RAPIDE - Action Groups

Subject: Themes for RAPIDE - Action Groups

Dear RAPIDE Partners!

Below you'll find the general description of all RAPIDE Action Groups and the preliminary distribution of RAPIDE partners along these different Action Groups. This distribution was done according to the priorities identified in your individual RAPIDE Roadmaps. Most partners expressed an interest in more than one topic; therefore we identified for each partner two topics of major interest and organised the Action Groups accordingly.

We suggest that each partner participates in two Action Groups and in the peer reviews of the other Action Groups of interest. In addition if partners have the means and time they can always participate in the meetings of other RAPIDE Action Groups.

As agreed at the last Steering Group meeting all partners should focus at least on one feasible RAPIDE Action, which should be implemented right after the project. If you want to implement more, please do so, however the RAPIDE target is that each partner implements at least one action.

The topics for the RAPIDE Action Groups extracted from your answers and your roadmaps are the following.

INTERREG IVC
INNOVATION & ENVIRONMENT
REGIONS OF EUROPE SHARING SOLUTIONS

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Background description of themes for Action Groups

Topic	Description
Innovative public procurement	The purchasing power of major customers is a key driver of supply side activity. In the right climate and with the right encouragement from customers, fundamental changes in culture, operations and outputs among suppliers can be achieved. If major customers demand innovative solutions then the supply market will adapt accordingly. Public administration is the biggest single customer in most our regions. Therefore it can strongly catalyse business innovation activities. However today companies see public procurement as risk averse, slow and bureaucratic. RAPIDE wants to change that! RAPIDE Regions will discuss if they fulfil the following points within their procurement processes. • Possibilities of Pre-Commercial Procurement • Legal requirements to do Pre-Commercial Procurement projects • Procurement processes foster innovation • Procurement processes allow government to maximise long-term value from their investments • The RAPIDE partner supports innovation by acting as an early adopter of new ideas • Government procurement skills are very well developed and aware of innovative procurement methods • Procurement processes do not threat the intellectual property of innovative businesses TARGET: The target is that some partner within this Action Group should start its first innovative procurement process in the end of the RAPIDE project.
Co-operation between academia and businesses – Public Labs for SMEs	RAPIDE regions will discuss how cooperation between academia and businesses may be encouraged: • creating cooperative laboratories or at least creating a system by which businesses can use public laboratories • developing projects jointly • incubating start-ups • training skilled workers Such relationships have been known to be challenging. One such problem is concern over intellectual property rights. This problem would have to be overcome. Another problem is often the limited interest of SMEs in co-operating with public R&D institutions. There is often too much bureaucracy included. Further the research has to be focused on the development needs of the SME. This is often difficult to achieve at Universities which have

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	to fulfil other requirements as well. Positive examples, however, have been set: • Finland sets the prime example by fostering a close academic-commercial working relationship. The Science and Technology Policy Council of Finland agreed in 2006 to the construction of 5 new science, technology and innovation centres of excellence covering 5 key areas; *energy and environment, metal products and mechanical engineering, forest cluster, health and well-being, information and communication industry and services* • The US, through its Small Business Innovation Development Act of 1982, the the Small Business Technology Transfer Act of 1992, directly led to programmes such as the Small Business Technology Transfer Program for domestic small business concerns to engage in Research/Research and Development (R/R&D) that has the potential for commercialization. The programme requires research partners at universities and other non-profit research institutions to have a formal collaborative relationship with the small business concern. At least 40 percent of the STTR research project is to be conducted by the small business concern and at least 30 percent of the work is to be conducted by the single, "partnering" research institution. • Brazil has struggled in the past to build this bridge, but has taken huge steps by following the US's directive model. Two main issues remain: 1) a very large percentage of patents belong to universities rather than businesses 2) universities don't have autonomy when it comes to managing these associations. "Public institutions don't have a defined legal shape. They cannot contract and decide where they will invest their funding. This damages the process of interaction because they don't need to work with the same agility that companies need to have" • How has the FP7 Marie Curie Industry-Academia Partnerships and Pathways (IAPP) programme helped? TARGET: The target is that some partners within this Action Group will improve with a RAPIDE Action the co-operation between public R&D and regional SMEs.
Innovation Voucher	Innovation Vouchers are designed to help business owners, entrepreneurs and social enterprises to purchase a knowledge provider's (university, university for applied science, research and technology organisations, further education colleges, publicly funded research bodies) expertise to develop innovation and enhance business. The following points should be discussed by the RAPIDE regions. 1. Voucher process has to be easy, fast and flexible! • Easy to use, fast processing and decisions, flexibility in choosing the targets • Minimum administrative burden for the SME

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	• Local coordinator takes care of all the paper work 2. The role of the local coordinator has to be emphasised • Best results from the regions where the regional coordinator worked in close co-operation with the local SME´s • Technology advisors vs. public servants 3. Voucher promotion and marketing • Active marketing helps the companies to find the voucher The innovation voucher has been used in some UK regions to build a demand led relationship between businesses and the academic community: 1. The North West Regional Development Agency (NWDA) is open to applications for innovation vouchers worth £3000, for use by growing businesses and social enterprises. From December this year, larger vouchers worth £7000 will be available. They have awarded 500 vouchers already 2. The East of England Regional Development Agency made £250,000 worth of vouchers available in January 2009. There are many more examples from all around Europe. Some of them succeeded but - many didn't. We will get some insights about other regions experiences from DG ENTR. More information is to be found under following Finish study. TARGET: The target is that some partners within this Action Group will start implementing new schemes for Innovation Vouchers within their region.
Effective Funding: - Evaluation of applications - Revolving funds - Business Angel networks	RAPIDE regions will discuss different ways how to improve the effectiveness of the innovation funding methods. Using the funds in the most effective way possible through: • Revolving funds - a fund established for a certain purpose, which one or more borrowers can access. Over an agreed period of time, the loans are to be repayed, and in the process the fund replenished and used anew for a similar purpose. A good example is providing a revolving fund for creating energy saving technology. The money saved by using the resulting technology, or the money recieved from businesses to produce the end product, is used to pay the loan back. • Business Angel networks – also referred to as a trade organisation and seed funding - a more personalised mode of investment where a network of high net worth individuals invest in innovative projects, usually related to their area of expertise (but not always). Infrastructurally, this area is very much developed in some European regions, but not enough potential businesses or existing SMEs are using it. Marketing needs to be improved.

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	• Different methods to support effective funding are:
	  • **Effective assessment of funding applicants**
	  • **Proof of Concept Funds**- support early market validation and IP protection
	  • **Investment readiness Programmes**- to include development of positive attitude towards risk – mentoring and aspirational role models- ensure entrepreneur is investor attractive
	  • **Co-Investment Funds**- stimulate **angel** syndication - pooling of resources and skills and promote investment alongside VCs- leverage angel and early stage investment alongside
	  • **Tax benefits**- eg UK **Enterprise** Investment Scheme- tax relief 20% on investment in SMEs- recognise the risk taking through tax incentives-
	
	Good Practice Examples:
	Scottish Proof of Concept programme:
	The Proof of Concept Programme supports the pre-commercialisation of leading-edge technologies emerging from universities and research institutes. It helps researchers to export their ideas and inventions from the lab to the global marketplace.
	
	Projects can typically be defined as occurring after advances made during curiosity-driven or strategic research. This is usually after a background patent has been filed, but before the following:
	• A full lab-scale demonstration of the technology
	• Any pre-production development/prototyping
	• Commercial funds for development have been made available (because of the existing level of technical and market risk)
	
	French support schemes for innovative start-ups:
	Special statute of Jeune Entreprise Innovante (JEI): applicable for the first 8 years in the life of a new company, waiving of employer social security charges for R&D –related personnel, defined in a very broad sense (includes lawyers working on IP, CEO, etc), no income tax for the first 3 years, income tax reduced by 50% for the following 2, no real estate tax for 7 years, etc.
	
	Crédit Impôts Recherche: deduction of 30% of R&D expenses from income tax, 50% in first year of operations, 40% in second, 60% in case of research outsourced to a public research organisation. In the case the company is a JEI and does not pay taxes, the government refunds the value of the tax shelter (effectively then amounting to a cash grant)
	
	Tax deductions for investment in start-ups and investment funds focused on

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	start-ups: deduction of 25% of investment from personal income tax (up to certain ceilings), deduction of the other 75% from wealth tax (up to € 50k per year), both are additive effectively meaning 100% of investment can be deducted (subject to ceilings). French residents and non French residents who are subject to wealth tax in France can benefit from a wealth tax reduction granted for contributing to the share capital of Small to Medium-sized companies (SMEs) based either in the European Union, Iceland or Norway. please see link below. http://www.enseignementsup-recherche.gouv.fr/pid20006/innovation-recherche-et-developpement-economique.html TARGET: The target is that some partners within this Action Group will improve the effectiveness of their funds either by better ways of assessment of applicants or by implementing new funding schemes.
Management of Innovation Incubators: Improvement of innovation advice centres – One stop shop	The purpose of the incubator is to concentrate several support tools for start-ups in one place. Start up businesses can profit from a suitable physical space, from networking facilities, they can receive in depth advice and support on matters such as public-sector funding, services infrastructure, negotiating rents and leases; but sometimes also receive support through services such as having feasibility studies and specifications and marketing strategies produced for them. Potential Action which need to be discussed by RAPIDE regions: • Incubators created in those regions where there are none • Better marketing and management for those that exist but have failed to attract the desired number of start ups • Better management and strategies for those that have start ups, but whose start ups are failing to develop. An already quite old but still interesting presentation titled Business Incubators features, policies and trends in EU Member States, by a Commission official stated that benchmarking and best practice sharing should focus on the four key incubator service areas: • entrepreneur training, • business support, • financing, and • technology support Potential solutions: • Best practice networks • Incubator management courses. For example, the NBIA run an extensive Incubator Management Certificate Program

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Distribution of Regions over the Action Groups

Action Group	**Participants**
Effective Funding	SW England (UK) Orebro (Sweden) South Bohemia (Czech Republic) Wales (UK) Western Greece (Greece)
Innovative Public Procurement	SW England (UK) Eszak-Alfold (Hungary) Kujawsko-Pomorskie (Poland)
Innovation Vouchers	Eszak-Alfold (Hungary) Lapland (Finland) Kujawsko-Pomorskie (Poland) Presov (Slovakia) Saxony-Anhalt (Germany)
Cooperation between academia and business	Lapland (Finland) Orebro (Sweden) Saxony-Anhalt (Germany) Tartu (Estonia) Wales (UK)
Management of Innovation Incubators	Western Greece (Greece) Tartu (Estonia) South Bohemia (Czech Republic) Presov (Slovakia)

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Region	First Action Group	Second Action Group
South West England (UK)	Effective Funding: - Evaluation of applications - Revolving funds - Business Angel networks	Innovative Public Procurement
Észak-Alföld (Hungary)	Innovative public procurement	Innovation Voucher
Galicia (Spain)	??	??
Kujawsko-Pomorskie (Poland)	Innovative public procurement	Innovation Voucher
Lapland (Finland)	Co-operation between academia and businesses – Public Labs for SMEs	Innovation Voucher
Örebro (Sweden)	Effective Funding: - Evaluation of applications - Revolving funds - Business Angel networks	Co-operation between academia and businesses – Public Labs for SMEs
Prešov (Slovakia)	Management of Innovation Incubators: Improvement of innovation advice centres – One stop shop	Innovation Voucher
Saxony Anhalt (Germany)	Co-operation between academia and businesses – Public Labs for SMEs	Innovation Voucher
South Bohemia (Czech Republic)	Effective Funding: - Evaluation of applications - Revolving funds - Business Angel networks	Management of Innovation Incubators: Improvement of innovation advice centres – One stop shop
Tartu (Estonia)	Management of Innovation Incubators: Improvement of innovation advice centres – One stop shop	Co-operation between academia and businesses – Public Labs for SMEs
Wales (UK)	Effective Funding: - Evaluation of applications - Revolving funds - Business Angel networks	Co-operation between academia and businesses – Public Labs for SMEs
Western Greece (Greece)	Management of Innovation Incubators: Improvement of innovation advice centres – One stop shop	Effective Funding: - Evaluation of applications - Revolving funds - Business Angel networks

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