



Science Link

REPORT ABOUT FINANCING REGIONAL CONTACT POINTS

Content

DENMARK.....	4
SMEs in Denmark— basic figures.....	4
Support - Measure	5
Important Research Programmes.....	7
Cohesion Policy and Denmark	7
Support for research and development activity of enterprises (2014-2020).....	7
ESTONIA	9
SMEs in Estonia— basic figures	9
Support - Measure	9
Important Research Programmes.....	10
Cohesion Policy and Estonia	10
Support for research and development activity of enterprises (2014-2020).....	11
FINLAND	12
SMEs in Finland — basic figures.....	12
Support - Measure	12
Important Research Programmes.....	14
Cohesion Policy and Finland	14
GERMANY.....	16
SMEs in Germany — basic figures.....	16
Support - Measure	17
Important Research Programmes.....	19
Cohesion Policy and Germany	19
Support for research and development activity of enterprises (2014-2020).....	20
LATVIA	21
SMEs in Latvia— basic figures.....	21
Support - Measure	21

Important Research Programmes.....	22
Cohesion Policy and Latvia.....	22
Support for research and development activity of enterprises (2014-2020).....	23
LITHUANIA.....	25
SMEs in Lithuania — basic figures.....	25
Support - Measure	26
Important Research Programmes.....	29
Cohesion Policy and Lithuania	30
Support for research and development activity of enterprises (2014-2020).....	30
POLAND.....	32
SMEs in Poland — basic figures	32
Support - Measure	33
Important Research Programmes.....	35
Cohesion Policy and Poland	35
Support for research and development activity of enterprises (2014-2020).....	36
SWEDEN	39
SMEs in Sweden — basic figures.....	39
Cohesion Policy and Sweden	39
Support - Measure	40

DENMARK

The 2008-09 crisis has hit Denmark's SME sector hard. It has led to a significant fall in employment, value added and numbers of firms. Since 2009, Danish firms have experienced a modest recovery, but that lost momentum in 2012. SMEs were more affected than large companies, their contribution to the GDP falling about 2.3 % each year over 2008-12, while larger firms managed to hold their value added over the same period. The prognosis for 2013 and 2014 anticipates more sustained growth. The economy is expected to gain momentum again, on the back of the reforms implemented by Denmark to boost investment and internal demand and improve export competitiveness. However, a full recovery to pre-crisis levels is not yet within sight, especially regarding employment. Denmark offers a favourable business environment for small firms, which are widely considered to be the main generators of future wealth and employment. The SBA profile for Denmark clearly exceeds the EU average in half of the SBA areas. Denmark's performance is close – albeit slightly below - par in environment and state aid and public procurement, and entrepreneurship. However, Denmark is the lead performer in fields such as skills and innovation, framework conditions for internationalisation, responsive administration and second chance.

SMEs in Denmark— basic figures

	Number of enterprises			Number of employees			Value added		
	Denmark		EU27	Denmark		EU27	Denmark		EU27
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	179.843	88,2%	92,1%	338.957	21,4%	28,7%	27	23,3%	21,1%
Small	20.037	9,8%	6,6%	389.582	24,6%	20,4%	22	19,3%	18,3%
Medium-sized	3.347	1,6%	1,1%	321.902	20,4%	17,3%	22	18,8%	18,3%
SMEs	203.227	99,7%	99,8%	1.050.440	66,4%	66,5%	70	61,3%	57,6%
Large	604	0,3%	0,2%	530.904	33,6%	33,5%	44	38,7%	42,4%
Total	203.831	100,0%	100,0%	1.581.344	100,0%	100,0%	115	100,0%	100,0%

*SBA Fact Sheet 2013

SMEs' contribution to the Danish business economy is slightly greater than the EU average in terms of value added (61.3% versus 57.6%), but almost equal for employment: 66.4% of the private sector workforce is employed in SMEs, compared to 66.5% in the EU. This is because micro firms are more productive, i.e. they generate more value added with fewer employees.

Support - Measure

Programme	Green development and demonstration programme <i>Grønt Udviklings- og Demonstrationsprogram (GUDP)</i>	Innovation Voucher Scheme <i>Videnkupon</i>	Knowledge pilots <i>Videnpiloter</i>	Strategic research in education and creativity <i>Strategisk forskning inden for uddannelse og kreativitet</i>
Overview	<p>In December 2009 the Green development and demonstration programme (GUDP) was introduced by the Danish Parliament (Folketinget). GUDP is managed by the Danish AgriFish Agency under the Ministry of Food, Agriculture and Fisheries of Denmark. GUDP has a board which is responsible for all decisions regarding the selection of projects.</p> <p>The objective of the Green development and demonstration programme (GUDP) is to create more coherence between research, development and demonstration (RD&D) of knowledge on the food, agricultural, fishery and aquaculture sector. The programme shall also fund R&D projects that address the most central challenges in the food sector. Funding goes mainly to small and medium sized enterprises, not to public organisations.</p>	<p>The policy measure aims at an increased R&D and innovation capabilities of SMEs by fostering collaboration with public research institutions and RTOs, improving knowledge transfer and by strengthening quality and relevance of public R&D.</p> <p>The Innovation Voucher has been introduced to inspire SMEs to utilise the opportunities and potential of knowledge institutions. At the same time, the Innovation Voucher Scheme is expected to enhance the awareness at knowledge institutions of the need for knowledge and thus secure the quality and societal relevance of public research.</p> <p>The scheme is open for projects within all scientific fields and the administrative structure of the scheme is designed in a manner to reduce bureaucratic measures as much as possible for the project participants.</p>	<p>The Knowledge Pilot scheme is a subsidy scheme granted by the Ministry of Science, Innovation and Higher Education. It was initiated in 2005. Under the scheme, enterprises with less than 100 employees and having little or no experience in hiring employees with a higher education, can apply for wage subsidies of up to €20,000 over a twelve-month period when hiring an employee with an academic degree acknowledged by the Danish Agency for Science, Technology and Innovation.</p> <p>The main goal of the subsidy scheme is to increase knowledge dispersion throughout the economy by subsidising the employment of university graduates in SMEs which do not typically make use of the resources of such individuals.</p>	<p>The programme has a focus on the improvement of education programmes at all levels to ensure that they meet the future needs for competence and new knowledge that exist on both the private and the public labour market. The programme commission merges the programme commission on education and competence building and the programme commission on creativity and innovation.</p> <p>A strategic research effort can encompass teaching, learning and competence development in all life stages from pre-school, school and youth education programmes to vocational education, higher education and working life.</p> <p>Targets of the programmes are both public and private research and higher education providers. Collaboration with the business</p>
Outcome and rationale	GUDP was launched as one of the initiatives in the Government's Green Growth Agreement, which was presented in June 2009. The rationale of	The policy measure aims at improving collaboration between public research institutions and RTOs and SMEs and fostering the R&D intensity and	<p>The overall objectives are:</p> <ul style="list-style-type: none"> to heighten the number of highly educated employees in 	Education, learning, innovation and creativity are decisive for future prosperity and welfare, and are in addition of great importance for the

	<p>the programme is to support green growth as the interaction between sustainability, effectiveness and value creation.</p> <p>GUDDP gives funding to the development of new technologies, instruments, production systems, processes, products and management and logistic solutions which: reduce constraints on nature, environment and climate; improve resource effectiveness; develop plants and animals with new attributes; exploit side-stream and residuals; strengthen income from home and export markets; improve food safety and health; meet new customer demands; increase adaptation of bio-based products to non-food purposes.</p>	<p>innovation capabilities of Danish SMEs. It will contribute to achieving the 3% target as has been formulated in the Globalisation strategy.</p>	<p>SMEs</p> <ul style="list-style-type: none"> to enforce the cooperation between SMEs and knowledge institutions. 	<p>personal possibilities of the individual and for social cohesion. This has been highlighted in several policy documents, such as Denmark's National Reform Programme (2008) and the Globalisation Strategy: Progress, Innovation and Cohesion - Strategy for Denmark in the Global Economy. The programme gives "funding of strategic research in education, learning and competence building with the objective of ensuring the individual's opportunities and the prosperity and growth of society".</p>
Policy Priorities	<p>GUDDP is to create more coherence between research, development and demonstration of knowledge on the food, agricultural, fishery and aquaculture sector.</p> <p>Main Policy Priorities</p> <p>1.3.3 Other horizontal policies</p> <p>Other Policy Priorities</p> <p>1.3.3 Other horizontal policies</p> <p>2.3.1 Direct support of business R&D</p> <p>4.1.1 Support to sectoral innovation in manufacturing</p> <p>5.3.2 Consultancy and financial incentives to the use of IPR</p>	<p>Highest priority addressed by this policy measure is strengthening R&D collaboration between SMEs and public research institutions and RTOs.</p> <p>Main Policy Priorities</p> <p>2.2.3 R&D cooperation</p> <p>Other Policy Priorities</p> <p>2.2.2 Knowledge Transfer</p> <p>2.3.1 Direct support of business R&D</p> <p>4.3.1 Support to innovative start-ups incl. gazelles</p>	<p>The main policy goal of the subsidy scheme is to increase knowledge dispersion in SMEs.</p> <p>Main Policy Priorities</p> <p>3.3.2 Recruitment of skilled personnel in enterprises</p> <p>Other Policy Priorities</p> <p>2.1.2 Public Research Organisations</p> <p>2.2.2 Knowledge Transfer</p> <p>3.2.3 Mobility of researchers</p> <p>3.3.2 Recruitment of skilled personnel in enterprises</p>	<p>The programme has research on education at all levels as its priority.</p> <p>Main Policy Priorities</p> <p>1.2.1 Strategic Research policies</p> <p>Other Policy Priorities</p> <p>1.2.1 Strategic Research policies</p> <p>3.1.1 Awareness creation and science education</p> <p>3.1.2 Relation between teaching and research</p>

Important Research Programmes

- Business Innovation Fund
- Industrial PhD initiative
- Innovation Consortia
- Innovation Voucher Scheme
- Knowledge pilots
- Knowledge voucher (small scale innovation projects)
- SPIR - Strategic Platforms for Innovation and Research
- Tax scheme for foreign researchers and key employees

Cohesion Policy and Denmark

In 2014-2020, Denmark will manage two operational programmes under EU Cohesion Policy. Of these, one will receive funding from European Regional Development Fund (ERDF) and one from European Social Fund (ESF).

How much EU funding will be invested in Denmark (2014-2020)?

- For 2014-2020, Denmark has been allocated around €553 million in total Cohesion Policy funding:
- € 84 million for transition regions (Zealand).
- € 329 million for more developed regions (Northern Jutland, Mid-Jutland, Southern Denmark, Capital region and Bornholm).
- € 140 million for European Territorial Cooperation.

The main investment priorities for Denmark

Priorities for Denmark will be set out in a Partnership Agreement with the European Commission. The priorities are expected to include:

- Improving businesses' competitiveness and growth through support to innovation, energy efficiency and labour market skills and mobility.
- Promoting entrepreneurship.
- Reducing emissions of green house gases.
- Increasing inclusion of people at the margins of the labour market.
- Promoting an environmentally friendly and resource-efficient economy.

Support for research and development activity of enterprises (2014-2020)

Programme	Innovation and Sustainable Growth in Businesses <i>Innovativ og bæredygtig vækst i virksomheder</i>
Objectives	The Programme aims to boost economic growth in all Danish regions and contribute to achieving the Europe 2020 targets for smart, sustainable and inclusive growth. It should

	create jobs and boost productivity, particularly in SMEs. EU funding will be targeted according to the unique strengths and development needs of each region.
Funding priorities	<p>The Programme will focus on four main priorities:</p> <ul style="list-style-type: none"> • Increase the number of innovative SMEs Investments under this priority will both support cooperation between businesses and knowledge institutions on innovation and promote innovation in SME's through strong clusters • Increase the number of growth SMEs The aim of this priority is to enable SMEs to exploit their growth potential. The priority only targets SMEs which are likely to have a substantial growth potential, which can be quickly exploited and with a management motivated for growth. • Enhance energy and resource efficiency in SMEs This priority targets individual SMEs or networks of SMEs with a high and measurable potential for increased resource and energy efficiency • Reduce energy consumption in cities with more than 30.000 inhabitants Linking this priority to the other ones, the target here is specifically cities or urban areas. Investments will be part of integrated sustainable urban development strategies. The aim is to increase innovation related on the one hand to resource and energy efficiency in SMEs, and on the other innovation and implementation of low emissions technologies in SMEs.
Expected results	<p>The expected results of the OP include:</p> <ul style="list-style-type: none"> • 1.900 businesses having cooperated with knowledge institutions • Private investments of DKR 344m (app. €46m) • Investments in 6.800 SMEs • 700 new growth businesses • Turn-over in businesses DKR 5.400m (app. € 725) • Create 2.700 jobs • 800 businesses having participated in cooperation projects on innovation • Reduce Green House Gas emissions with 49.000 tonnes • Reduce annual energy consumption with 905.000G j
Available allocation	399,225,121.00 €

ESTONIA

The 2008-09 crisis has had a significant impact on the development of the Estonian business economy, with all companies — big and small — experiencing slumps in terms of both employment and turnover or value added. SMEs seem to have been hit much harder than larger firms, their value added having plummeted by about a fifth. Estonian SMEs benefit from a business-friendly environment and a strong and responsive administration, and quickly started to recover, with consistently positive growth rates after 2009. In fact, full recovery to pre-crisis level is expected in 2014. Estonia has a sophisticated business culture with good framework conditions for innovation and internationalisation. Statistics on SMEs show that Estonia's performance clearly exceeds the EU average in six out of ten areas. Estonia lags behind in 'entrepreneurship' and offers less-positive conditions for entrepreneurs who have gone through bankruptcy. In addition, the generally-recognised weaknesses of Estonian SMEs are their lack of qualified staff and engineers and their limited access to venture capital and other less-traditional sources of financing. However, Estonia is ahead of most EU countries in 'internationalisation' and in making its administration responsive to the needs of small businesses.

SMEs in Estonia— basic figures

	Number of enterprises			Number of employees			Value added		
	Estonia		EU27	Estonia		EU27	Estonia		EU27
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	45,697	87.8%	92.1%	107,853	28.0%	28.7%	2	21.0%	21.1%
Small	5,151	9.9%	6.6%	99,698	25.8%	20.4%	2	24.6%	18.3%
Medium-sized	1,025	2.0%	1.1%	94,294	24.4%	17.3%	2	28.8%	18.3%
SMEs	51,872	99.7%	99.8%	301,844	78.3%	66.5%	6	74.4%	57.6%
Large	146	0.3%	0.2%	83,870	21.7%	33.5%	2	25.6%	42.4%
Total	52,018	100.0%	100.0%	385,715	100.0%	100.0%	8	100.0%	100.0%

*SBA Fact Sheet 2013

Small and medium-sized enterprises are major players in Estonia's economy, accounting for 78 % of jobs and 74% of value added. These figures are significantly above the EU equivalents of 67% and 58%, respectively.

Support - Measure

Programme	<p>Innovation vouchers</p> <p><i>Innovatsiooniosakud</i></p>
-----------	---

Overview	<p>SMEs, which for their further development require innovation activities, can through this programme be supported in getting better access to specialists and know-how in a number of areas, such as product development, production, design, standardisation and certification, feasibility studies, compatibility tests and a wide range of patent-related issues. The specialists in question can originate from various authorities, in particular bodies responsible for patents, and universities. SMEs with no prior experience of similar projects will be given priority, as the purpose of the programme is to spread innovative competence as widely as possible among the SMEs.</p> <p>The measure is implemented by the Enterprise Estonia, who registers and evaluates the applications and makes the financing decision as well as monitors the implementation of the projects.</p>
Background and rationale	<p>The capacity of many SMEs to hire skilled people for innovative projects and activities is limited and thus demand is likely to be higher than revealed in practice. Therefore a project-based programme can be expected to increase the SMEs interest and potential to hire innovation specialists. Moreover, because the number of highly-skilled specialists is comparatively small, using their services is often beyond the limits of SMEs. The goal of the programme is to develop Estonian products, especially for the export market. But the development might also go in the opposite direction, namely that institutions of higher education and laboratories will learn more about the needs of business.</p>
Policy Priorities	<p>The measure supports the fulfillment of the R&D strategy "Knowledge-based Estonia 2007-2013" all three main objectives:</p> <ul style="list-style-type: none"> • competitive quality and increased intensity of research and development; • innovative enterprises creating new value in the global economy; • innovation friendly society aimed at a long-term development. <p>The measure also supports the strategic objective of reaching 3% of R&D investments in GDP defined in the "Estonia 2020".</p> <p>Main Policy Priorities</p> <p>3.3.2 Recruitment of skilled personnel in enterprises</p> <p>Other Policy Priorities</p> <p>4.2.1 Support to innovation management and advisory services</p> <p>5.2.1 Fiscal incentives in support of the diffusion of innovative technologies, products and services</p>

Important Research Programmes

- Competence Centres
- The Centres of Excellence of the Estonian Science Programme

Cohesion Policy and Estonia

In 2014-2020, Estonia will manage one operational programme under EU Cohesion Policy, which will receive funding from the European Regional Development Fund (ERDF), the Cohesion Fund and the European Social Fund (ESF). Structural Funds (ERDF and ESF).

How much will the EU invest in Estonia from 2014-2020?

For 2014-2020, Estonia has been allocated around € 3.59 billion in total Cohesion Policy funding:

- € 2.46 billion for less developed regions (the entire country is classified as a less developed region)
- € 1.07 billion under the Cohesion Fund
- € 55.4 million for European Territorial Cooperation

The main investment priorities for Estonia

The investment priorities will be set out in a Partnership Agreement with the European Commission. The priorities are expected to include:

- research, technological development and innovation;
- promoting sustainable transport and removing bottlenecks in key network infrastructures;
- promoting social inclusion, combating poverty and any discrimination;
- investing in education, training and vocational training for skills and lifelong learning.

Support for research and development activity of enterprises (2014-2020)

Programme	Multi-fund operational programme
Thematic Objective	<p>Strengthening research, technological development and innovation</p> <p>Attention will be paid to finding new sources of growth, to making the economy more knowledge- intensive, to increasing the impact of Estonian research, and to increasing the export capacity and growth potential of Estonian enterprises. The smart specialisation areas are ICT in all sectors, healthcare technologies and services, and more efficient use of resources. In addition, R&D-related activities will support the institutional reforms of universities and R&D institutions, high-level research, international cooperation, the mobility of students, university teachers and researchers. As for entrepreneurship, support will be given to the promotion of technological innovations to improve resource efficiency and increase the share of waste recycling in production. Increased cooperation is expected to result in more extensive application of R&D results in practice.</p>
Overview of the investment strategy	<ol style="list-style-type: none"> 1. Strengthening research, technological development and innovation. <ul style="list-style-type: none"> • Fund: ERDF • EU co-funding (EUR): 642 313 830 2. Enhancing the competitiveness of small and medium-sized enterprises. <ul style="list-style-type: none"> • Fund: ERDF • EU co-funding (EUR): 301 329 787

FINLAND

The performance of Finnish SMEs since 2008 has been resilient. After an initial downturn with a substantial fall in the number of SMEs, employment and value added, the majority of SMEs recovered rapidly to pre-crisis levels. For the last two years, however, the Finnish SME sector has stagnated at this level. The only sector showing notable growth is information and communications technology (ICT) where Finland boasts a vibrant start-up culture. Preliminary estimates forecast that growth will pick up in 2013, a trend that will increase in 2014. However, there are a number of risks mainly relating to recovery in the EU. Policy-wise, Finland remains the benchmark for SBA policy implementation in the EU. Its policy record reveals no serious weaknesses or barriers for SMEs. Finland scores well above the EU average in most SBA areas. The ageing population poses, a strategic long-term challenge to the current levels of entrepreneurship, as in many other European countries. There is also room to further improve SMEs' access to public procurement. Recently, due to stagnation in home and EU markets, policy makers have put particular emphasis on measures promoting internationalisation such as the Team Finland initiative.

SMEs in Finland — basic figures

	Number of enterprises			Number of employees			Value added		
	Finland		EU27	Finland		EU27	Finland		EU27
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	204,295	92.0%	92.1%	353,208	24.9%	28.7%	17	20.7%	21.1%
Small	14,822	6.7%	6.6%	296,746	20.9%	20.4%	16	19.0%	18.3%
Medium-sized	2,433	1.1%	1.1%	242,377	17.1%	17.3%	15	17.5%	18.3%
SMEs	221,549	99.7%	99.8%	892,332	62.8%	66.5%	48	57.1%	57.6%
Large	605	0.3%	0.2%	528,940	37.2%	33.5%	36	42.9%	42.4%
Total	222,155	100.0%	100.0%	1,421,272	100.0%	100.0%	84	100.0%	100.0%

*SBA Fact Sheet 2013

Finland's SME sector has much in common with that of the EU overall. For instance, there is no significant difference between Finland and the EU in the distribution of SMEs and large enterprises in the economy. SMEs' share of value added is about 57% which is similar to the EU. Only SMEs' share of persons employed is slightly lower in Finland. This difference is limited to the micro-SME segment. The number of small and medium-sized firms is very similar to the EU average.

Support - Measure

Programme	<p>Funding scheme for young innovative companies</p> <p><i>Nuorten innovatiivisten yritysten rahoitus</i></p>
Overview	<p>Tekes introduced in February 2008 a new funding instrument for young, innovative growth oriented companies. The aim is to provide for the most promising young companies an opportunity to develop their businesses in a comprehensive way, as well as grow and internationalise their activities faster than in general. The general objective of the funding instrument is to increase the number and to accelerate the development of enterprises which</p>

	<p>are willing to grow fast and to get international.</p> <p>Small companies registered in Finland and less than five years old can apply for funding, provided that they have innovative, knowledge or technology intensive business idea and a convincing plan for implementation. According to the new instrument design, funding will be granted in three separate phase (feasibility, conditions for growth, rapid growth) for the selected companies. In order to be eligible to next phase, the company has to have achieved the targets set for development in the previous phase. To its full extent, € around 1 million, the funding can reach only in later phases. The funding ends at the latest, when the company is 8 years old or in case it cannot be any longer considered as a SME.</p>
Background and rationale	<p>Research shows that in international comparison a lack of innovative growth-oriented SMEs and start-ups is one of the major identified weaknesses in Finland's economy.</p> <p>Tekes has complemented it's existing funding instrument portfolio by the new funding scheme for growth and international market oriented companies in start-up and development of their businesses. Likewise, the instrument is intended to complement and support private venture capital activities.</p>
Policy Priorities	<p>The main policy priority is to support the fast international growth of young innovative companies.</p> <p>Main Policy Priorities</p> <p>4.3.1 Support to innovative start-ups incl. gazelles</p> <p>Other Policy Priorities</p> <p>4.3.1 Support to innovative start-ups incl. gazelles</p> <p>4.3.2 Support to risk capital</p>
Beneficiaries	Enterprises only from the SME sector
Criteria of funding	<p>Tekes funding is competitive funding. The funding programme for young innovative growth companies accepts only the most promising companies. Funding decisions are made on the basis of the information presented in the application and its appendices and on the basis of discussions between a Tekes expert and the applicant. The primary evaluation criteria are:</p> <ul style="list-style-type: none"> • international competitiveness and market potential of the company's products/solutions/services • company resources and expertise • the company's ability to grow rapidly • the company's ability to get also other funding to support its growth
Form of support	Grants
Eligible costs include	<ul style="list-style-type: none"> • direct salary and wage costs and the associated indirect personnel costs (max. 30%) • travel • materials, supplies, machinery and equipment • outsourcing of services.

Method of Calls	Continuous Call for Proposals
------------------------	-------------------------------

Important Research Programmes

- Environmental, Societal and Health Effects of Genetically Modified Organisms (ESGEMO)
- EVE – Electrical vehicle systems 2011-2015
- Green Growth programme 2011-2015
- Green Mining programme 2011-2016
- Groove – Growth from Renewables 2010–2014
- Innovations in social and healthcare services
- Learning Solutions -programme
- Liideri – Business, Productivity and Work Enjoyment programme
- Programmable materials
- Research Programme on Substance Use and Addiction (ADDIKTIO)
- Research Programme on The Future of Work and Well-being
- SKIDI-KIDS Research Programme on the health and welfare of children and young people
- Sustainable Governance of Aquatic Resources
- Sustainable energy
- The future of living and housing (ASU-LIVE)
- Trial Environment for Cognitive Radio and Networks 2011-2014

Cohesion Policy and Finland

In 2014-2020, Finland will manage two operational programmes under EU Cohesion Policy (one for mainland Finland and one for the Åland Islands) which will receive funding from the European Regional Development Fund (ERDF) and the European Social Fund (ESF).

How much will the EU invest in Finland from 2014-2020?

For 2014-2020, Finland has been allocated around € 1.47 billion in total Cohesion Policy funding:

- € 999.1 million for more developed regions (all)
- € 161.3 million for European Territorial Cooperation
- € 305.3 million for the northern sparsely populated regions

The main investment priorities for Finland

The priorities will be set out in a Partnership Agreement with the European Commission. They are expected to cover three main clusters:

1. Increase innovative and competitive business and research environment (ERDF)

- Promoting fast growing, technology-based SMEs and exploitation of Research and Innovation (R&I) results.
 - Promoting business R&I investment, product and service development, technology transfer and public service applications and open innovation through smart specialisation.
 - Promoting diversification and internationalisation of the various sectors of the economy and export expansion to new market areas
2. Reinforce sustainable and efficient use of resources for environment-friendly growth (ERDF)
- Research in energy technology and energy efficiency, wood construction, model/process development and pilot projects.
 - Promoting local energy solutions and energy efficiency and renewable energy use in enterprises, housing and public infrastructures.
 - Promoting clean/green technologies as an important element in diversification of the economy and competitiveness of the enterprises.
3. Increasing labour market participation through improved employment, social inclusion and education policies (ESF)
- Promoting employment and supporting labour mobility.
 - Investing in education, skills and lifelong learning.
 - Promoting social inclusion and combatting poverty.

GERMANY

Overall, Germany offers a very hospitable business and political environment for SMEs. As a consequence, the German SME sector showed great resilience throughout the crisis that started in 2008. In fact, it even grew in this period, creating some 1100 000 jobs since 2009. This performance set Germany apart from all other Member States during the crisis. German SMEs continue to be more innovative and internationally-oriented than most of their EU counterparts. In recent years, the policy framework has contributed to this success. The areas of concern are more for the long than the short term, but are nonetheless critical. Germany's ageing demographics are already taking their toll on the economy. One obvious effect is the increasing shortage of young qualified professionals, which is being felt – especially by SMEs – in some sectors and regions of the economy. Another may be a gradual decrease in the numbers of young entrepreneurs, which has yet to really set in. Germany may have to work harder in future to counteract the effects of an ageing society. Political efforts to better exploit the untapped potential for entrepreneurship will need to be stepped up and better coordinated at all levels: nationally, but in particular regionally.

SMEs in Germany — basic figures

	Number of enterprises			Number of employees			Value added		
	Germany		EU27	Germany		EU27	Germany		EU27
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	1.763.465	81,7%	92,1%	4.859.923	18,5%	28,7%	209	15,1%	21,1%
Small	328.593	15,2%	6,6%	6.140.520	23,4%	20,4%	257	18,5%	18,3%
Medium-sized	55.510	2,6%	1,1%	5.348.282	20,4%	17,3%	280	20,2%	18,3%
SMEs	2.147.569	99,5%	99,8%	16.348.724	62,2%	66,5%	745	53,8%	57,6%
Large	10.758	0,5%	0,2%	9.915.234	37,8%	33,5%	640	46,2%	42,4%
Total	2.158.327	100,0%	100,0%	26.263.958	100,0%	100,0%	1.385	100,0%	100,0%

*SBA Fact Sheet 2013

SMEs provide most jobs and generate the highest value added — this holds just as true for Germany as for the rest of the EU. However, there are also differences between Germany and the EU in general: most notably, the average firm size in Germany is bigger, which implies that micro-firms feature less. Hence, the proportion of total employment accounted for by German SMEs is about five percentage points lower than in the EU as a whole;2 micro-firms' share is only two thirds of the EU level. The SME proportion of value added is also about five percentage points below the EU average.

Support - Measure

Programme	Central Innovation Programme SME <i>ZIM - Zentrales Innovationsprogramm Mittelstand</i>	SIGNO (Protection of Ideas for Commercial Use) and TNS (Transfer of R&D results with norms and standards) <i>SIGNO - Schutz von Ideen für die Gewerbliche Nutzung" and "Transfer von Forschungs- und Entwicklungsergebnissen durch Normung und Standardisierung (TNS)</i>	SME innovative <i>KMU-innovativ</i>	BMW-i-innovation vouchers (go-innovativ) <i>BMW-i-Innovationsgutscheine (go-innovativ)</i>
Overview	<p>The Federal Ministry of Economics and Technology (BMWi) combined the programmes PRO INNO II, NEMO and InnoNet into one support measure: ZIM - the Central Innovation Programme SME. The goal of the integration is to increase transparency and to reduce administrative costs of SMEs with respect to federal funding. ZIM comprises the following measures:</p> <ul style="list-style-type: none"> • ZIM-SOLO: support of individual projects (firms) • ZIM-KOOP support of cooperative projects and networks <p>The aim of the measure is to support the innovativeness and competitiveness of SMEs. Beneficiaries are SMEs and public research organisations.</p>	<p>SIGNO (until 2007: INSTI) supports SMEs, universities and individual inventors in using IPRs to protect and commercially exploit their innovative ideas. SIGNO comprises three sub-programmes:</p> <ul style="list-style-type: none"> • SIGNO Universities • SIGNO Enterprises • SIGNO Inventors <p>TNS (start in 2009) aims at accelerating the transfer of R&D results into innovations with the use of norms and standards. The programme should improve the effectiveness of public R&D funding as it enhances the market value of R&D results. The programme offers funding for research institutions, universities and firms, with a focus on small and medium sized enterprises, to integrate the usage of standards and norms in early stages of the R&D process.</p>	<p>The programme aims at easing access of SMEs to the thematic R&D programmes. The basic feature of the programme is to simplify application procedures and to offer SMEs some kind of priority access to funding (including better opportunities for funding R&D projects that do not involve other partners, which is often a requirement in thematic R&D programmes). By establishing an SME help desk and by shortening the time needed for processing proposals, compliance costs for SMEs will be reduced.</p>	<p>The goal of the funding programme is to improve innovation power and competitiveness of German economy by sponsoring external consulting regarding innovation management in small firms.</p>

Background and rationale	<p>The measure started July 1, 2008 and combines the previous measures PRO INNO II, NEMO and InnoNet. The measure is part of the High Tech Strategy of the German government that integrates innovation support measures. The measure supports innovation activities by SMEs, industry-science collaborations and technology transfer.</p> <p>In the course of the establishment of the ZIM initiative, a general information service for all support measures was established ("Lotsendienst"). This service is free of charge and provides information to firms about public support measures under one single phone number.</p>	<p>The overall aim is to improve the transfer of research results into marketable products and thus, to strengthen Germany's position as a centre of innovation.</p> <p>The main rationales are for:</p> <p>SIGNO: Overcoming information and financial barriers to use IPRs by universities, SMEs and individual inventors and to raise awareness about the relevance of IPRs for commercialising innovations.</p> <p>TNS: Strengthening the effectiveness of R&D and R&D funding through enhanced market diffusion of R&D results as a result of creating and using norms and standards.</p>	<p>While SMEs are flexible and fast in developing new technologies for new markets, they often face specific obstacles when it comes to getting access to high-technology funding programmes. The initiative thus seeks to reduce compliance costs of SMEs and increase the propensity of SMEs to apply for funding within the thematic R&D programmes.</p>	<p>There is often a lack of actual knowhow especially in small firms about methods and instruments how to manage successfully product or process engineering. The BMWi-innovation vouchers funding programme tries to set incentives in small firms to get qualified external consulting by authorized consulting companies. The programme replaces the programme "Innovation management" which ended in 2010 and covers now whole Germany and supports firms up to 100 employees, instead of 50 employees.</p>
Policy Priorities	<p>The measure supports investments in R&D and innovation - related expenditures. It supports collaboration with universities and public research organisations.</p> <p>Main Policy Priorities</p> <p>2.3.1 Direct support of business R&D</p> <p>Other Policy Priorities</p> <p>2.2.3 R&D cooperation</p>	<p>Support to use IPR to protect research results and innovation; support to transfer knowledge through norms and standards</p> <p>Main Policy Priorities</p> <p>5.3.2 Consultancy and financial incentives to the use of IPR</p> <p>Other Policy Priorities</p> <p>2.2.2 Knowledge Transfer</p> <p>5.1.2 Innovation prizes incl. design prizes</p> <p>5.3.1 Measures to raise awareness and provide general information on IPR</p> <p>5.3.3 Support to the innovative use of standards</p>	<p>Direct support of business R&D with grants.</p> <p>Main Policy Priorities</p> <p>2.3.1 Direct support of business R&D</p> <p>Other Policy Priorities</p> <p>2.3.1 Direct support of business R&D</p>	<p>Support to external consulting regarding analysis of potential, implementation concept, or project management.</p> <p>Main Policy Priorities</p> <p>4.2.1 Support to innovation management and advisory services</p> <p>Other Policy Priorities</p> <p>2.2.3 R&D cooperation</p>

Important Research Programmes

- Central Innovation Programme SME
- Entrepreneurial Regions
- EXIST - Start-ups from Science
- ERP Innovation Programme
- High-tech Start-up Fund
- IGF - Promotion of Joint Industrial Research (incl. ZUTECH)
- Innovative Regional Growth Poles (within Entrepreneurial Regions)
- Technology Venture Capital Programmes
- Top Cluster Competition
- Support measures within thematic R&D programmes

Cohesion Policy and Germany

In 2014-2020, Germany will manage 32 operational programmes under EU Cohesion Policy. One national programme will receive funding from the European Social Fund (ESF). 15 regional operational programmes will receive funding from the European Regional Development Fund (ERDF). 15 regional programmes will receive funding from the ESF. In Lower Saxony one operational programme will receive funding from the ERDF and ESF.

How much EU money is being invested in Germany (2014-2020)?

For 2014-2020, Germany has been allocated around € 19.2 billion in total Cohesion Policy funding.

- € 9.7 billion for transition regions (Brandenburg, Bremen, Mecklenburg-Vorpommern, Sachsen (except Leipzig), Sachsen-Anhalt, Thüringen; Lüneburg)
- € 8.6 billion for developed regions (Baden-Württemberg, Bayern, Berlin, Hamburg, Hessen, Niedersachsen (except Lüneburg); Nordrhein-Westfalen, Rheinland-Pfalz, Saarland, Schleswig-Holstein; Leipzig)
- € 0.9 billion for European Territorial Cooperation.

The main investment priorities in Germany

In Germany, Cohesion Policy is for the most part implemented at the level of the federal states as part of regional operational programmes. For this reason, the individual programmes address different goals, in order to meet the requirements of the different regional conditions. With an eye on the limited means that are available in Germany for the coming period, the Commission suggested that the investments should be concentrated on the main needs and the areas with the most potential in each state. The investment priorities for 2014-2020 are set out in a Partnership Agreement with the European Commission:

- Objective 1: ‘Strengthening research, technological development and innovation’
- Objective 2: ‘Enhancing the competitiveness of SMEs’\
- Objective 3: ‘Supporting the shift towards a low-carbon economy in all sectors’

Support for research and development activity of enterprises (2014-2020)

Programme	European structural and investment fund policies in German
Overview	<p>In Germany the implementation of the policies is by and large performed by the Länder as part of multiannual funding programmes. A total of 48 funding programmes are being put in place, focussing on specific regional and sectoral circumstances. For the ERDF and the ESF, there are 15 operational programmes in the Länder and one multi-fund programme – a joint ERDF/ESF programme for Lower Saxony. There is also one national programme under the ESF. When it comes to the EAFRD, there are 14 development programmes for rural areas. The EMFF consists of a single national programme.</p> <p>European structural and investment fund policies in Germany will be concentrated, in the forthcoming funding period, on a few key thematic objectives specific to each fund, in order to ensure the efficacy of the measures with a limited budget compared to national funding.</p> <p>In order to improve regional competitiveness and break down regional disparities, measures are being taken under the ERDF that essentially focus on the following thematic objectives:</p> <ul style="list-style-type: none"> • Objective 1: ‘Strengthening research, technological development and innovation’ • Objective 3: ‘Enhancing the competitiveness of SMEs’ • Objective 3: ‘Supporting the shift towards a low - carbon economy in all sectors’
Indicative allocation of EU funds to thematic objectives at national level	<ul style="list-style-type: none"> • Objective 1: Strengthening research, technological development and innovation <p>- ERDF: 3 824 457 099</p> <ul style="list-style-type: none"> • Objective 3: Enhancing the competitiveness of SMEs <p>- ERDF: 2 353 800 264</p>

LATVIA

Small and medium-sized enterprises (SMEs) play an important role in Latvia's business economy, accounting for about 79 % of all private-sector employees and about 69% of value added. Both SMEs and Large Enterprises (LEs) were hard-hit by the 2008/2009 economic crisis, though SMEs suffered more as their value added decreased more rapidly between 2008 and 2012 (~29 %) than LEs' value added did (~17%). This difference was mainly caused by the poor performance of small enterprises; their value added decreased by about 34%. SMEs underperformed because of their vulnerability to the economic crisis. However, both small and large firms started to recover and showed positive growth between 2009 and 2012. The value added created by SMEs increased by about 10% between 2009 and 2012, while LEs' value added increased by 4 %. This shows that SMEs recovered from the crisis quicker than LEs, even though they suffered more from it. Latvia's SBA profile does not present a clear-cut picture. Latvia is clearly above the EU average in five areas ('access to finance', 'single market', 'state aid and public procurement', 'entrepreneurship' and 'responsive administration'), lags behind in two ('skills and innovation', 'environment'), and performs on par with the average in the remaining ones. Latvia improved in almost all areas over the past five years.

SMEs in Latvia— basic figures

	Number of enterprises			Number of employees			Value added		
	Latvia		EU27	Latvia		EU27	Latvia		EU27
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	61.788	87,8%	92,2%	143.463	26,8%	29,7%	1	17,5%	21,5%
Small	6.900	9,8%	6,5%	140.963	26,4%	20,6%	2	22,9%	18,6%
Medium-sized	1.485	2,1%	1,1%	135.579	25,4%	17,2%	2	28,1%	18,3%
SMEs	70.172	99,7%	99,8%	420.005	78,6%	67,5%	5	68,6%	58,4%
Large	184	0,3%	0,2%	114.590	21,4%	32,5%	3	31,4%	41,6%
Total	70.356	100,0%	100,0%	534.595	100,0%	100,0%	8	100,0%	100,0%

*SBA Fact Sheet 2013

SMEs play an important role in Latvia's business economy. They account for about 79% of all private sector employees and about 69 % of value added; this is about 12 percentage points more than the EU average, for both variables. In contrast, micro-sized firms are less significant to the economy than in the EU on average. Consequently, the contribution of medium-sized firms is higher in Latvia than in other EU countries for all variables: they account for 2 % of all companies (1% in the EU), 25% of employment (17% in the EU), and 28% of value added (18% in the EU). Small-sized firms play a bigger part in the business economy, and the differences between their performance and the EU average are lower than for medium-sized firms.

Support - Measure

Programme	
	<p>Support for establishing industrial property rights</p> <p><i>Jaunu produktu un tehnologiju izstrade: atbalsts rupnieciska ipasuma tiesibu nostiprinasanai</i></p>

Overview	<p>The measure represents one of the four sub-activities under the European Union Structural funds (EU SF) co-funded activity for the development of new products and technologies (operational programme "Entrepreneurship and Innovation"). The other sub-activities are „Support for development of new products and technologies", "Support for introduction of new products and technologies into production" and "Programme for the development of new products and technologies by micro, small and medium-sized companies".</p> <p>The measure aims to provide support in the form of grants to commercial companies (SMEs) for establishing industrial property rights of the successfully developed new products (including goods or services) or technologies (including technological processes). It covers activities related to industrial research and experimental development.</p>
Background and rationale	<p>The programme as a single activity (Support to development of new products and technologies) was initially launched in the first planning period of the EU SFs in 2004-2006 and has been now followed up by three sub-activities (support for development, production and legal protection of new products and technologies) under the new planning period for 2007-2013. It has been inspired by the national policy debate on the need to boost the innovative capacity of the private sector given the low number of innovative companies, to expand the availability of funding for the development of knowledge-intensive products and to contribute to meeting the 3% Barcelona target of R&D funding.</p>
Policy Priorities	<p>Key policy priorities are to promote and support applied research and development of new products and technologies.</p> <p>Main Policy Priorities</p> <p>5.3.2 Consultancy and financial incentives to the use of IPR</p> <p>Other Policy Priorities</p> <p>2.3.1 Direct support of business R&D (grants and loans)</p>

Important Research Programmes

- National research programmes (2010-2013)
- Competence Centres Programme
- Attraction of Human Resources to Science
- Support for science and research
- Basic and Applied Research Projects Programme

Cohesion Policy and Latvia

In 2014-2020, Latvia will manage one operational programme for the European Regional Development Fund (ERDF), the Cohesion Fund and the European Social Fund (ESF) under EU Cohesion Policy.

How much will the EU invest in Latvia in 2014-2020?

For 2014-2020, Latvia has been allocated around €4.51 billion in total Cohesion Policy funding:

- € 3.04 billion for less developed regions (the entire country is classified as a less developed region)
- €1.35 billion through the Cohesion Fund
- €93.6 million for European Territorial Cooperation
- €29 million for the Youth Employment Initiative

The main investment priorities in Latvia

The investment priorities for Latvia will be set out in a Partnership Agreement with the European Commission. The priorities are expected to include:

- Increasing economic productivity, quality of innovation, research and science.
- Sustainable and efficient transportation infrastructure.
- Sustainable use of natural and cultural resources.
- High employment rate in inclusive society.
- High quality and efficiency of education system.
- Balanced and sustainable territorial development.

Support for research and development activity of enterprises (2014-2020)

Programme	Operational Programme Growth and Employment
Objectives	Strengthening of the research system by consolidating research institutions primarily around knowledge centres, development of the knowledge base and human capital in knowledge areas where Latvia has relative advantages (targeted investment focus on smart specialization areas) in establishing RIS3 and implementing RTDIG, and at the same time providing investment efficiency and mutual complementarity in the field of R&D&I, SMEs support, ICT, education and resource sustainability, as well as regular review of development priorities set within the framework of RIS3, including selection of policy instruments suitable to strategy settings and development of a monitoring system, aimed at strengthening the competitiveness of Latvia on a regional, European and global level, will ensure the implementation of the EU Council recommendations after effective implementation of R&D policy.

<p>Justification for the selection of thematic objectives</p>	<p>1. Strengthening research, technological development and innovation:</p> <ul style="list-style-type: none"> • Improve research and innovation (R&I) <p>Recommendation of the EU Council: development and implementation of efficient research and innovation policy, which would provide for facilitation of innovation in businesses, i.a. by applying tax reliefs, modernisation of infrastructure and rationalisation of research institutions (2012); take further steps to modernise research institutions based on the ongoing independent assessment (2013).</p> <p>To ensure the achievement of NDP objective on investment in R&D in the amount of 1.5% of GDP in 2020, investments in R&D will be made in accordance with the RTDIG and RIS3.</p> <ul style="list-style-type: none"> • Promoting business investments in R&D and creating links between businesses, research and development centres and the higher education sector <p>Recommendation of the EU Council: see the above paragraph.</p> <p>To ensure the achievement of NRP objective on investment in R&D in the amount of 1.5% of GDP in 2020, investments in R&D&I will be made in accordance with the RTDIG, NIP, Education Development Guidelines 2004 – 2020 and RIS3, which is national economic development strategy that provides for targeted focusing of research and innovation resources in areas, where the country has comparative advantages or where assets are available on the basis of which such advantages could be created.</p> <p>2. To improve competitiveness of small and medium - sized enterprises</p> <ul style="list-style-type: none"> • Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators <p>NRP challenges: improving the business environment, ensuring access to finance for entrepreneurs to support productive investment. Access to financing will be provided according to the results of SME access to Finance Market Gap analysis, as well as the NIP.</p> <ul style="list-style-type: none"> • Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes <p>NRP challenge: small share of SME in the export structure; complicated implementation of marketing activities abroad, mismatch of the knowledge and skill of persons employed by SMEs with the labour market needs. Will be implemented in accordance with RIS3, NIP, Guidelines for Promotion of Export of Latvian Goods and Services and Attraction of Foreign Investment for 2013 - 2019.</p>
<p>Overview of the investment strategy</p>	<p>3. Strengthening research, technological development and innovation.</p> <ul style="list-style-type: none"> • Fund: ERDF • EU co-funding (EUR): 67 519 706 <p>4. Strengthening research, technological development and innovation.</p> <ul style="list-style-type: none"> • Fund: ERDF • EU co-funding (EUR): 317 174 557

LITHUANIA

The small and medium sized enterprises are major players in the Lithuanian economy, owing to their significant contribution to the total added value (63.5%) and employment (75%) in the business economy. The 2008/2009 crisis has hit Lithuania's SMEs hard, resulting in significant slumps in employment, and even more so in value added. SMEs were affected more than large companies, having experienced a one-third contraction in the economic activity, while large companies only reduced their activity by a fifth. This can be explained by the fact that SMEs activate particularly in sectors which are not export-oriented and thereby excessively dependent on domestic demand, which fell heavily when the crisis hit and government spending was reduced due to lower tax income and rising debt. However, the Lithuanian economy has proved to be very resilient, and both SMEs and larger firms have since recovered every year, albeit the growth flattened shortly in 2012. Full recovery to pre-crisis level will be achieved only after 2014. Lithuania has a positive SBA profile. The country does well on a number of areas, led by state aid & public procurement, responsive administration, second chance, and even access to finance. In general, it offers a business-friendly environment, backed up by an efficient administration responsive to the needs of businesses. Notwithstanding these positive elements, further enhancing Lithuania's profile will require significant improvements in research and innovation, as well as skills, where it still faces some challenges.

SMEs in Lithuania — basic figures

	Number of enterprises			Number of employees			Value added		
	Lithuania		EU27	Lithuania		EU27	Lithuania		EU27
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	95.037	87,9%	92,2%	185.648	23,0%	29,7%	1	12,1%	21,5%
Small	10.655	9,9%	6,5%	214.024	26,5%	20,6%	2	21,7%	18,6%
Medium-sized	2.151	2,0%	1,1%	205.876	25,5%	17,2%	3	29,7%	18,3%
SMEs	107.843	99,7%	99,8%	605.548	75,1%	67,5%	6	63,5%	58,4%
Large	290	0,3%	0,2%	201.123	24,9%	32,5%	4	36,5%	41,6%
Total	108.133	100,0%	100,0%	806.671	100,0%	100,0%	10	100,0%	100,0%

*SBA Fact Sheet 2013

The small and medium sized enterprises are major players in the Lithuanian economy, owing to their significant contribution to the total added value (63.5%) and employment (75%) in the business economy. When comparing to the EU, the small and medium-sized businesses are more prevalent and strong, in the detriment of the smallest of firms. Conversely, micro enterprises are fewer, and contribute less to employment and domestic product. As a result, Lithuania has a higher average firm size (5.6 employees) than the EU, on average (4.2).

Support - Measure

Programme	Inno-vouchers LT <i>Inočekiai LT</i>	Assistant – 1 <i>VP2-2.2-UM-01-K ASISTENTAS-1</i>	Idea LT <i>VP2-1.3-UM-01-K Ideja LT</i>	Assistant – 2 <i>VP2-2.2-UM-02-V ASISTENTAS-2</i>
-----------	---	--	--	--

Overview

The measure Inno-vouchers LT aims to contribute to the implementation of task foreseen in the Operational Programme for Economy Growth 2007-2013: to promote innovations in SME's. The measure provides small credit (de minimis aid) for small business to buy R&D expertise or knowledge from research and educational institutions.

The measure is administered by the Agency for Science, Innovation and Technology (MITA). Eligible applicants (SMEs meeting the eligibility criteria) can apply for a grant. Calls for proposals with a fixed deadline are launched. Proposals are evaluated according to the set of predefined criteria.

Supported activities: industrial or applied research; technological development (experimental or development, design and technological works); technical feasibility studies.

The measure contributes to the objective of the improvement of the vitality of the existing enterprises and support of entrepreneurship. The measure aims to support public business support service providers in improvement of the services and information quality and ensuring its relevance to business, and improve business conditions for SME's and natural persons willing to start business. The activities supported by the measure are: the development of the entrepreneurship in the society, and especially among youth, support to the start-up creation and development; increase of the demand for public business support services (non economic activity), i.e. the development and dissemination of public information material or organisation and coordination of this activity; the development of public information portals, databases and content development and maintenance; participation in the activities of international organisations, engaged in the support to entrepreneurship; the provision of the information, consulting and other indirect support to the beneficiaries (starting the business; planning the business; search of financing sources; accounting; support for innovations; cooperation, technology development, technology transfer.

The measure Idea LT aims to increase the R&D activities in business sector. It supports the preparation for the implementation of R&D projects in enterprises, namely, the performance of R&D project feasibility studies and so reduce the risk of R&D activities in enterprise. The supported action is the preparation of the planned R&D project related feasibility studies and risks assessment.

The measure is administered by the Lithuanian Business Support Agency (LVPA). Eligible applicants (private companies and other entities meeting the eligibility criteria) can apply for grants following the competitive grants procedure (the projects are selected according to the predefined criteria and evaluated by at least two contracted evaluators).

The measure contributes to the objective of the improvement of the vitality of the existing enterprises and support of entrepreneurship. The measure aims to support the creation and development of new art and/ or business incubators, and so to improve the conditions for start up creation and development. The activities supported by the measure are: the construction, reconstruction and equipment of business incubators or art incubators.

The criteria encompass the coherence of the proposal with the national development goals and strategies, as well as with the EU SF implementation strategy for 2007-2013 and Operational Programmes. The specific criteria are classified into the eligibility for funding and specific priority criteria. The eligibility for funding criteria define specific requirements for the applying institution while the specific priority criteria correspond with the priorities set within Operational programmes, and specific targets addressed by the measure.

Business R&D expenditures and outputs remain comparatively low in Lithuania. SMEs still have difficulties in coping with the risks of R&D investment. With 0.20% (2009) of business-financed R&D as a share of GDP, Lithuania stands significantly lower than the EU average of 1.21% (2008). Although the EU average is not an appropriate benchmark, given the socio-economic situation of Lithuania, the intensity of private R&D funding is also lower than in other small Central and Eastern European Countries, such as Slovenia, Estonia and Latvia. This measure attempts to increase the level of private investments in R&D through innovation voucher which is in line with today's companies, where small, short term projects dominate. The appeal of the innovation vouchers scheme is related to its simplicity and low administrative burden both for beneficiaries and administrators.

In Lithuania the level of entrepreneurship is very low (at the beginning of 2005, 16 active SMEs (excluding self-employed) per 1,000 population). Lack of knowledge and fear of starting a business are among the factors affecting entrepreneurship. Furthermore, it is noted that the growth of existing enterprises can be dampened both by increased competitive pressures and by such market deficiencies as limited financing opportunities and inability to conduct integrated research and innovation activities, participate in networks and supply chains. In most EU documents on SME policies, increasing of public awareness, development of business consulting and similar services as well as improving quality of and access to such services is recognised as reasonable and proper instruments for increasing entrepreneurship. Development of high-quality public services to business focussed on the elimination of market deficiencies is a precondition for ensuring a speedier growth of SME sector and competitiveness in Lithuania. As the infrastructure of public services for business is young, Lithuania should assume best foreign practices in the area of public services for business as well as instruments that have proved to be useful in order to promote entrepreneurship and reduce the aforesaid market deficiencies.

The share of total Lithuanian R&D, financed by the business sector, comprise 26.2% (2006), which has increased by 6% points since 2005, and doubled since 2000 in absolute terms (from €23.1m in 2000 to €49.8m in 2006). Despite high increases, business R&D expenditures and outputs remain comparatively low. Private actors in Lithuania still have difficulties in coping with the risks of R&D investment. With 0.22% (2006) business-financed R&D as a share of GDP, Lithuania stands significantly lower than the EU average of 1% (2005). Although the EU average is not an appropriate benchmark, given the socio-economic situation of Lithuania, the intensity of private R&D funding is also lower than in other small Central and Eastern European Countries, such as Slovenia, Estonia and Latvia. The uncertain returns is an important limiting factor for business R&D investments. The promotion of business R&D in a systemic mode, especially within mid and mid-to-high tech SME's, remains an important policy question.

In Lithuania the level of entrepreneurship is very low (at the beginning of 2005, 16 active SMEs (excluding self-employed) per 1,000 population). Lack of knowledge and fear of starting a business are among the factors affecting entrepreneurship. Furthermore, it is noted that the growth of existing enterprises can be dampened both by increased competitive pressures and by such market deficiencies as limited financing opportunities and inability to conduct integrated research and innovation activities, participate in networks and supply chains. In most EU documents on SME policies, increasing of public awareness, development of business consulting and similar services as well as improving quality of and access to such services is recognised as reasonable and proper instruments for increasing entrepreneurship. Development of high-quality public services to business focussed on the elimination of market deficiencies is a precondition for ensuring a speedier growth of SME sector and competitiveness in Lithuania. As the infrastructure of public services for business is young, Lithuania should assume best foreign practices in the area of public services for business as well as instruments that have proved to be useful in order to promote entrepreneurship and reduce the aforesaid market deficiencies.

Policy Priorities	<p>The measure is launched within the framework of National Strategy for the Use of EU SF for 2007-2013, under the priority 1 "Research and development for competitiveness and growth of the economy" of the Operational Programme for the Economical Growth for 2007-2013.</p> <p>Main Policy Priorities</p> <p>2.2.3 R&D cooperation</p> <p>Other Policy Priorities</p> <p>2.2.3 R&D cooperation</p>	<p>Contributes to the objectives of the Economy Growth Operational Programme 2007-2013</p> <p>Main Policy Priorities</p> <p>4.2.1 Support to innovation management and advisory services</p> <p>Other Policy Priorities</p> <p>4.3.1 Support to innovative start-ups incl. gazel les</p> <p>5.1.1 Support to the creation of favourable innovation climate</p>	<p>The measure is implemented under the priority 1 Research And Development For Competitiveness And Growth Of The Economy of the Operational programme for the Economy Growth 2007-2013.</p> <p>Main Policy Priorities</p> <p>2.3.1 Direct support of business R&D</p> <p>Other Policy Priorities</p> <p>2.2.3 R&D cooperation</p>	<p>Contributes to the objectives of Economy Growth Operational Programme 2007-2013.</p> <p>Main Policy Priorities</p> <p>4.3.1 Support to innovative start-ups incl. gazel les</p> <p>Other Policy Priorities</p> <p>4.2.1 Support to innovation management and advisory services</p> <p>5.1.1 Support to the creation of favourable innovation climate</p>

Important Research Programmes

- Idea LT
- High Technology Development Programme for 2011-2013
- Inno-vouchers LT
- Industrial Biotechnology Development Programme for Lithuania for 2011-2013
- Intellect LT
- Intellect LT+
- Mobility and Capacity Development of Scientists and Other Researchers in the National Complex Programmes
- National Research Programme "The State and the Nation: Heritage and Identity"
- National Research Program "Ecosystems in Lithuania: climate change and human impact"
- National Research Programme "Chronic non-infectious diseases"
- National Research Programme „Social Challenges to National Security"

Cohesion Policy and Lithuania

In 2014-2020, Lithuania will manage one multi-fund operational programme for the European Regional Development Fund (ERDF), the Cohesion Fund and the European Social Fund (ESF) covering all thematic objectives under EU Cohesion Policy.

How much will the EU invest in Lithuania in 2014-2020? For 2014-2020, Lithuania has been allocated around €6.82 billion (current prices) in total Cohesion Policy funding:

- €4.63 billion for less developed regions (the entire country is classified as a less developed region)
- €2.05 billion under the Cohesion Fund
- €113.7 million for European Territorial Cooperation
- €31.8 million under the Youth Employment.

The main investment priorities in Lithuania

Priorities for Lithuania are set out in a Partnership Agreement with the European Commission. The priorities include:

- Promoting innovation and research investments
- Improving business environment and enhancing the competitiveness of the business sector
- Promoting digital society
- Developing modern infrastructure to enhance competitiveness and foster sustainable growth
- Promoting an environmentally friendly and resource - efficient economy
- Promoting employment; improving quality of education policies; reducing the risk of poverty and social exclusion.
- Ensuring effectiveness of public administration

Support for research and development activity of enterprises (2014-2020)

Programme	Innovation Development Programme 2014–2020
Objectives	<p>The strategic aim of the Programme is to promote Lithuania's global competitiveness by establishing an effective innovation system. Also the Programme sets four specific objectives:</p> <ol style="list-style-type: none">1) to educate innovative society by developing new knowledge and its application. The main goal is to properly use the intellectual potential and to promote researchers;2) to increase business innovation potential by promoting business R&D investment;3) to promote science-business collaboration, clusters development and global cooperation;4) to establish an effective innovation policy and to foster public sector innovations.
Beneficiaries	Enterprises

Allocation: breakdown	<ol style="list-style-type: none"> 1. Strengthening research, technological development and innovation <ul style="list-style-type: none"> • ERDF: 678 878 835 € 2. Enhancing the competitiveness of SMEs <ul style="list-style-type: none"> • ERDF: 531 603 253
----------------------------------	---

POLAND

Poland presents a mixed picture in terms of framework conditions for the creation and growth of SMEs. While the Polish economy is still reeling from the consequences of the 2008-09 crisis, Polish SMEs should be able to recover to pre-crisis levels in the foreseeable future. The business demography outlook for 2013 is positive and dynamic with high numbers of exits but also of new companies entering the market. This is partly due to substantial progress achieved in SBA policy areas such as entrepreneurship and responsive administration, leading to the removal of many administrative burdens for start-ups, and a sharp decrease in registration costs for businesses. In spite of these targeted efforts, recognised in the World Bank report 'Doing Business 2013' — which ranked Poland as the top improver for 2012 — Polish SMEs continue to chronically underperform in some crucial areas, such as skills and innovation and exploiting potential foreign markets (single market and third countries). Moreover, SMEs are suffering also from a lack of recent policy initiatives to address the weaknesses of the Polish SME sector, which is still struggling to take up loan and credit financing.

SMEs in Poland — basic figures

	Number of enterprises			Number of employees			Value added		
	Poland		EU27	Poland		EU27	Poland		EU27
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	1.410.335	95,2%	92,1%	3.085.243	35,6%	28,7%	26	15,2%	21,1%
Small	51.129	3,5%	6,6%	1.130.418	13,1%	20,4%	23	13,2%	18,3%
Medium-sized	16.206	1,1%	1,1%	1.692.622	19,6%	17,3%	38	22,1%	18,3%
SMEs	1.477.671	99,8%	99,8%	5.908.283	68,2%	66,5%	87	50,5%	57,6%
Large	3.313	0,2%	0,2%	2.748.576	31,8%	33,5%	85	49,5%	42,4%
Total	1.480.984	100,0%	100,0%	8.656.858	100,0%	100,0%	172	100,0%	100,0%

*SBA Fact Sheet 2013

Even if the number of SMEs in Poland — in terms of its share of the total number of firms — does not differ significantly from the EU average, the Polish SME sector has comparatively more micro enterprises and fewer small companies. Moreover, although the share of employees in Polish SMEs is slightly higher than the EU average, the value added that is generated is significantly below. This suggests a somewhat lower productivity, but also a concentration of Polish micro enterprises in low value-added sectors.

Support - Measure

Programme	KadTech <i>KadTech</i>	BroTech <i>BroTech</i>	Innotech <i>Innotech</i>	Initiating innovation activities <i>Inicjowanie dzialalnosci innowacyjnej</i>
Overview	<p>The main objective of the KadTech Programme is to support the technology commercialisation processes. The programme is aimed to consolidate cooperation between enterprises and highly qualified specialists from the science sector. The programme provides financial support for employing scientific personnel or purchase of innovation service support (e.g. renting of R&D equipment or obtaining certificate).</p>	<p>The main objective of the BroTech is to increase the efficiency and effectiveness of technology transfer process between the science sector and industry. The eligible group of beneficiaries include scientific R&D institutions as well as micro-, and small and medium-sized enterprises which undertake activities in the area of commercialisation of research results and technology transfer. The funding is earmarked for the purchase of services offered by technology brokers. The programme also offers possibilities for the purchase of services concerning the IP protection and licensing agreements.</p>	<p>The programme provides support to scientific R&D institutions and enterprises for innovative undertakings in different scientific and industrial areas through the component of the programme known as “In-Tech”. Another component of the programme, namely “High-Tech” provides support for high-tech projects. The programme is addressed to institutions undertaking R&D and preparatory activities for the application of R&D results which are directed towards the preparation of implementation of technological innovations, products and services.</p>	<p>The main goal is to increase the number of innovative enterprises. Due to difficulties faced by potential and newly founded entrepreneurs while searching for the financing of innovative projects, the support measure is designed to support the establishment of new enterprises on the basis of innovative ideas through different activities, such as, identifying innovative solutions and verifying their market potential, providing advisory services and necessary infrastructure to the newly established enterprise (so-called pre-incubation), as well as capital reinforcement. Therefore, a clear focus of this measure is to provide support to start-ups through a network of organisations like incubators, centres of technology and innovation transfer, technology accelerators, as well as science and technology parks.</p>
aim	The programme is addressed to	The rationale is to provide a response	The rationale of the programme is	The Polish economy is

	micro, small and medium-sized enterprises undertaking projects concerning the preparation and implementation of technological innovations. Since those companies have limited capacity in terms of human resources and access to R&D equipment, a special support instrument was launched to remedy this situation.	to the identified challenge of insufficient technology transfer. Particularly, an important role is played by the technology brokers which can assist small companies in this process.	to provide funding for the subsequent technology readiness levels.	characterised by a very low level of innovativeness and an insufficient level of financing innovative measures by entrepreneurs, in particular by SMEs. According to the latest available data for 2007, innovation expenditures in the manufacturing sector were estimated at about 1.7% of GDP.
Policy Priorities	<p>The main focus is on recruitment of researchers, although the funding is also available for the purchase of innovation service support from the scientific R&D organisation.</p> <p>Main Policy Priorities</p> <p>3.2.1 Recruitment of researchers</p> <p>Other Policy Priorities</p> <p>3.2.1 Recruitment of researchers</p>	<p>The main focus of this support measure is on knowledge transfer.</p> <p>Main Policy Priorities</p> <p>2.2.2 Knowledge Transfer</p> <p>Other Policy Priorities</p> <p>2.2.2 Knowledge Transfer</p> <p>4.2.1 Support to innovation management and advisory services</p> <p>4.2.3 Support to technology transfer between firms</p>	<p>The main focus of this support measure is on industrial applied research.</p> <p>Main Policy Priorities</p> <p>2.3.1 Direct support of business R&D</p> <p>Other Policy Priorities</p> <p>2.1.2 Public Research Organisations</p> <p>2.3.1 Direct support of business R&D</p>	<p>The policy priority addressed is to overcome a shortage of financing for young innovative companies.</p> <p>Main Policy Priorities</p> <p>4.3.1 Support to innovative start-ups incl. gazelles</p> <p>Other Policy Priorities</p> <p>4.3.2 Support to risk capital</p>

Important Research Programmes

- Advanced technologies of energy generation
- BRIDGE
- Blue Gas
- Creator of innovativeness
- GEKON
- GO_GLOBAL.PL
- GRAF-TECH
- Ideas Plus
- InnoLot
- Lider
- Patent Plus
- Programme of applied research
- Programme supporting research infrastructure in the framework of the National Science and Technology Fund
- STRATEGMED
- Status of R&D Centres
- Technologies supporting the development of safe nuclear energy

Cohesion Policy and Poland

In 2014-2020, Poland will manage 22 operational programmes under EU Cohesion Policy. Sixteen regional operational programmes will receive funding from the European Regional Development Fund (ERDF) and the European Social Fund (ESF). One operational programme will receive funding from the ERDF and the Cohesion Fund. Three operational programmes will receive funding from the ERDF. One operational programme will receive funding from the Cohesion Fund, and one operational programme will receive funding from the ESF.

How much EU funding will be invested in Poland (2014-2020)?

For 2014-2020, Poland has been allocated around €77.6 billion in total Cohesion Policy funding:

- €51.2 billion for less developed regions
- €2.2 billion for more developed regions: Mazowieckie;
- €23.2 billion through the Cohesion Fund;
- €700.5 million for European Territorial Cooperation;
- €252.4 million for the Youth Employment Initiative.

The main investment priorities for Poland

The investment priorities for 2014-2020 will be set out in a Partnership Agreement with the European Commission. The main priorities are expected to include:

- Modern network infrastructures: transport, energy and ICT;
- Creation of an innovation-friendly business environment;
- Increasing labour market participation through improved employment, social inclusion and education policies;
- An environment-friendly and resource-efficient economy.

Support for research and development activity of enterprises (2014-2020)

Programme	Smart Growth Operational Programme (SGOP) 2014-2020 <i>Program Operacyjny Inteligentny Rozwój(POIR) 2014-2020</i>
Objectives	<p>The Smart Growth Operational Programme replaces the popular Innovative Economy Operational Programme. It should be noted that it is not its direct successor and actions aimed at the development of entrepreneurship and computerization, which received support under the IE OP, will no longer be supported by the SG OP under the new financial perspective. SG OP aims to increase innovation and competitiveness of the Polish economy, mainly by increasing the R &D spending by the private sector. The new Programme will:</p> <ul style="list-style-type: none"> • Place greater emphasis on cooperation between science and business; • Support research projects with high potential for commercialization; • Assume for greater involvement of enterprises in conducting R &D (alone or in cooperation with other enterprises/ research units); • Significantly increase the share of repayable instruments in the overall financing structure of new technology projects; • Focus on projects implemented under the national smart specialization strategy; • Focus on R &D projects leading to innovation in environmental, low-carbon and efficient resources management technologies. <p>The programme will use EUR 8,6 billion from the European Regional Development Fund, of which EUR 7,5 billion is to be spent on R &D⁷ (in IE OP it was EUR 2.4 billion). The SG OP will be managed by the Ministry of Infrastructure and Development, with funds being distributed mainly through the National Centre for Research and Development.</p>
Beneficiaries	Entrepreneurs, consortiums of entrepreneurs, consortiums of entrepreneurs and research institutions.

Types of supported projects	<p>Projects assuming e.g.:</p> <ul style="list-style-type: none"> • carrying out research (including basic, applied and industrial research) • carrying out R &D works connected with formation of pilot or demonstrative installations • carrying out big, research undertakings, essential for development of specific industries /sectors of economy • carrying out undertakings important for development of regional smart specializations • developing technologies, that have not been commercialized and used in practice • implementation of new technologies, that require R &D works • creation and development of R &D infrastructure in enterprises
Form of support	Grant / Financial engineering instruments
Available allocation	Under the Programme there will be available over EUR 8,6 bln

Programme	<p>Regional Operational Programmes</p> <p><i>Regionalne Programy Operacyjne</i></p>
Objectives	At the regional level, business will be able to receive, like in the previous years, significant support for R&D projects from EU funds distributed under the Regional Operational Programmes. Regional implementing bodies are still in processes of developing the assumptions of the Operational Programmes for individual regions. In most cases, the preliminary versions of Programmes' documents published so far clearly show that concepts outlined in the Europe 2020 Strategy and the National Development Strategy 2020 will also be reflected in individual ROPs.
Beneficiaries	Enterprises, mostly from the SME sector.
Types of supported projects	<p>Projects:</p> <ul style="list-style-type: none"> • supporting development and transfer of new technologies, and strengthening R &D capacities of the private sector • involving investments in research infrastructure of universities and R&D entities, especially those promoting smart regional specialization • involving purchase of specialized equipment necessary to conduct research and development, especially those promoting smart regional specialization • funding the applied and industrial research • funding the implementation of R &D results • enhancing the competitiveness and innovation of the SME sector.
Form of support	Grants/financial engineering instruments (with focus on repayable financing models).

Available allocation	A total of EUR 31 billion in funding is available under all 16 R OPs, which is EUR 14 billion more than in the financial perspective for 2007-2013.
-----------------------------	---

SWEDEN

During the last two decades in Sweden, the SMEs have played an increasingly important economic role. They now account for 65% of private sector jobs and 57% of value added. Of even greater importance is the fact that 9 out of 10 new jobs during the last 20 years were created within the SME sector¹. However, SMEs suffered more from the economic crisis because they had tighter margins with regards to liquidity, and were also more dependent and thereby directly affected by changes in the pattern of everyday consumption. Thus, from 2008 to 2012, the large companies (LEs) slightly outperformed SMEs with respect to both value added and workforce. More specifically, while employment and value added in SME decreased by about 1%, LEs increased value added by more than 3% and employment in LEs grew almost 1%.

SMEs in Sweden — basic figures

	Number of enterprises			Number of employees			Value added		
	Sweden		EU27	Sweden		EU27	Sweden		EU27
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	599.821	94,8%	92,2%	772.944	26,1%	29,7%	39	21,9%	21,5%
Small	27.354	4,3%	6,5%	623.452	21,1%	20,6%	32	18,0%	18,6%
Medium-sized	4.615	0,7%	1,1%	518.414	17,5%	17,2%	31	17,6%	18,3%
SMEs	631.790	99,8%	99,8%	1.914.809	64,8%	67,5%	101	57,4%	58,4%
Large	979	0,2%	0,2%	1.041.318	35,2%	32,5%	75	42,6%	41,6%
Total	632.769	100,0%	100,0%	2.956.127	100,0%	100,0%	176	100,0%	100,0%

*SBA Fact Sheet 2013

The small and medium-sized enterprises are important players in the Swedish economy, accounting for 65% of private sector jobs and 57% of value added. Their contribution to the economy is comparable to that of the whole SME sector in the EU, except for a somewhat lower employment share of the micro firms. Nevertheless, they still have a higher-than average contribution to value added.

Cohesion Policy and Sweden

In 2014-2020, Sweden will manage ten operational programmes under EU Cohesion Policy. Of these, eight regional programmes will receive funding from the European Regional Development Fund (ERDF) programmes, one national programme will receive funding from the ERDF and one programme will receive funding from the European Social Fund (ESF).

How much will the EU invest in Sweden (2014-2020)?

For 2014-2020, Sweden has been allocated in total around €2.1 billion in total Cohesion Policy:

- €1.51 billion is allocated to more developed regions (all);
- €207 million is allocated to the Northern Sparsely Populated Areas (Övre Norrland and Mellersta Norrland);
- €342.3 million for European Territorial Cooperation;
- €44.2 million have been allocated to Norra Mellansverige, Östra Mellansverige and Skåne-Blekinge for the Youth Employment Initiative.

The main investment priorities for Sweden

Priorities for Sweden will be set out in a Partnership Agreement with the European Commission. The priorities are expected to include:

- Fostering competitiveness, knowledge and innovation;
- Strengthening sustainable and efficient use of resources for sustainable growth;
- Increasing employment, promoting employability and improving access to the labour market.

Support - Measure

Programme	Research&Grow <i>Forska&Väx</i>
Objectives	Programme is operating by VINNOVA - State authority that aims to promote growth and prosperity throughout Sweden. VINNOVA is investing equally major resources in stimulating small and medium-sized enterprises to actively invest in international development partnerships, through programmes such as Eurostars and Eureka. In addition to these targeted investments, small and medium-sized enterprises are involved in several of VINNOVA's other efforts.
Beneficiaries	Enterprises only from the SME sector
Types of supported projects	Projects: <ul style="list-style-type: none">• Companies can apply for funding for two types of projects: feasibility studies and development projects.• Development projects should aim to develop a product or service that creates value for customers and ensures profitability, growth and community benefit.• The call is addressed to companies with the ability to create growth and social benefit based on innovations.
Form of support	Grants
Calls	<ul style="list-style-type: none">• Next call opens in January 2015.• In previous rounds, about 20 percent of all applications received funding.