

# CLUSTERCOOP

WP3

**Benchmark report on the existing EU/national/regional funding schemes**

**July 2012**

## 1. Introduction

The benchmarking report is part of Action 3 Optimisation of national/EU funding schemes in Work Package 3 Knowledge and cooperation support for clusters in the ClusterCOOP project. The result of this benchmarking and the pilot study on the CE cluster qualification system (3.3.2) will be used together to produce Proposals for the alignment of national and EU funding schemes (3.3.3 Core output).

## 2. Methodology

According to the Application Form PP4 - CzechInvest, PP6 – Slovak Innovation and Energy Agency, and PP9 – University of Ljubljana are involved in the task with the coordination of PP11 MAG – Hungarian Economic Development Centre. However, during the Ljubljana meeting in February 2012 partners decided that all project partners would be involved to provide relevant structured information since each project partner is best familiar with their domestic and regional funding schemes.

The benchmarking included filling in a jointly agreed info sheet that listed the most relevant parameters of funding schemes. PP11 MAG made a draft info sheet in March 2012, which was commented by PPs. Based on the comments the final info sheet was sent out to partners in April 2012. From each country/region one filled info sheet arrived back in May 2012. Due to change in partnership the input on Germany was provided in July 2012 by inno Group. Based on those this summary was prepared in June-July 2012.

The output consists of the info sheets for each country/region (Annex I) and a concise report on the most relevant results.

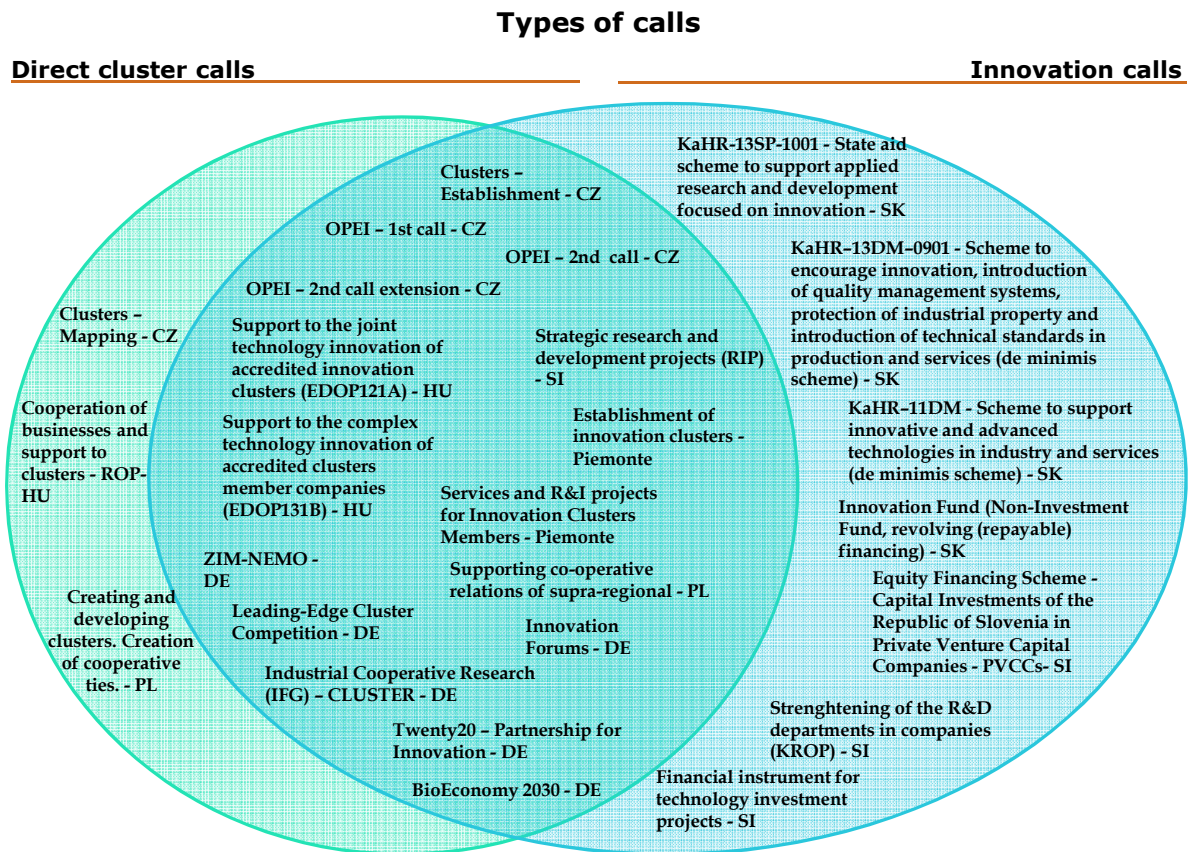
## 3. Results

### 3.1 Types of funding schemes

Project partners described altogether 26 funding schemes. Looking through the presented funding schemes we can see that PPs presented basically two types of calls. There is a group of schemes, which are targeted directly to clusters and serve the direct establishment and/or development of the supported cluster. The second group of schemes focuses typically on applied R&D and/or innovation and any applicant (i. e. not only clusters or cluster members) can apply for them.

Some of the presented schemes belong to the intersection of the above two - that is in which innovation type of funding schemes are available for clusters or their members

only. The following graph shows the presented funding schemes using this categorisation.



Most number of calls (16) presented by partners are calls in which mainly innovation type of activities can be supported and they are targeted directly to clusters or to their members. Each country/region with the exception of Slovakia presented at least one such call.

7 calls were presented, which are applied research and/or innovation oriented calls but they are open to eligible applicants without respect to whether an applicant is a cluster or a member of a cluster. 4 such calls were presented by Slovakia and 4 by Slovenia. In Slovakia and Slovenia no direct schemes are available for clusters but there are a lot of calls that focus on cooperation and applied R&D and/or innovation. Finally 3 calls were presented by PPs that target directly clusters but their focus is not necessarily on innovation. These calls typically focus on mapping and establishing start-up initiatives.

Below some general remarks are presented, which hold for all type of calls (2). Then specific results are summarised using the breakdown to direct cluster calls (3) and innovation calls (4). Finally a separate section is dedicated to refundable schemes (5).

### 3.2 General remarks

Typically calls prefer if the leading role is given to a company in clusters. Though many calls give a role to research organisations and universities but often they cannot have the central role in the management of the cluster. In the project selection in some cases it is preferred if there are research organisation/universities among cluster members, in some cases it is a minimum requirement.

Concerning size, in a number of cases there is a preference for SMEs but some calls do not make any negative discrimination if the applicant is a large enterprise.

The support ratios are relatively high (almost always above 50%), in some cases degressive support ratios are applied during the project implementation cycle.

Selection criteria of projects are fairly similar in the presented calls. Often there are criteria for the quality level of the project, the financial health of the applicant, the cost effectiveness of the proposed project, etc. Selection procedures are also alike each other. Most often professional evaluators make the first round of project appraisal, then a committee makes the decision proposal and finally the managing authority leader or a top-executive of the call owner or sponsor makes the decision.

The Piemonte call of the Services and R&I projects for Innovation Clusters Members uses a good practice for the project selection. The scheme is very flexible and is based on strategies of the cluster including multiple projects. The managing authorities of clusters had to submit each year an annual plan, containing the technological frontier to be reached by the cluster, the position of the cluster with regards to the foreseen development trends in the specific domain. The annual programmes must also propose a set of research and innovation projects and activities to be developed by clusters members (alone or in partnership) to reach the technological frontier and assure the maintenance of the adequate development trends. Based on the evaluation of the annual plan, each cluster was assigned a virtual budget that was than available for the projects of cluster members. So there is not a fix maximum amount per projects, depending on the virtual allocation and to the quality of projects submitted.

### 3.3 Direct cluster calls

Objective of schemes was mapping the potential for and feasibility of the establishment of clusters, the establishment and development of new clusters.

Support value per project is relatively moderate as compared to the other groups of calls. In the Clusters – Mapping scheme in the Czech Republic support value is EUR 8,000 – 40,000. In the Hungarian Cooperation of business and support to clusters – ROP call the support value is EUR 30,000 – 500,000.

The typical supported activities are mapping the cluster potential, the day-to-day management of the cluster, marketing and promotion of the cluster, purchase of equipment that can be shared by members, joint programmes for cluster members (training, knowledge transfer, etc.), network management services, such as acquisition and contractual engagement of the network partners, analysis of strengths and weaknesses of the network partners, market analysis, market concept, public relations.

For the Czech *Clusters – Mapping* call the eligible applicants were organisations that could be able to carry out the mapping, i. e. institutions with authorisation of the region, institutions of tertiary education and research institutions. In Hungary the call for start-up and developing clusters (*Cooperation of businesses and support to clusters – ROP*) is open to cluster management organisations or project companies founded by cluster members. In Poland the call for *Creating and developing clusters, Creation of cooperative ties* was open to coordinators of clusters. In Piedmont region the managing authority of the cluster was the beneficiary of the cluster call (*Establishment of innovation clusters*). In Germany, the objective of the ZIM-NEMO call was the enhancement of the level of collaboration of companies and research organisations and the expansion of technology transfer. The call was open to external network management institutions or research institutions involved in the network. Another German example is the *Innovation Forums* call under the Entrepreneurial Regions programme. The objective of the scheme was boosting regional networks in their start-up phase. Private enterprises, associations and public institutions were eligible applicants, with the condition that a cooperation between actors from the education, research, financial and service sectors as well as from business, politics, public administration and other intermediary institutions is required.

### 3.4 Innovation calls

Concerning objectives the most frequent one was the introduction of innovative products/services/technologies to the market. In the German *Industrial cooperative research (IFG) – CLUSTER* call the objective of the scheme is to shorten the innovation process ‘from idea to product.’ Similarly in the German *BioEconomy 2030* call the objective is the initiation and speeding-up of innovation processes in industrial biotechnology. The Hungarian *EDOP121A* scheme is dedicated to clusters to catalyse

cooperations and to realise joint product and service developments. In the case of the Slovak *KaHR-13SP-1001* call the objective is to increase industrial competitiveness through innovative activities related to applied research in business, supporting the introduction of new technologies for innovation (not buying them), practices or products.

Another objective appearing in the calls is the establishment of R&D or technology centres. In Slovakia one of the calls was partially targeted to environmental innovation (KaHR-11DM).

The typical beneficiaries are:

- companies, research organisations, universities if the call is a general innovation call
- the managing authority of the cluster, the cluster management organisation, or a cluster member company if it is the case of an innovation call dedicated to clusters

Project durations are long, typically 2-3 years in the case of applied R&D and innovation calls.

Support value per project spans from fairly small amounts to major sums in the presented schemes. Often it depends whether the call provides support to a single project of a cluster members company (like in the Hungarian *EDOP131B* call, in which the grant varies between EUR 0.05 -3.5 million) or the grant is provided to a long-term strategy of cluster including multiple projects (like in the German *Leading-Edge Cluster Competition*, in which the grant reaches EUR 40 million).

### 3.5 Refundable schemes

Two partners reported on refundable schemes in their info sheets. One is example is in the Slovak Republic where repayable loan is provided from the Innovation Fund (domestic source). Concerning the required technical content of the projects and the selection procedure the call is very similar to grant-type funding schemes. The other example is a Slovenian venture capital funding scheme. The Slovenian Enterprise Fund operates as a Holding Fund. From the Holding Fund public investments are made to private venture capital funds, which invests in start-ups and SMEs with high growth potential. Seven venture capital funds were selected in a separate tender. The number of financial beneficiaries are expected to be up to 100.

## 4. Summary

The 26 funding schemes presented by partners have a lot of similar features. This may follow from the fact the most partners use ERDF sources to promote cluster and innovation objectives, which give set frames to these calls in many aspects.

With two exceptions (Slovakia and Slovenia) partners presented non-refundable grant type calls, which shows that currently this is the most favoured way to support clusters and innovation activities.

Most presented funding schemes are such in which mainly innovation type of activities can be supported and they are targeted directly to clusters or to their members. Each country/region with the exception of Slovakia and Slovenia presented at least one such call. In Slovakia no direct schemes are available for clusters but there are a lot of calls that focus on applied R&D and/or innovation.

We can observe funding schemes that build on each other's results, that is to say there is a structured set of calls in a programme, in which some early calls prepare potential beneficiaries for calls announced later on and so the development of the target group of the programme is followed through and supported by more than one call:

- in the Czech Republic first a mapping was carried out during which potential clusters were identified and then funding was provided to establish these clusters
- in Hungary start-up and developing clusters are supported, which at a later stage of development may be granted dedicated innovation sources for joint projects
- in the Piedmont region 12 innovation clusters were established with the assistance of a funding scheme and later support of R&I projects for the members of the 12 innovation clusters took place in multiple calls.

Only few countries/regions apply such calls, in which not single projects but annual plans or even full strategies of clusters are supported with major grant volumes for multiple projects. One example is the *Services and R&I projects for Innovation Cluster Members* call in the Piedmont region. The managing authorities of clusters had to submit each year an annual plan. The annual programmes must also propose a set of research and innovation projects and activities to be developed by clusters members (alone or in partnership). Based on the evaluation of the annual plan, each cluster was assigned a virtual budget that was then available for the projects of cluster members. In the example of the German *Leading-Edge Cluster Competition* the supported activity is the implementation of the cluster's approved strategy. Grant volume is EUR 40 million per cluster. These practices may be good examples for other project partners in the future. Important assumptions in both calls are that the annual plan or the cluster's strategy is solid enough, the cluster management is

strong enough to have the projects realised by partners and clusters are mature enough to be entrusted with major grant volumes.