

# JOSEFIN NEWS

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## JOSEFIN

### *says farewell in Brussels...*



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### *...but its legacy will continue to inspire!*



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## EDITORIAL

Dear Reader,

Over the past three years, 23 financial institutions, business development agencies and regional authorities from the Baltic Sea Region have worked together to promote innovation and internationalisation in SMEs by facilitating better access to finance. With the support of the EU's INTERREG IVB (BSR) Programme, the JOSEFIN project (Joint SME Finance for Innovation) has provided us with a framework for trans-national cooperation and experimentation, adding real value to our daily work. The results are convincing: we have developed common models and approaches, set up new, innovative financial instruments in the regions, and integrated financing with coaching services. Moreover, new agreements have been signed to utilise European Union initiatives such as JEREMIE (Joint European Resources for Micro to Medium Enterprises) and the SME-guarantee facility of the Competitiveness and Innovation Framework Programme (CIP) administered by the European Investment Fund.

This newsletter provides insights into our final conference, which took place in Brussels on the 17th January 2012. As the lead partner of JOSEFIN, we would like to thank all the project partners, stakeholders and policy makers for their enduring dedication and support. We are optimistic that our efforts will have a long-lasting effect on the competitiveness, growth, and innovation capacity of our regions and thereby contribute to the Europe 2020 goals. We have committed ourselves to inspire more innovation, cooperation, and integration. For this, we will continue the partnership beyond the end of the official project.

Yours faithfully,



Irene Schucht



Thomas Hüttich



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## JOSEFIN SAYS FAREWELL

The Berlin Senate Department for Economics, Technology and Research and the Investitionsbank Berlin as Lead Partner have organised the Final Conference of JOSEFIN which took place on the 17th January in Brussels. This event was meant to spread the results of the project towards regional, national and

European policies and share our recommendations for a favourable business environment for innovative SMEs in Europe. The conference gave also the opportunity to learn about the EU's financial instruments for innovation and SMEs in the next programming period.

**... BUT ITS LEGACY  
WILL CONTINUE TO INSPIRE!**

**HIGH-LEVEL OFFICIALS  
SPEAK IN HIGH TERMS  
OF JOSEFIN**



*“Capital is a scarce resource. With Berlin Kredit Innovativ, we align public funds most effectively and attract private forces. This is the best we can do to serve SMEs.” Ulrich Kissing*

from the Swedish Agency for Economic and Regional Growth, Knut Halvorsen from Oslo Teknopol IKS, Erna Suslavičiūtė from the Lithuanian Ministry of Economy and Jürgen Varnhorn from Berlin’s Senate Department for Economics, Technology and Research have been convincingly advocating the role of access to finance and internationalisation of SMEs in the regional innovation strategies. Among the guests was also Jerzy Tutaj, vice marshal of Lower Silesia. A special highlight was the soiree at the Solvay Library where the guests were welcomed by the Berlin Senator for Economics, Technology and Research, Sybille von Obernitz.

Ulrich Kissing (Chairman of the Board of Management, Investitionsbank Berlin), Richard Pelly (Chief Executive of the European Investment Fund), Rudolf Niessler (DG Regional Policy), Roger Havenith (DG Economic and Financial Affairs) and Alexander Schenk (Swedish Ministry of Finance) have honoured the Final Conference of JOSEFIN with their presence and key-note speeches. Karin Hallerby



Ulrich Kissing  
Chairman of the  
Board of Management,  
Investitionsbank Berlin

*Background: “Berlin Kredit Innovativ” is the new instrument in Berlin developed within JOSEFIN. It has a volume of 10 Million € of possible guarantees until the end of 2012. Back in 2010: The consortium of four regional development banks in Germany – Investitionsbank Berlin, NRW.Bank, LfA Förderbank Bayern and*

*the Investitionsbank des Landes Brandenburg – signed an agreement. The risk sharing model envisages 30% risk covered by the development banks and 30% CIP counter guarantee by the EIF, relieving house banks significantly in order to incentivise lending to innovative SMEs with low collateral leaving 40% risk only.*

## MAINTAINING THE FABRIC OF SOCIETY



“SMEs are fundamental part of economies around the world including the European Union. They are fabric of society but also huge contributors to employment and growth. Expansion implicates higher risks for both investors and for the entrepreneurs who own them. SMEs need therefore access to finance which is of different nature. Generally, they can get that from the private sector. But public

policy and institutions that provide advice and finance are critical. Hence, the existence of the EIF focussed on entrepreneurship and innovation amongst SMEs across the European Union and our intense work in this current crisis to provide a panoply of products both equity and guarantees of loans ensure that capital supply to growing SMEs is not drying up but is rather maintained for the long-term success of the European economies.

The EIF has grown its activities by at least two times over the last few years to meet a combination of greater needs of New Member States and a greater geographical reach, but also because of the impacts of the crisis. We have to look in the future in terms of how to get over the crisis and then sustain the presence of public finance for SMEs in the long run. We have new instruments that are already available which meet gaps we've identified. The risk-sharing instrument for innovative SMEs is one example. We have also greater capacities than

we have had before for Mezzanine finance or Micro finance. For the longer term, we are looking to build on that broad range of capability for very early stage companies, micro enterprises through to growing enterprises that need growth capital and loans. We are hoping that the new financial perspective of the multiannual financial framework of the European Union will also see a quantum change in the provision of financial instruments for the longer-term support of SMEs.” Richard Pelly



Richard Pelly  
Chief Executive,  
European Investment Fund

**JOSEFIN IS PART OF THE  
EU STRATEGY FOR THE  
BALTIC SEA REGION**



Alexander Schenk has introduced exhaustively the EU Strategy for the Baltic Sea Region with its priority areas and strategic actions, particularly referring to the strategic action in priority area dedicated to research and innovation: "Secure access to capital for SMEs" for instance by promoting and introducing new and innovative tools that facilitates the access to capital in the region, particularly at an early phase of their development.

He emphasised the importance of SMEs for the smart, inclusive and sustainable growth in the macro region.



Alexander Schenk  
Ministry of Finance  
Sweden

**JOSEFIN PIONEERS  
NEW ASPECTS OF  
COHESION POLICY**



*"SME finance is even more important in the future cohesion policy than it is now. Thinking of the importance of SMEs for the European economies, I'd like to emphasise that 99 % of European businesses are small businesses creating about 2/3 of the employment.*

*Independently from the current crisis, it will be an important objective to provide this vital segment of our economy with the necessary support. In the context of the crisis, we shall*

*intensify the support of SMEs also from cohesion policy means.*

*JOSEFIN is a highly innovative project. In projects like this, it is not the money that counts. It is much more the idea to integrate effectively finance with capacity building that counts. SMEs shall participate in the internationalisation of our economies. JOSEFIN has done a very good job demonstrating this idea in practice.*

*What we can build on in the future cohesion policy is the aspect of combining access to finance with capacity building. We could for instance expand this idea towards a cooperation between the regional policy with the ESF which is responsible for the capacity building aspects and join forces for a more effective overall support." Rudolf Niessler*



Rudolf Niessler,  
DG Regional Policy,  
European Commission

**JOSEFIN  
IN PRACTICE**



Project Director Irene Schucht has outlined the project, its aims, service models and consortium composition. Subsequently, she presented tangible outputs and successful results: the JOSEFIN Service Model has been implemented in 11 regions. New financial instrument with new or extended coaching offer is available in Berlin, Greater Poland, Western Pomerania and Lower Silesia. Existing financial instrument integrated into new or

extended coaching offer benefits Lithuania, Latvia, Estonia, Dalarna, Brandenburg, Mecklenburg-Vorpommern and Lubuskie.



Irene Schucht  
JOSEFIN Project Director

**MORE INNOVATION  
MORE INTEGRATION  
MORE COOPERATION**



*"To realise the growth potential of innovative SMEs throughout Europe, we need:*

*More Innovation*

- *Policy makers and promotional institutions need to be innovative themselves*
- *Innovative and well designed financial engineering instruments*

*More Integration*

- *Integration of financial and non-financial*

*support fits the needs of innovative SMEs lacking access to finance.*

- *Integrated solutions are more effective and efficient than standalone instruments.*

*More Cooperation*

- *Cross-border cooperation between regional support providers is essential to realise the internationalisation potential of innovative SMEs in Europe.*
- *Intelligent cooperation between EU, national and regional levels is another key element for sustainable innovation strategies and support instruments."* Martin Jung



Martin Jung  
evers & jung

## JOSEFIN – LEGACY AND SUSTAINABILITY



JOSEFIN has captured its legacy towards policy makers, business development agencies, financial institutions and entrepreneurs in two publications, a handbook and brochure which are available at the project's website [www.josefin-org.eu](http://www.josefin-org.eu).

14 JOSEFIN partners have signed cooperation agreements on further networking and connecting advisory services to support internationalisation efforts of SMEs.



JOSEFIN has also launched an application service for SMEs from Berlin, Brandenburg, Dalarna, Estonia, Latvia, Lithuania,

Lower Silesia, Lubusz, Mecklenburg-Western Pomerania, Oslo, West Pomerania and Greater Poland.

Consultants from the corresponding JOSEFIN regional offices will enter into a direct dialogue with interested entrepreneurs after having been addressed with a brief completed questionnaire which is available at:

<http://sme.josefin-org.eu>

During the Final Conference of JOSEFIN, Project Director Irene Schucht has outlined the project's legacy directed towards policy makers:

*1. Make direct support of innovative SMEs a clear priority in regional innovation strategies*

*2. Strengthen approaches to integrate existing support instruments for SME internationalisation*

*3. Use EU structural funds to pioneer revolving financial instruments in your region that allow a higher outreach to under-collateralized SMEs*

*4. Include the issue of financing innovative SMEs in the strategic objectives of regional or national Operational Programmes from 2014 onwards*

*5. Better linkage of European, especially INTERREG projects and regional innovation strategies*