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Fostering Innovation in the Baltic Sea Region

JOSEFIN - Joint SME Finance for Innovation

PART-FINANCED BY THE EUROPEAN UNION
(european regional development fund)



Background and Idea

- The Baltic Sea Region (BSR) is one of the most prosperous and innovative regions in Europe and in the world.
- Small and medium-sized enterprises (SMEs) are drivers of the innovation process.
- However, SME's business activities are often focussed on local and regional markets, and decoupled from globalisation process.
- In order to boost competitiveness of Europe, international business activities of SMEs needs support, especially by:
 - Stimulation of direct transnational cooperation of SMEs,
 - provision of improved access to finance to carry out innovation projects and to exploit and to commercialise the project's results.

Project realisation by use of European Union co-financing

- **European Territorial Cooperation Programme 2007-2013**
- **Target 3:** Transnational Cooperation (INTERREG IV B)
- **Programme Area:** Baltic Sea Region (BSR)
- **Priority 1:** Fostering Innovation

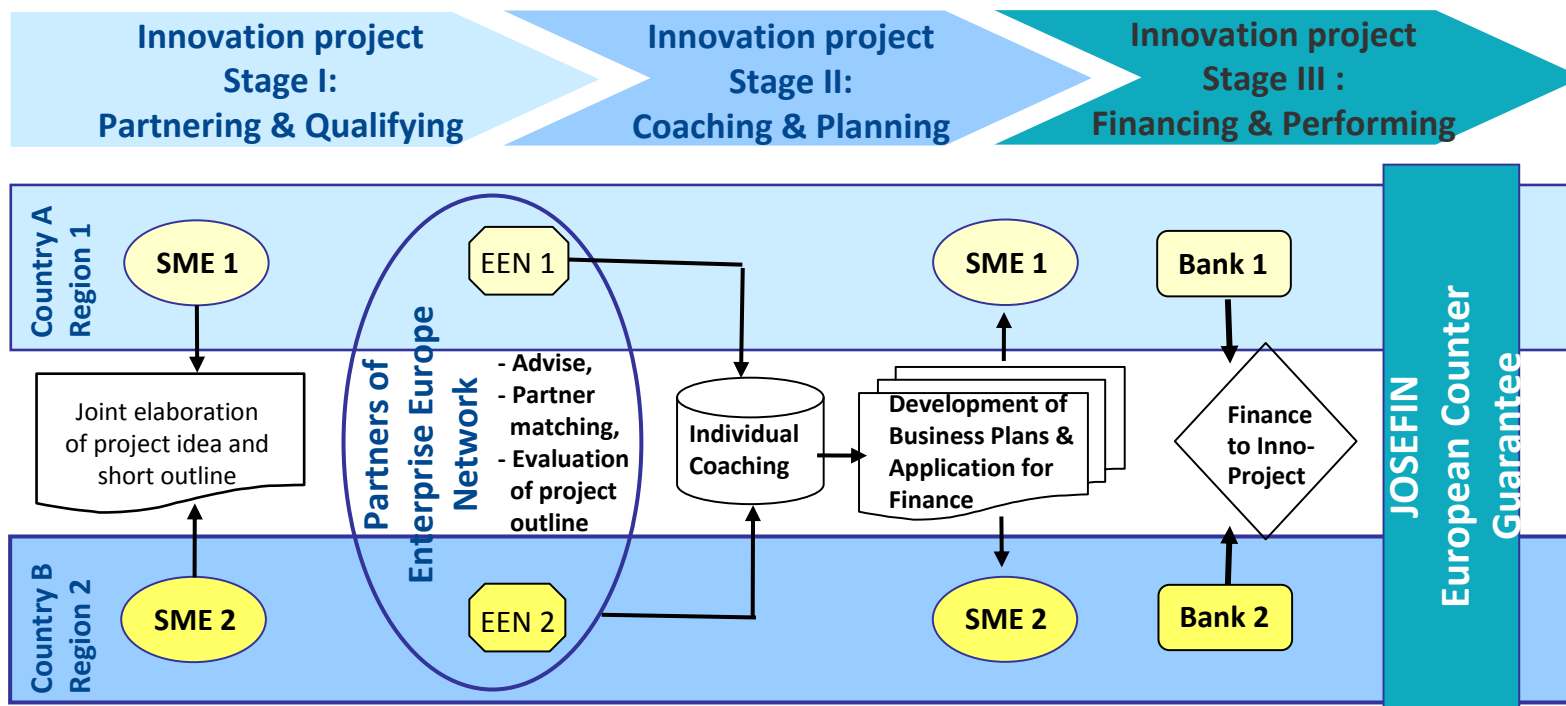
- **Project duration:** 42 months (2009-2012)
- **Project start:** January 2009
- **Applied total budget:** 3.868.237 EUR
- **Thereof ERDF-capital:** 3.544.130 EUR
- **Norwegian Fund:** 324.107 EUR

Project idea JOSEFIN

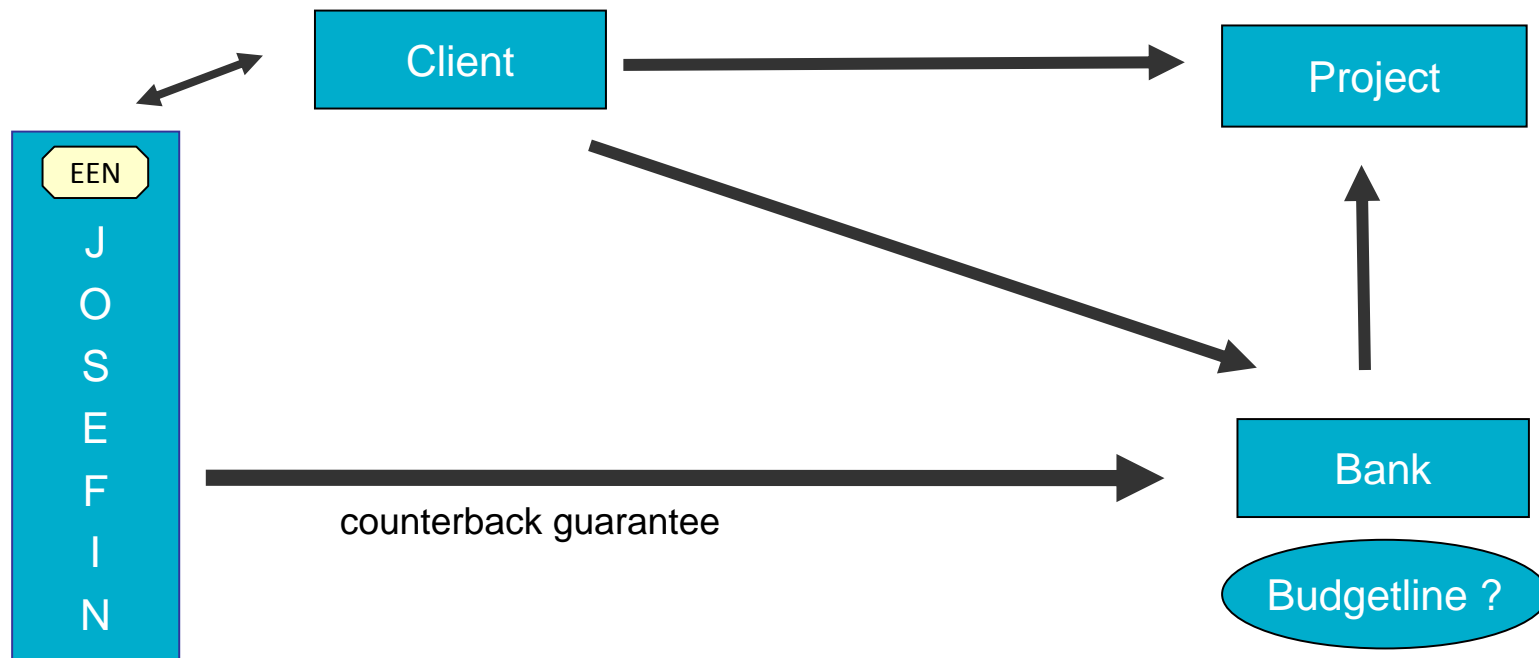
- The project is based on 2 main pillars:
 - the individual coaching of SMEs in preparation and duration of cooperative, transnational innovation projects,
 - the provision of financial support for lead up of innovation projects and improved access to finance to carry out the project and to exploit its results.
- Advanced financial support instruments for SMEs will be developed and implemented by partners from the financial sector:
 - valuing intellectual property of SMEs, respectively R&D partners of SMEs,
 - using a counter-guarantee of a European transnational guarantee fund.



JOSEFIN - JOint SME Finance for INnovation



Benefit for the client



Project Partnership

Carrying out the project requires different partner institutions in participating country/region:

European Enterprise Network (EEN), Incubators, Technology Transfer Centres or similar:

- screening and identifying “hidden champions”
- to develop and provide advisory services to SMEs
- to check short applications for transnational innovation projects in terms of technical feasibility and general market perspectives
- to offer individual coaching to SMEs for joint business plan development and preparation of full-applications for financing of transnational innovation projects.

State-owned Structural Development Banks, Funds Entities or similar:

- to develop and implement easy accessible financial instruments
- to support transnational innovation projects of SMEs

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Partnership

	Region	JOSEFIN Partner Institutions		
		Administration	Finance	Technology
DE	Berlin	SenWTF	IBB	Berlin Partner
	Brandenburg		ILB	ZAB
	Mecklenburg-Vorpommern			TZ Vorpommern
EE	Estland		KredEx	Tehnopol
LT	Litauen		Invega	LIC
LV	Lettland		LIAA	
PL	Dolnoslaskie	UMWD		WCTT
	Lubuskie	ARR		
	Wielkopolskie	UMWW	FRiPWW	WARP
	Zachodniopomorskie		PFP	
SE	Dalarna	Region + Länsstyrelsen	Innovationsbron	Teknikdalen
NO	Oslo og Akershus			Teknopol



Project structure



... - 30.05.2008 01/2009–03/2010 04/2010–12/2011 01/2012 - ...

Project preparation

- User needs /demand analysis
- Development of rules & implem. of transnational guarantee funds

- Implementation of transnational guarantee funds
- Identification & preparation of innovation projects

- Implementation of financial tools

- Follow up to project: continuous Operation of revolving guarantee funds

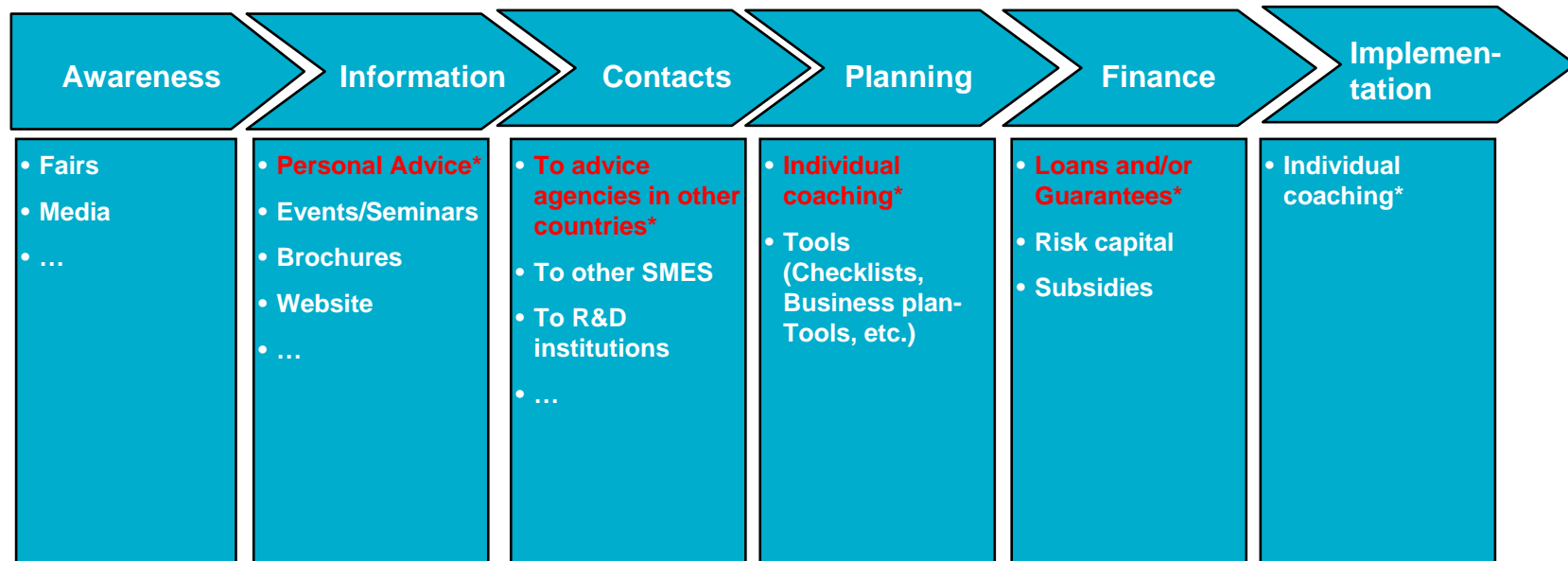
What are the main barriers and challenges for internationalisation of SMEs business?

- **Limited awareness:** Concentration on local/regional markets, no awareness about the business opportunities in other countries
- **Lack of know-how** regarding international issues / managers lack international experience
- Difficulties in finding **suitable and reliable foreign partners**
- **Lack of explicit strategy** in the initial phase and **lack of ability to implement strategies** (insufficient planning or skills)
- **High cost** of the internationalisation process (as internal barrier) or **lack of capital or finance** (as external barrier)

Needs: → **Awareness** → **Contacts** → **indiv. Coaching** → **Finance**

Source: Observatory of European SMEs (2003): Internationalisation of SMEs;
IfM Bonn (2007): Die Bedeutung der außenwirtschaftlichen Aktivitäten für den deutschen Mittelstand

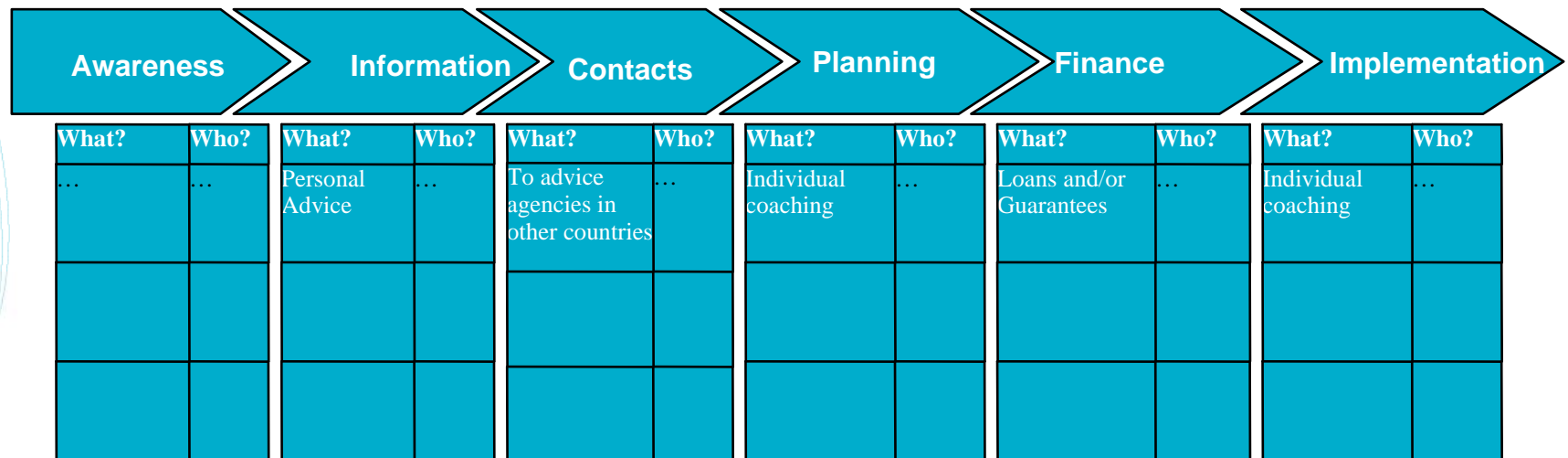
JOSEFIN Service Model



This graph illustrates the potential range of services to be provided to SMEs to support the development and implementation of their projects. Based on this each participating region should develop his own implementation proposal showing which of the suggested service will be implemented in his region and by whom.

All services indicated in red with a * should be obligatory for all regions to achieve a consistent common minimum service in the JOSEFIN network.

Regional JOSEFIN Service Model for [Region] (Template for the specific regional implementation)



Based on the general JOSEFIN Service Model each participating region should develop his own implementation proposal showing which of the suggested service will be implemented in his region and by whom. It is possible and helpful to include existing services (e.g. personal advice through EEN).

If necessary, you can back up this slide with the following additional slides explaining details of your proposal.

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Thank you for your attention

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