costs (staff, equipment, consumables, subcontracting, etc.)
0	Realistic timeframe and comprehensive description of implementation
	(milestones and risk management) taking the innovation ambitions and objectives into account

Only applications passing the abovementioned thresholds for every criterion and scoring highest in the ranking list will be retained for eventual funding.

All market feasibility projects selected for funding will be checked for compliance with EU ethical standards.

The financial viability of the applicants will also be checked before the approval of the applications. Those applicants which do not meet appropriate financial viability will be declared as non-eligible to receive the funding.

The guidelines for evaluating the applications are available at the Eureka website.

6. Funding conditions

The available budget for the first Eureka Innowwide call is **3 million euro to fund 50 market feasibility projects.**

The Innowwide financial support rate is up to 70% of minimum eligible costs (personnel, subcontracting, purchasing costs – travel and subsistence, equipment depreciation, other goods, works and services) of 86,000 euro. Each successful market feasibility project will receive a fixed grant of 60,000 euro.

70% of the grant (42,000 euro) will be disbursed at the beginning of project implementation. The remaining 30% (18,000 euro) will be transferred upon delivery and approval of the final report, after market feasibility project finalization. There is no specific limit to the sub-contracting budget.

7. How and when to apply?

Applications must be completed and submitted by someone legally authorised to represent the SME based in the EU Member State or Horizon Europe Associated Country. Applications must be completed on our **SmartSimple platform** <u>https://eureka.smartsimple.ie/</u>

Conditions for applying:

• You are an SME in an EU Member State or Horizon Europe Associated Country with a partner based in a country in North or South America, Asia-Pacific or the Middle East.

• You are an SME in an EU Member State or Horizon Europe Associated Country with a partner based in an African country.

OR

• You are an SME in an EU Member State or Horizon Europe Associated Country and you are submitting an application on behalf of an African company that you provide services to.

An initial question will categorise your application under one of these three groups.

If you are an SME in an EU Member State or Horizon Europe Associated Country and you are submitting an application on behalf of an African company directing its innovation towards EU or Associated Country, your African counterpart will be, nevertheless, considered as the "main subcontractor" for application purposes.

The same evaluation criteria apply to any of the three categories.

All SMEs in EU Member States and Horizon Europe Associated Countries must meet SME requirements. When African countries are targeting an EU Member State or Horizon Europe Associated Country, they must also meet SME requirements. Only the financial capacity of the EU Member State or Horizon Europe Associated Country partner will be assessed.

Submission steps:

- 1. **Register on <u>https://eureka.smartsimple.ie/</u>**. After registering, participants will receive an email with the login details. If you have already registered, you can use your login details to access the application form.
- 2. **Complete the application form** <u>in English</u>. The online application form allows you to save the draft application so you can return to it later.
 - All the application form fields are mandatory.
 - Your application cannot exceed a maximum character length: Each question in the application form will display the maximum number of characters allowed.
- 3. Upload your annexes:
 - Financial statements or business plan
 - Workplan
- 4. Submit your completed application form electronically before the call deadline (15 November 2022 at 17:00 CET).

Once you have submitted your application, you will receive a confirmation email and we will be notified automatically. Complete applications submitted before the deadline will be accepted and checked for their eligibility.



8. Further information

- Eureka Innowwide webpage and call documents: https://www.eurekanetwork.org/programmes/innowwide
- Innowwide application platform: <u>https://eureka.smartsimple.ie/</u>
- Data privacy policy: <u>https://www.eurekanetwork.org/footer/our-organisation/legal</u>
- Helpdesk email: innowwide@eurekanetwork.org