



Brochure | The EBRD Innovation Programme in Lebanon

Contents

Who we are.....	2
Lebanon Innovation Programme:	2
What we offer	2
Component 1: Innovation Vouchers for Research and Development	2
Calls for Applications – Window for Application Submission	3
Component 2: Innovation Vouchers for additional research and go-to-market and commercialisation.....	3
Calls for Applications – Window for Application Submission	3
Component 3: Technical Assistance for Innovating SMEs and Start-ups	3
Innovative activities covered: (as per the OECD definition)	4
Eligible Sectors.....	5
Eligible companies.....	5
Eligible researchers	6
How to Apply.....	6
Frequently Asked Questions.....	7
General	7
Component 1 Specific	7
Component 2 Specific	8



Who we are

The European Bank for Reconstruction and Development (EBRD) belongs to a family of multilateral development banks. Our main mission is to help businesses and economies thrive through financial investments, business services and involvement in high-level policy reform, promoting entrepreneurship and resilience. The EBRD operates in 38 countries of operations, across three continents, from the Southern and Eastern Mediterranean, to Central and Eastern Europe, to Central Asia. We invest around EUR 10 billion a year into a mix of small, large private firms, local banks and microfinance institutions, venture capital and local and national authorities. Our aim is to provide the right financing and a strong valuable partnership to help these bodies grow and develop their own skills.

The Bank is unique in its outreach to small and medium-sized enterprises (SMEs). Not only do we reach over 200,000 MSMEs annually through more than EUR 1 billion in direct and indirect financing, but we also provide business advisory services to over 2,200 small businesses a year across our regions. Moreover, we extended our focus, beyond SMEs, to the early-stage business space, investing in a number of young venture capital funds in the regions and mobilising know-how through the Star Venture Programme.

Lebanon Innovation Programme:

Launched at the beginning of 2023 with funding from the European Union, the Innovation programme aims to increase the competitiveness of Lebanese SMEs and start-ups with innovation as a driving force for sustainable growth. The Programme gives companies access to grants supporting the research and development needed to innovate (products and processes), as well as subsequent advisory services to implement the innovation. The various components promote a culture of collaboration between the private sector and research and development.

What we offer

The Programme has three main components (see below) that are awarded progressively and on a competitive basis. Companies' eligibility for all three stages will be assessed based on the level of innovation, potential market and sector. Companies that have gone through the first component will be prioritised for the remainder two.

Component 1: Innovation Vouchers for Research and Development

Three calls for applications will be launched on an annual basis to support companies interested in working with researchers on innovating a product or a process. These grants in the amount of EUR 5,000 allow companies to experiment and evaluate the feasibility of a well-developed idea. Covered R&D includes:

- Feasibility of new product: basic research, opportunity analysis, market research, concept development, prototyping and testing
- Software development: (front-end, backend algorithm development)
- Hardware development (engineering, industrial product design, product adaptation)
- Formula development for non-tech innovation, such as recipes/shelf life for agrifood, mixes of inputs for new products, etc.

Calls for Applications – Window for Application Submission

- Cohort 7 – 20 January 2025 – 14 February 2025
- Cohort 8 – 22 April 2025 – 16 May 2025
- Cohort 9 – 08 September 2025 – 26 September 2025

Component 2: Innovation Vouchers for additional research and go-to-market and commercialisation

A call for applications will be launched on an annual basis to help companies further develop their initial research. The second type of support focuses on activities after the initial research and development phase to enable the SME/start-up to go to market and commercialise. SMEs and start-ups may apply for several activities that do not to exceed a total grant of EUR 30,000 and with a cost share from benefiting companies. Activities covered under this component include:

- Prototyping
- Testing
- Certification
- Intellectual Property Protection
- IT component development
- Process improvement
- Launch strategy
- Marketing
- Business development

Calls for Applications – Window for Application Submission

- Cohort 3 – 17 February 2025 – 14 March 2025
- Cohort 4 – 23 June 2025 – 18 July 2025

Component 3: Technical Assistance for Innovating SMEs and Start-ups

Two calls for applications will be launched on an annual basis, one for SMEs and one for start-ups to join a cohort of companies in an intensive and tailored 18-month Programme to integrate and scale their innovations. The Programme engagement includes - but is not limited to - strategic innovation business diagnostic workshops, advisory projects, and mentorship. Under the advisory support, companies will be connected with local consultants and international advisers who can help transform a wide range of businesses. Advisory services include:

- Strategy and planning
- Internationalisation and scaling and marketing
- Organisation, leadership and human resources
- Governance and compliance
- Operations and quality management
- Lean and agile processes
- ICT and Digitalisation
- Engineering and Technical Solutions
- Accounting, Financial Reporting, Fundraising and Financial Management
- Energy and Resource Efficiency

Calls for Applications – Window for Application Submission

- SME Track Cohort 1 – 22 September 2025 – 10 October 2025
- Star Venture Track Cohort 2 – 20 October 2025 – 14 November 2025

The Programme will include activities to promote the creation of innovative ideas and increase partnerships between key actors of the Lebanese innovation ecosystem. This includes workshops and trainings that support the overall objective of encouraging a culture of collaboration, cross-fertilisation of ideas and approaches between actors of the Lebanese innovation ecosystem.

Innovative activities covered:

The Programme uses the OECD definition as follows:

- **Product innovation:** are those that provide significant improvements to one or more characteristics or performance specifications. This includes the addition of new functions, or improvements to existing functions or user utility. Relevant functional characteristics include quality, technical specifications, reliability, durability, economic efficiency during use, affordability, convenience, usability, and user friendliness. Product innovations do not need to improve all functions or performance specifications.
- **Business process innovation:** is a new or improved business process for one or more business functions that differs significantly from the firm's previous business processes and that has been brought into use by the firm. Examples include greater efficacy, resource efficiency, reliability and resilience, affordability, convenience and usability for those involved in the business process, either external or internal to the firm. The term business process includes the core business function of producing goods and services and supporting functions such as distribution and logistics, marketing, sales and after-sales services, information and communication technology (ICT) services to the firm, administrative and management functions, engineering and related technical services to the firm, and product and business process development.

Examples of innovations as per the 2018 OECD Oslo manual

The following (non-exhaustive) activities may be supported by the vouchers:

- Introducing a new product or service
- Improving a product or service's user friendliness
- Improving a product or service's durability
- Revising the inputs for greater efficiency or better environmental impact
- Innovating hardware or software used in product or service
- Revising an existing product for a new type of customers
- Improving a product's affordability: introducing a product line that uses less expensive materials and is consequently offered at lower cost,
- Enhancing financial attributes such as affordability and financial convenience, such as dynamic toll pricing to ease traffic congestion, and a service for automatic payment of a taxi ride after the ride has taken place.
- Creating new designs or improved design features that influence the appearance or "look" of a product and consequently enhance the user's utility, for instance through a substantial design change that creates a positive emotional response.
- Improving the production processes of goods or service: this includes activities that transform inputs into goods or services, including engineering, technical testing, analysis and certification activities to support production. For example, innovating processes for greater efficiency or better environmental impact, or significantly upgraded production methods.
- Enhancing the distribution and logistics functions: this includes transportation, service delivery, and warehousing, and order processing. For example, the implementation of an online ordering system, or significantly upgraded delivery methods.
- Introducing innovations in marketing and sales: this includes marketing methods (product placement, packaging) and market research; pricing strategies and methods; sales and after sales activities (including help desk and customer relationship activities). For example, introducing recycled product packaging, new channels for product placement, or yield management pricing.
- Improving information and communication systems: This includes the maintenance and provision of information and communication systems, including hardware and software, data processing and database, maintenance and repair, web-hosting.
- Innovation in administration and management: This includes strategic and general business management (including organizing work responsibilities), corporate governance

(including legal and public relations), accounting, human resource management, and procurement. For instance, implementing innovative ways to improve staff wellbeing and productivity such as switching to four-day workweeks, hybrid models of work, or switching to a horizontal, non-hierarchical structure.

- Improving product and business process development: This includes activities to scope, identify, develop or adapt a firm's business processes. Examples of innovations in this function include the application of data mining analysis to large databases to identify potential market development opportunities. Other examples for an innovation in this category include the adoption of new methodologies such as design thinking, co-creation, and rapid prototyping.

Eligible Sectors

The Programme will prioritise SMEs operating in the Agribusiness, Medical (in particular pharmaceuticals), and ICT/Creative Industries and their value chain. Priority will be also given to projects that further the EBRD and the EU's strategic objectives of sustainable development through three cross-cutting themes: transition to green, equality of opportunity and digitalisation.

Eligible companies

Small and Medium Enterprises:

- Size: up to 250 employees and a maximum annual turnover of EUR 50 million or balance sheet total of no more than EUR 43 million. Companies with up to 500 employees maybe be exceptionally eligible.
- Ownership. To be privately owned and majority locally owned enterprises (with not more than 49% foreign ownership).
- Area of activity. All activities except banking services, military products or services, gambling, hard liquor and tobacco in line with the EBRD policies.
- Maturity. At least two years of sound operations and potential for growth as indicated by ability to export or availability of innovative products, processes or organizational structure. Exceptions can be granted to high potential start-ups with less than two years of operations.
- Management commitment. Management must be open and committed to the assistance and achieving agreed objectives, and willing to contribute to the cost of the project.
- Integrity. Enterprise and management are credible and respectable, and must comply with the EBRD integrity procedures. There must be no previous or ongoing legal proceedings which may affect the implementation of the project or constitute reputational risk to the EBRD.
- Viability. To be able to demonstrate further potential for growth in terms of having a discernible competitive advantage, be able to demonstrate profitability, and have sufficient financial and operational resources available for implementation and follow up of advisory services.

Start-ups, companies have to be:

- High-potential, innovative, growth-oriented start-ups. Typically, they would have already graduated from accelerator(s) or are at the post-accelerator stage, and are often referred to by VCs and/or accelerators.
- Legal entities registered in Lebanon, less than 5 years of operation, with the potential to scale rapidly; Legal entities may be registered outside of Lebanon provided it is majority owned by Lebanese citizens and has either the majority of its turnover or the majority of its staff in Lebanon.
- Generating an annual turnover of less than EUR 1 million.

Eligible researchers

A researcher is a PhD holder active in research, affiliated with a university in Lebanon at a post-graduate or equivalent level and with at least four years of research experience. Research experience would be undertaken in recognised research settings, including universities, public or private research organisations, academies of science, and large-scale industrial actors. Researchers must demonstrate a systematic understanding of a field of study and deep insight of the research associated with that field. The researcher must have contributed through original research that extends the frontier of knowledge by developing a substantial body of work, innovation or application.

How to Apply

Please find on [this link](#) the application forms required for the programme. To submit your application, kindly send an email to knowhowlebanon@ebrd.com and include your application form as well as all required documents. You can also email us at knowhowlebanon@ebrd.com for additional information and inquiries.

Frequently Asked Questions

General

- **What is considered as an innovation? What kind of innovative activities are covered under the Innovation Programme?**

The OECD definition of innovation adopted covers a broad range of activities and is meant to encourage companies to adopt innovation within their business. Mainly, the Innovation Programme covers product innovation, which includes significant improvements to one or more characteristics or performance specifications, and business process innovation, which is a new or improved business process for one or more business functions that differs from the company's previous processes.

- **Do we need to go through the first component to be eligible for the other two components?**

Priority will be given to companies that went through component 1. However, applicants that haven't participated in component 1 may apply to component 2 and 3, if their application showcases previously conducted research with a qualified researcher. Applicants must provide a report showcasing previous research, either conducted by their internal research department or with an independent researcher/consultant that they aim to continue or commercialize. The research report will undergo technical assessment by third-party evaluators.

- **How will applications be assessed and selected?**

The technical/scientific component of applications (the research outcome report) will be reviewed by international third-party subject matter experts. The EBRD will also consider the company's profile, track record, market potential and alignment with the Programme's strategic priorities before making the final selection.

- **Are there any reporting requirements for SMEs and researchers involved in the Innovation Programme?**

Yes, both SMEs and researchers/consultants are required to provide progress reports throughout the duration of the project, as well as a final report summarizing the results and outcomes of the project. In the case of projects under the first component, these reports will be considered in the assessment of applications for the second and third component.

- **Can I apply if I haven't yet identified a specific researcher or consultant I would like to work with?**

You can express your interest in the Innovation Programme, irrespective of the windows of applications. The EBRD team will set up a call to understand your specific needs and accordingly refer you to potential researchers/consultants that fit the expertise required for the intended innovation. Once the company agrees on a project with a researcher/consultant, it may submit an application to be considered in the upcoming cohort.

Component 1 Specific

- **What is covered under the EUR 5,000 for the first component? Does this grant cover equipment, hardware and other similar capital expenditures?**

The EUR 5,000 covers the remuneration of the researcher for their time. Minor consumables used in their research and development may be considered. However, the grant cannot be used to cover equipment, hardware or consumables that would make up a considerable portion of the grant.

- **Can I work with a consultant (as opposed to a researcher)?**

Under the first component of the Programme, the application must be submitted jointly between an SME and a researcher that falls under the following definition: A researcher is a PhD holder active in research, affiliated with a reputable university in Lebanon at a post-graduate or equivalent level and with at least four years of research experience. Research experience must be undertaken

in recognised research settings, including universities, public or private research organisations, academies of science, and large-scale industrial actors. Researchers must demonstrate a systematic understanding of a field of study and deep insight of the research associated with that field. The researcher must have contributed to original research that extends the frontier of knowledge by developing a substantial body of work, innovation or application.

- **What are the next steps if my application is selected within a cohort?**

If your application is selected, the SME and the researcher will work on developing a terms of reference document that details the project scope, timeline, deliverables and fees. Once completed and approved, we will schedule a contract signing call between all parties involved to finalize all contractual arrangements and subsequently kick off the project.

- **What is the maximum length of time allowed for an R&D project under the first component?**

The average duration of an R&D project is estimated to take four to six months. However, we acknowledge that R&D projects can vary in duration depending on scope and complexity

Component 2 Specific

- **What is covered under the component 2?**

Component 2 offers SMEs and start-ups grants for a range of technical assistance projects with consultants and/or for additional research, testing, and prototyping with a researcher. The grant is expected to encompass up to four of these activities and should not exceed the total sum of EUR 30,000, with benefiting companies expected to contribute a cost share. This grant doesn't cover equipment, hardware, salaries, and other similar expenditures.

- **What percentage of each project does the EBRD cover?**

The EBRD covers 50% to 75% of the cost of each project depending on the size of the company and the type of advisory service. For companies with less than 50 employees and a turnover of less than EUR 10 million, the EBRD covers 70% of the net project cost. For companies with less than 250 employees and a turnover of less than EUR 20 million, the coverage is 60%. For projects that improve a company's sustainability, the grants cover up to 75% of the net project cost.

- **Can I work with a researcher (as opposed to a consultant)?**

Yes, under component 2 of the Innovation Programme, companies can collaborate with any consultant, including researchers, provided they fit the eligibility criteria of the EBRD and the projects are to support an innovation in its go to market and commercialisation stage.

- **Can I work on various projects simultaneously under component 2?**

Yes, companies are welcome to submit and work on multiple projects if they have the capacity. However, each project proposal will undergo a separate submission and review process.

- **What additional documents need to be submitted to apply for component 2 of the programme:**

In addition to the company's legal and financial documents, the company must provide:

- A comprehensive report of research previously done (either as part of component 1 or independently)
- A roadmap of projects that the company plans to implement under this component
- At least one proposal and quotation for a potential project with a consultant/researcher.

- **What are the next steps if my application is selected within a cohort?**

If your application is selected, for each project, the SME and the consultant will work on developing a terms of reference document that details the project scope, timeline, deliverables and fees. Once completed, reviewed, and approved, we will schedule a contract signing call between all parties involved to finalize all contractual arrangements and subsequently kick off the project.

- **What is the maximum length of time allowed for a project under the second component?**

The average duration of a project is estimated to be four to eight months. However, we acknowledge that projects can vary in duration depending on scope and complexity. Companies can start and sign new projects up to one year after they are selected for component 2 of the programme.

- **Can startups apply for component 2, or is it limited to established companies?**

Both startups and SMEs are eligible to apply for component 2, provided they meet the programme's eligibility criteria and requirements.

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