



## Eighth Progress Report on SMEs' participation in the 7<sup>th</sup> R&D Framework Programme

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European Commission  
Research and Innovation DG  
SME Unit

The aim of the SME Progress Reports is to monitor the participation of SMEs in the Cooperation Programme within the Seventh Research Framework Programme (FP7). The report analyses the SME participation in Grant Agreements signed by end December 2011.

The Commission is paying special attention to the funding for SMEs under the Cooperation Programme, following the target in the Decision establishing FP7<sup>1</sup>. The aim is to ensure that at least 15% of the funding of the programme goes to SMEs.

Focusing on the SME participation in the Thematic Priorities, 2,407 M€, or **15.3%** of the used Cooperation budget, is going to SMEs. (Graph 1)

In 73% of the Grant Agreements at least one SME is involved. 10% of the projects is coordinated by an SME.

For the SME participations in Thematic Research Projects so far, the average EU contribution is 270,000€.

In the whole FP7 programme, including Research for the Benefit of SMEs and the Marie-Curie Actions, 13,800 of almost 79,000 of the participations are SMEs, receiving an average EU contribution of 250,000€. The SME participations represent 9,400 individual SMEs out of the 20,100 individual organisations participating in FP7.

So far, the Cooperation Programme has spent in total 50.1% of the budget, amounting 15,750 M€ within the Thematic Priorities. Given the SME targeted elements in the Work Programmes 2012, the budgetary share of SMEs is forecasted to grow from the current 15.3 % to around 16 % of the Cooperation Programme by 2013. This represents 5.2 billion €. For the five Specific Programmes of FP7, an extrapolation exercise forecasts the total budget going to SMEs in FP7 to amount to 7 billion €, benefiting 17,000 SMEs in ca. 28,400 SME participations. This estimation is based on the average multiple participations by SMEs in FP7. The recurrence rate, being the average number of projects in which an organisation is involved, has increased to an average of 1.6 Grant Agreements per SME - demonstrating a positive trend in the interest of SMEs in FP7 - and might increase further.

During the last months of 2011, there has been a significant increase in the budget share going to SMEs (Graphs 2 and 3). The SME strengthening measures in the Work Programmes 2011, in particular the ones of the Thematic Priorities HEALTH and KBBE, appear to be effective.

<sup>1</sup> "Decision no 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for Research, Technological Development and Demonstration activities (2007-2013)" – Annex I, I. Cooperation

As a specific feature, this report provides a more detailed analysis of the activity sectors of participating SMEs with a comparison among the relevant Specific Programmes. This analysis shows the different nature of the Specific Programmes: R&D performing SMEs have a high share (30%) in the Thematic Priorities of the Cooperation Programme, while in the programme 'Research for the benefit of SMEs', the manufacturing sector is represented in more than 40% of the participations. In the People Programme, namely the Marie-Curie actions 'Industry Academia Partnerships and Pathways' and 'Initial Training Networks', the R&D performing SMEs represent more than 40% of the participations.

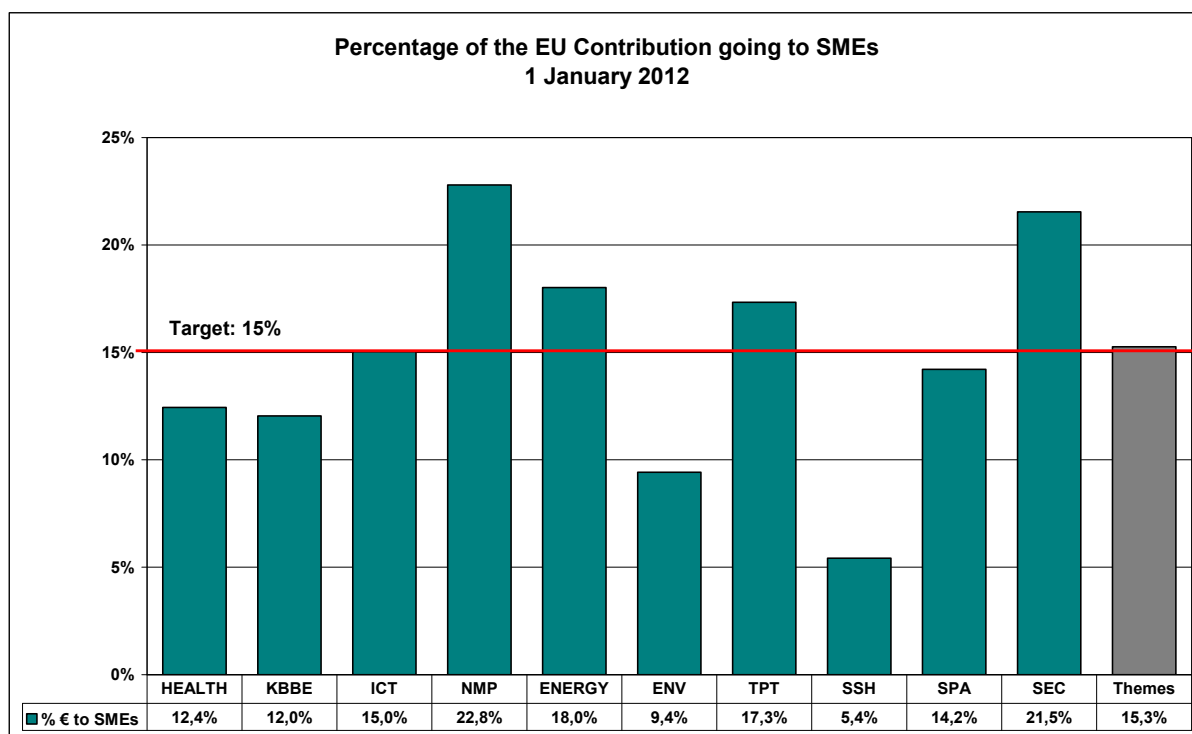
This report also looks into the participation of SMEs of Third Countries in FP7. All in all, there are almost 1,200 SME participations of Third Countries in FP7, which corresponds to almost 10% of all the SME participations.

The report analyses the participation of SMEs in each of the ten Thematic Priorities within the Cooperation Programme of FP7. The Themes are listed with their acronyms and description in Table 1.

**Table 1: The ten Cooperation Programme Themes in FP7: Acronym and description**

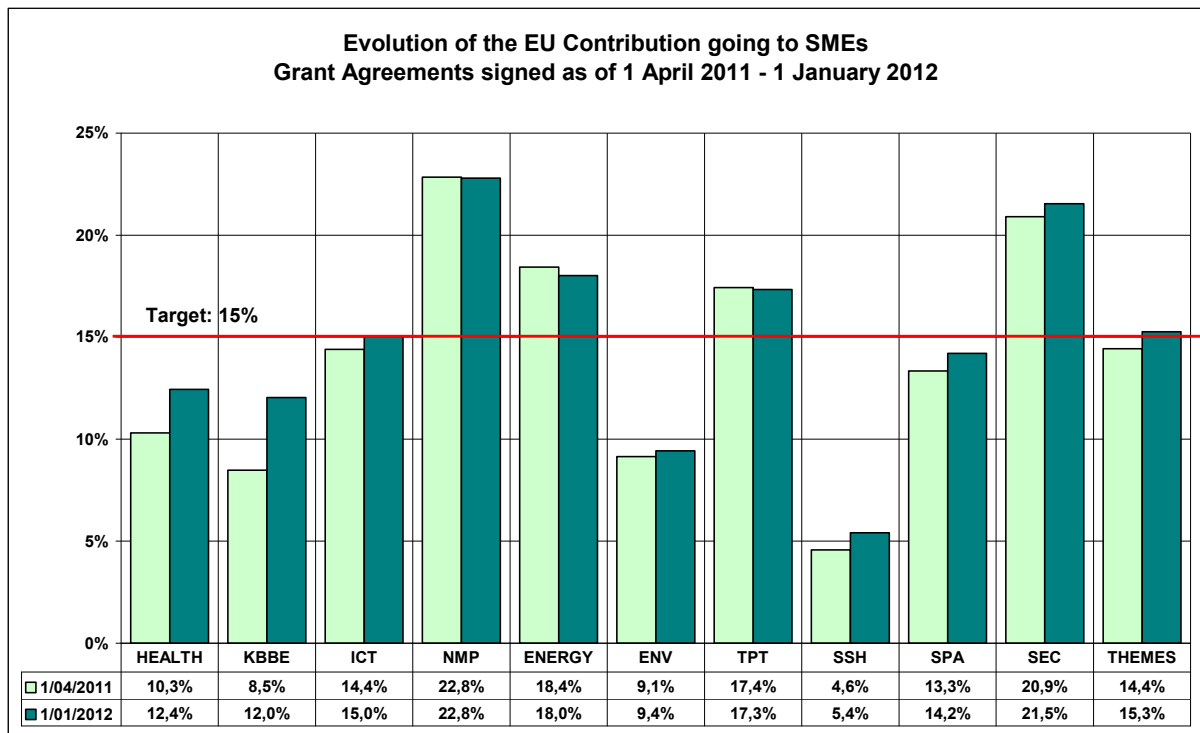
| Theme acronym | Theme description   |
|---------------|---|
| HEALTH        | Health Research   |
| KBBE          | Food, agriculture, fisheries and biotechnology                        |
| ICT           | Information and communication technologies                            |
| NMP           | Nanosciences, nanotechnologies, materials and production technologies |
| ENERGY        | Energy Research   |
| ENV           | Environment Research (including climate change)                       |
| TPT           | Transport Research (including aeronautics)                            |
| SSH           | Socio-economic Sciences and Humanities Research                       |
| SPA           | Space Research  |
| SEC           | Security Research   |

### ***EU Contribution going to SMEs, per Theme, versus the 15% target Grant agreements signed during the years 2007 to 2011***

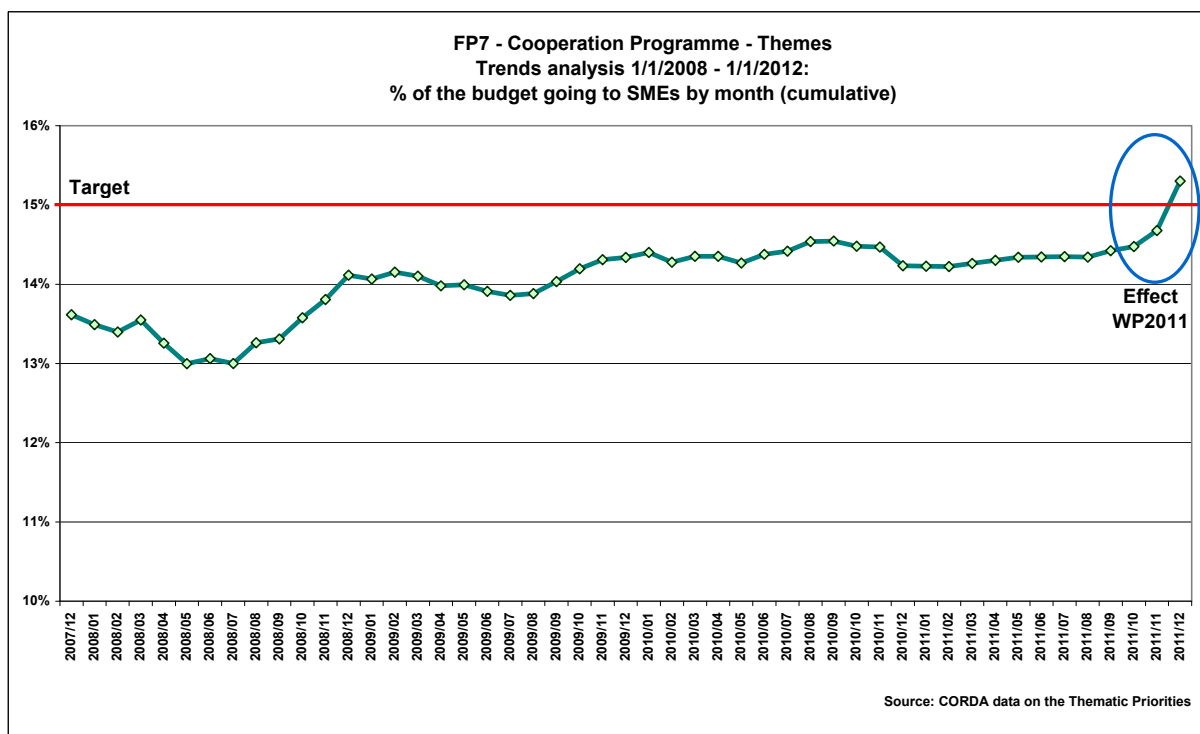


**Graph 1: The share of the EU Contribution going to SMEs, for each Theme within the Cooperation Programme (2007-2011)**

## Evolution of the SME participation in the Thematic Priorities



**Graph 2: The evolution of the share of the EU Contribution going to SMEs, for each Theme within the Cooperation Programme, since the previous report**



**Graph 3: Trends analysis**  
Evolution of the percentage of the budget going to SMEs over 48 months (cumulative).  
Period: January 2008 – December 2012

## ***The effect of the SME targeted measures in WP 2011 is visible***

The main justification for the overall increase of the EU contribution in the Thematic Priorities are the efforts done by the Thematic Priorities to include SME targeted measures.

The 2011 Work Programmes (WPs) covered a range of new SME friendly issues for most of the Themes . These include, for instance, SME specific topics, SME specific calls and earmarked budgets for SMEs.

As of the 1<sup>st</sup> of January 2012, 620 Grant Agreements (GAs) are signed based on calls published in the 2011 Workprogrammes.

These represent

- 20.1% SMEs participations (versus 17% overall)
- 18.7% of the EU contribution goes to SMEs

This is a clear improvement compared to the GAs signed under 2007-2010 WPs, for which the results were

- 16.7% SMEs participations
- 14.4% of the EU contribution went to SMEs