

European Trend Chart on Innovation Policy Review Workshop:

*“Making Innovation Policies
More User Friendly for SMEs”*

Analysis of Country Templates

1. Introduction

This report summarises the results of an international survey addressing the theme of innovation policy for SMEs in EU member states, accession countries and associate countries. The report is an input to the European Trend Chart on Innovation Policy Review Workshop “Making Innovation Policies More User Friendly for SMEs.”

The questions in the survey focus on three key issues:

1. Policy instruments directed to SMEs in order to make these enterprises to take part in innovation activities,
2. Specific programs for certain types of SMEs
3. Programs to make it easier for SMEs to participate in innovation.

1.1 Background

Since the early 1990’s we have witnessed a gradual shift in European innovation policies. The most well known part of this change is the shift from a strong focus on a science driven technology push to a broader perspective that includes a larger variety of innovation and innovation activities, including marketing, branding, design and innovation through small, incremental, improvements of products, processes and services.

The new rationality takes a systemic approach to innovation, meaning that it tries to understand innovation as the end result of a learning process in the firm that is dependent on a fruitful interaction with other institutions in the so-called innovation system, including other companies, finance institutions, universities and colleges, research institutes, consultancies etc.

Research is still understood as an essential input to innovation, but not all companies need to do or buy research in order to innovate. However, they do need to learn from others, and this competence transfer may take place by the way of mobility of personnel, collaborative efforts, acquisition of new technology and machinery, access to literature and data. Hence, in a policy perspective all kinds of competence flows become important, not only the transfer of R&D results.

This shift of perspective has led to a new interest in small and medium sized companies, as this group of firms contains a large number of entities that do not invest much in R&D, and thus – by definition – cannot be considered high tech companies. However, they do innovate and many of them do make use of advanced technology and complex knowledge. Moreover,

they may give a significant contribution to economic growth. In terms of number of firms, the SMEs represent by far the largest part of the business sector of any country.

The modern global economy is to a large extent innovation driven, and given that innovation and creativity are rather unpredictable processes, it is hard for policy makers to make long term plans for industrial development. This makes the SME sector especially important. The SMEs represents the undergrowth, the potential of the future. Among these firms you may find future economic giants and also companies that can bring us technology and knowledge that can solve important social, economic and environmental problems.

Innovation is a two-edged sword. It abolishes jobs, as new technology makes it possible to perform the same tasks with fewer hands. It is this productivity growth that has laid the foundation for the prosperity found in modern, industrial, nations, but it may also lead to unemployment. Fortunately innovation also gives birth to a large number of new jobs, especially in SMEs. This adds a very important social dimension to SME innovation policies. Europe needs new profitable and growing SMEs that can create new jobs and new opportunities.

In April 2004 the Commission published a consultation document “Innovate for a Competitive Europe” (COM(2003) 112). The aim of this process is to launch a new European Action Plan for Innovation in the summer of 2004. Improving the capacity of SMEs to create innovations and to market them faster and more successfully is one of the priorities.

One important question is how government can contribute to the growth of innovative SMEs, and more specific: how innovation polices can be adapted to the special needs of SMEs. Because of this the Trend Chart country correspondents have been asked to provide information on the presence of policy measures targeting such a diverse section of the business community.

1.2 Conceptual issues

Respondents of the questionnaire have obviously interpreted the concept “SME” in different ways, which may be a problem in comparing data across countries. In many countries the concept is referred to in national innovation policy, while other countries do not target SMEs in particular as most firms are SMEs.

The Austrian comment to the questionnaire is typical for these countries:

The problem [...] is that we almost have no specific programs for SME´s but that most programs are geared to the needs of SMEs as we almost have no large enterprises in Austria. The biggest problem for SMEs is to find the appropriate program for them among the great number of FTE promotion programs on the national and provincial level.

Similar situations are reported from Cyprus, Denmark, Iceland and Malta. Most enterprises in these countries are run by small firms; hence, SMEs are not a special target in the national innovation policy. Thus, regarding SMEs and innovation policy in these countries, we can conclude with the answer given by the Danish respondent: “Therefore – practically speaking – every measure targeting enterprises are targeting SMEs.” One should have that in mind when drawing conclusions from the data that are collected.

From Greece it was argued that “The measures named below do not mention SMEs in general as beneficiaries, but subsets of business activities that can not be but small size firms.” Thus, Greece

national innovation policy do not address SMEs as such, but gives priority to activities that are only carried out by small firms.

In France, they have made no “explicit operational enhancements” to stimulate participation from SMEs, but “SMEs are often de facto beneficiaries of mainstream innovation program or measures supporting R&D and innovation.” Luxembourg does not have an innovation program, but do “have measures which aim directly at stimulating the innovation in SME.”

Only Belgium deliver a clear definition of what they mean by an SME: “In general, SMEs in Flanders and the Brussels Capital Region are defined as follows: having a legal personality, counting no more than 250 employees, have less than 40 MEURO turnover or less than 27 MEURO balance total and be controlled for less than 25% directly or indirectly by non-SMEs. In Wallonia: the same characteristics but 20 MEURO turnover or less than 10 MEURO balance.”

1.3 Methodological issues

Trend Chart correspondents from 32 countries answered the questionnaire, only Lithuania is missing. The level of detail varies between countries – partly as a consequence of variation in the interpretation of the questions. This should be kept in mind when reading this synthesis report.

However, the information presented below should give a useful, if rough, sketch of the efforts EU Member States and Associate Countries have taken to make SMEs take part in European innovation activity.

The survey covered five major themes:

1. Types of operational arrangements to stimulate the participation of SMEs in innovation programs
2. Types of SMEs targeted in national innovation programs or agencies
3. Programs to alleviate innovation barriers for SMEs
4. Actions taken in order to increase the user-friendliness of national innovation programs
5. Cases of best practice (excellence) related to user-friendliness

2. Results

2.1 Measures stimulating SMEs to participate in innovation programs

Of the 32 countries that have answered the first question of the survey (see annex), only eight report that no specific arrangements to stimulate participation of SMEs in innovation programs are undertaken. Thus, three of four countries have specific arrangements of this kind. The countries that have not taken such actions according to the Trend Chart correspondents are Bulgaria, the Czech Republic, Estonia, France, Israel, Luxembourg, and Malta.

France and Luxembourg have explained their motives for reporting “no.” In France there “are no specific enhancement, but SMEs are often de facto the main beneficiaries of mainstream innovation programs or measures supporting R&D and innovation.” Luxembourg has no innovation program, but do have “measures which aim directly at stimulating the innovation

SME.” For both countries, details on the topic are presented. Thus, both France and Luxembourg are included in table 1, in which the operational enhancements are listed country by country.

One should note, however, that SMEs are not necessarily the main beneficiaries of innovation programs or measures supporting general private sector R&D and innovation, despite the fact that their number is much larger compared to the number of the large companies in a country. A typical example of the opposite is EUs Framework programs where SMEs receive less than 25 per cent of the programs available funding. Therefore, it is important to verify empirically whether and in which of the programs directed towards the whole spectre of the national private sector (SMEs and large companies alike) the SMEs are in deed the main beneficiaries.

Having said that, there may be several legal obstacles to introduce innovation programs targeted towards SMEs. As an example we may mention that the Norwegian tax credit scheme, SkatteFUNN, was originally only addressed to all SMEs in the country. European competition legislation forced Norwegian authorities to open this scheme to all companies large as well as SMEs.

2.2 Targeting certain types of SMEs

Table 2.2 provides information about how many countries run innovation programs targeted to certain types of SMEs About two thirds of the 32 countries have innovation agencies which deliberately are targeting to only certain types of SMEs.

Table 2.2: Measures targeting specific types of SMEs in survey countries. Overview.

No	25% (11)
Yes, <i>of which</i>	75% (24)
By sector or technological field	46% (11)
By level of technological competence	60% (14)
By size	30% (7)
By development Phase	70% (17)

The countries where SME innovation measures are neither particularly specialised nor targeted to certain business sectors, technological sophistication or firm age are Denmark, Estonia, Latvia, Liechtenstein, Norway, Poland, Malta and Israel. None of these countries give any additional comments. Again, it should be kept in mind that some of these countries have policy measures that *do* target companies within particular types of technological field, or of a certain level of technological competence, and development phase where the majority of the relevant firms are SMEs. But again this is an empirical question to be investigated.

It is most common to target policy measures toward SMEs by their development phase (age of the firm). This criterion is applied in 17 countries, followed by targeting by level of technological competence and sector or technological field. The least applied measure is selection by size, which seems logical regarding to nature of SMEs.

The Belgian respondent points out that although there are programs targeting only certain types of SMEs, one may not conclude that this is a general practice in the different regions in Belgium, The examples provided from Belgium are rather isolated cases.

Table 2.2.1 provides a more detailed overview of measures targeting SMEs within industrial sectors or technological field, listed by country.

Table 2.2.1. *Innovation programs designed for only certain types of SMEs based on sector and technological field.*

Belgium (Wallonia)	Measure BE 35 targets <i>SME service companies</i> that provide IT advice and/or industrial SMEs and supports the implementation of feasibility studies for the <i>development of software</i> (tests, development tools, etc.).
Czech Republik	Programs (based on Industrial Classification of Economic Activities (CZ-NACE) mining; processing industry; manufacturing and distribution of electricity, gas and water; building industry; transport, warehousing and communication
Cyprus	Measures encouraging mergers and joint ventures among manufacturing firms (CY 6, CY 7) <i>Consultancy services</i> scheme for the industry (CY 16)
Finland	<i>Life Sciences</i> (biotechnological companies) <i>Growth software companies</i> developing products that can be expected to succeed on international markets.
France	There are no specific programs targeting SMEs but again SMEs benefit from the priority placed on certain fields ("key technologies") such as life sciences, space and aeronautics, environment ...
Germany	There are some relevant technology programs (DE 67 to DE 71)
Hungary	Among the measures mentioned are the Economic Competitiveness Program (ECOP), Priority 3.1, <i>Application-oriented</i> Research and Technology Development.
Iceland	The Federation of Icelandic Industries has established clusters/networking for SMEs, larger companies and organizations in sectoral manner. This applies to <i>fisheries, and health</i> industry.
Ireland	Mainly <i>ICT including eLearning</i> .
Italy	Of interest is the Ministerial Decree of January 15 2004: Incentives for innovation in SMEs belonging to the textile/shoes sectors
Romania	INVENT stimulates economic application of research efforts by supporting testing prototypes or new products, patenting in advanced technology fields, measures enhancing use of new technologies.
Slovakia	The SPIT & CQMS Scheme excludes sectors as agriculture, fishery, water system management and transport
Switzerland	CTI runs specific programs: BioTech" (biotechnology), "MedTec" (medical technologies), Nanotechnology and Microsystems, Enabling Sciences (Software applications, ICT), Engineering."
UK	Biotechnology Finance Advisory Services' (UK 6) Manufacturing Molecules Initiative' (UK 57) NanoMicroClub

The business areas most frequently targeted are ICT, particularly software production and Health (especially biotech) sectors. However, it also seems that countries are giving priority to SMEs within sectors where the countries seem to enjoy some competitive advantages. Iceland gives priority to the fisheries, Italy to the shoe sector. The overall impression is that countries tend to support and target high-tech sectors. From this perspective, one may argue that there is a high-tech bias in targeting of national SME innovation policies.

Table 2.2.2 lists policy measures targeting SMEs of a certain level of technology.

Table 2.2.2. *Innovation programs designed for only certain types of SMEs based on level of technological competence.*

Belgium (Flanders)	The TETRA fund aims at the dissemination of knowledge among less-technological, traditional SMEs and may also target non for profit organisations
Belgium (Wallonia)	The Business Angels Network aims at matching supply and demand for risk capital and targets technology-intensive SMEs.
Bulgaria	The National Strategy for SMEs Development (2002-2006) and the dedicated program for its implementation deliberately outline the high-tech SMEs as a priority segment. Nevertheless no specific measures have been implemented so far.
Finland	Public innovation policy agencies have consciously developed programs and instruments which target not only high tech companies but also firms active in traditional industries or low-tech sectors. A one example is provided by Sitra Industry Ventures which invests in newly started companies and growing SME networks with technological and commercial innovations that can operate viably in international competition.
France	<ul style="list-style-type: none"> - The 18 “National Centres of Technological Research” (CNRT, in specific thematic area) include high technology SMEs. They bring together public research labs, private research labs of big companies, and high tech SMEs in cooperative research activities. - Young Innovative Enterprises' is targeted towards independent and newly-established SMEs with a minimum threshold of R&D and no more than 8 years old.
Germany	Separate measures to support SMEs with patenting activities
Hungary	Economic Competitiveness Operational Program (ECOP), Priority 3.3 is aimed at supporting a) in-house R&D projects of these companies, b) adaptation, improving upon R&D results obtained from other sources; c) feasibility studies for innovation projects; d) purchasing R&D services; e) obtaining licences, know-how; f) patent and trademark application fees; g) purchasing legal, IPR, financial, management consultancy services. It provides grants up to 100,000 euros (in HUF) for 3 years. A start-up is defined as a company in operation for not more than 5 years.
Ireland	Programs prioritising high-tech SMEs
Netherlands	A large program - Technopartner - which has brought together a number of various support measures/ programs for high-tech starters. As a part of this program the LiveWIRE initiative run by Syntens (regional support network) supports innovative entrepreneurs between the ages of 18-35 - in 2004 this will be focused on techno-starters.
Portugal	NEST – New Technology Based Companies (PT 34)
Slovenia	High tech SMEs have access to technology parks and centres.
Sweden	- VINN.NU"-program targets new technology based firms. The objective is to provide pre-seed and seed-financing to alleviate the supply problem of venture capital to Start-up companies and other SMEs with high degree of risk.

	- VINST" (SE_27) is a program allocating grants for research projects conducted in collaboration between researchers at Swedish universities and/or research institutes, and high-tech SMEs. The program is meant to be a "window of opportunity" for companies that have already started selling self-developed products but needs assistance to build platforms for renewal and expansion.
Switzerland	The CTI-start-up program emphasises high-tech industries.
Turkey	Technology development centres of KOSGEB host SMEs with medium to high technology development projects and activities.

Table 2.2.2 reveals that priority to new high technology SMEs has been given in many countries through national R&D and innovation programs. Responses reveal similar patterns of targeting between countries. The exception is Germany, which is the only country reporting separate measures for patenting activities and Finland which deliberately also targets SMEs in traditional industries or low-tech sectors.

Another SME targeting criterion explicitly asked about in the survey concerns the development phase of the firms. Countries' answers to this question are presented in Table 2.2.3, but the reader should keep in mind that many of the answers in Table 2.2.2 are also relevant here.

Table 2.2.3. *Innovation programs designed for only certain types of SMEs based on development phase.*

Austria	ERP Technology Growth Program (AT_8) grants loan to loan at very low interest rates for SMEs which have funding from venture capitalists
Belgium (Flanders)	Great variety of measures. Main focus on seed capital funding directed to start ups or to fast growing companies.
Belgium (Wallonia)	SRIW (www.sriw.be). Venture capital funds for university spin-offs' (BE_62)
Czech Republik	"START" program provides loans for starting entrepreneurs
Cyprus	Program promoting the establishment of high technology new firms in incubators [CY 5]
Finland	A number of public programs have been initiated to target businesses in specific development phases, particularly technological and commercial enterprises in the early stages of their existence who want to go international and that have new products, services or models of operation.
France	Programs aiming at: - the creation of firms with innovative technologies at pre-seed levels (FR11) - the development of incubators (FR12) - the development of public Seed Capital Funds
Germany	A considerable number of start-up programs provide funding especially for firms in their start-up phase (e.g. EXIST Seed, see DE_21, or FUTOUR 2000 in Eastern Germany, see DE_20)
Greece	Pre-seed and start-ups are a particular target of the national policy, as well as the young firms aged less than 5 years old.
Hungary	Supporting technology- and knowledge intensive start-up micro firms

	and spin-off companies (covering start-up firms, too) (Economic Competitiveness Operational Program (ECOP)).
Ireland	Enterprise Ireland has plans for the development of webworks, that is, new incubation Facilities to boost Biotech sector. The facility will provide a nurturing 'hot house' environment for early stage biotechnology companies.
Netherlands	Besluit Technische Ontwikkelingsprojecten (Technology Development projects (TOP NL34)) provides risk capital for technically risky development projects. A development project is understood to be a project that has surpassed the idea stage, but which is not yet ready for commercialisation: the so-called pre-competitive stage. It involves projects that are new to the Netherlands from a technical point of view, with large technical and (consequently) financial risks.
Slovakia	The priority of the INTEG program is to support innovation and technology transfer through the establishment of technology incubators
Slovenia	Voucher program focuses primarily on start-ups. In addition there are plans for new venture capital measures focusing on provision of pre-seed capital and start-up capital.
Sweden	NUTEK in collaboration with the Swedish Industrial Fund provide high risk loans with interest and conditional repayment or grants with a royalty clause to SMEs and primarily to small technology based firms for innovation projects in pre-commercial stages.
Switzerland	Start-up program (CTI)
Turkey	KOSGEB provides financial and advisory support for pre-seed and start-up phases.
UK	The Small Business Service (SBS) as the first single organisation within Government dedicated to the interests of small business. In 2002, the SBS published 'Small Business and Government - The Way Forward', which is a strategic framework for a government-wide approach to helping small businesses. This framework is based around themes like encouraging a more dynamic start-up market, improving access to finance for small business and developing better regulation and policy.

As a conclusion, most countries provide funding opportunities to start-ups needing pre-seed, seed capital, managerial help, and incubator services. Few countries, however, are focusing on technological risky projects and/or on pre-competitive innovation activities within more established SMEs.

Hence, an interesting question emanating from the survey responses is whether there is an overall (holistic) strategy of providing funding and other kind of help to SMEs not only in the first phases of firms' lives but also when firms do need to develop R&D ideas promising commercialisation opportunities.

2.3 Innovation barriers

The third part of the questionnaire addressed innovation barriers for SMEs and if innovation agencies in the different countries had designed innovation programs geared to specific innovation barriers for SMEs? 24 out of the 30 countries have confirmed that they had such programs and 6 countries answered that had not designed such programs. These countries were Bulgaria, Denmark, Israel, Luxembourg, Malta and Romania.

There are many innovation barriers for SMEs, both external and internal. External barriers is often seen to be financial problems, lack of risk- or seed capital; lack of human resources, or lack of relevant training schemes or subsidies to hire innovation managers and lack of technology in the sense to be able to link to other adequate technological potential actors. When it comes to internal innovation barriers it is often referred to that the SMEs lack openness and learning attitude. This can be reluctance to change, learn or co-operate, inability to handle uncertainties about risks, results and timing of innovation and an unawareness of technological or co-operation possibilities and benefits. Due to lack of time SMEs often have inadequate strategies and organisations, which often are shown by a lack of strategic vision or lack of methodological approach to innovation.

The countries that acknowledged having programs geared to overcome specific innovation barriers were requested to provide details of these programs within 7 main objectives. The numbers of answers within each main objective are shown in table 2.3.

Table 2.3. Programs geared to specific innovation barriers, main objectives.

Main objectives:	Number of countries
Improving innovation management competences	17
Innovation awareness programs	19
Improving skills for innovation	14
Accessing human resources for innovation	12
Improving market intelligence	12
Measures reducing the barriers to work with research centres (universities)	16
Measures reducing the barriers to work with other firms	14

The two most frequently answered main objectives were ‘Innovation awareness’ and ‘Improving innovation management competences’. These were closely followed by activities directed towards a reduction in barriers for the SMEs to work with research centres. 4 countries had programs in all 7 main objectives (Estonia, Finland, Ireland and UK) and 3 countries had programs in 2 or less (Liechtenstein, Portugal and Spain).

2.3.1 Improving innovation management competences

Innovative and competitive products are the result of concrete innovation projects covering research & development, financing, and market introduction. All this need a special innovation management competence which SMEs not always have. 17 of 24 countries have programs targeted to improve this kind of competence. An overview of the program for each country is given in table 2.3.1.

Table 2.3.1: Improving innovation management competence

Belgium (Flanders)	PLATO (BE_23) is a program of parenthood or mentoring for SMEs, where large enterprises assist, both collectively and individually, smaller firms in their development. The transfer of management know-how from large firms to SMEs is one of the major objectives pursued
Cyprus	Consultancy services scheme for the industry [CY 16]
Estonia	Spinno is a program where SMEs is helped to cooperate with universities.
Finland	The Finnish National Fund for Research and Development Sitra, Tekes (the National Technology Agency), the Foundation for Finnish

inventions and other actors endeavour a further exploitation of research results and technology developed in universities and research institutes. In order to commercialize research results technology-transfer companies has been set up in six university towns. The technology-transfer companies help companies and entrepreneurs to gain recognition for technological innovations, to evaluate them, to protect them and to exploit them commercially.

Germany	The TOP program promotes an exchange of innovation management practices among firms. (DE_32 and DE_33).
Greece	Training in the management of research and technology.
Iceland	Impra Innovation Centre (IS 15) initiate specialised support programs aiming at improving management and promote new business ideas
Hungary	Economic Competitiveness Operational Program (ECOP), Priority 2.2, Promoting Entrepreneurial Culture, component 2 is programs that provides grants to obtain consultancy services e.g. on market and competitiveness analyses, product development, strategic planning, feasibility studies, market research, introducing up-to-date management techniques (project planning and monitoring, marketing, etc.), developing project proposals, mapping various national and EU schemes relevant to the needs of a given SME
Ireland	Economic Competitiveness Operational Program (ECOP), Priority 2.1, Developing Technological Level of SMEs, is a program that supports introduction of various quality and environment management systems. Enterprise Ireland supports an R&D Management Program that seeks to improve the ability of industry to manage the process of R&D, technology development & innovation.
Italy	Not specified enough.
Latvia	Recently several projects aiming to develop innovation management competences among young people have been initiated (e.g., student competition Innovations in the development of Latvian sectoral economy" (2003), student project competition "Innovations in Latvia" (2004) organised by the Innovative Entrepreneurship Support Fund with a range of cooperation partners)."
Netherlands	Subsidieregeling Kennisoverdracht Ondernemers MKB (Subsidy knowledge transfer entrepreneurs SME - SENTER (NL35) is a program were entrepreneurs can receive subsidies for hiring in third parties for assistance in developing strategy, execution of feasibility studies and renewal plans. This subsidy is focused on process, product or services and aims at reducing the financial barriers to this type of innovation renewal and management. Aim of the measure is to stimulate SMEs in the adoption of technologies that already exist but are new to the companies. This may involve a product, production process or service.
Norway	FRAM is a program that offers managers of SMEs fee based services that are to help them map and implement possible improvements in their business activities. (NO_04)
Poland	National Network of Consulting Services (PL 04) In this program SMEs can receive co-financing related to consulting services in principles of company management, analysis of market potential, building strategy, search for external sources of financing, search for commercial partners,

intellectual property rights, improvement and system implementation, system certification, analysis of relevant requirements (standards, directives, etc.), preparation of necessary supporting documents, analysis of product and certification.

Slovakia	The Seed Capital Company seeks to foster managerial competences in innovation-oriented SMEs. The SPIT & CQMS are programs which enables SMEs to purchase advisory and consultancy services supporting their creation of innovative management systems.
Sweden	VINNKUBATOR is a pilot project working closely together with start-ups, SMEs and spin-offs actively complementing skill and experience in business teams and incubators. The aim is to learn from and manage and support these failures, which is to be expected and not always can be avoided.
Switzerland UK	CTI is a program which also includes coaching processes for new firms. 'Business Fellowship scheme' (UK_51) - This scheme enables business fellows (academics) to spend part of his or her time advising companies on technical or research problems and so helping to stimulate wider ranging HE-business networks and clusters. The initiative highlights the key role played by individuals in promoting knowledge transfer and closer working with SME businesses in particular.

Programs aiming to improve innovation management competence for the SMEs was the second most employed field of activity among the countries, which is underlining the importance acknowledgement for this type of programs. Most of the programs accounted for here has as a goal to help SMEs to better transfer and exchange innovation management know how and practices between each other and from other innovation actors. Some programs is trying to create network where companies can support each other, while other programs is giving help in form of subsidies, fees or co-financing.

There are also other programs, which for instance is looking at innovation failures and how SMEs can learn from that. Failures have to be expected and can not always be avoided. Another program is focusing more directly on how to train management for research and technology development.

2.3.2 Innovation awareness programs

Innovation is always an active process. But in some cases SMEs have problems to identify their own innovation potentials because they don't have time or resources to reflect about themselves or to be aware of possible external help. Thus, to raise awareness about firms' strength and weaknesses as well as about opportunities of external innovation supports are essential tasks for the public innovation supporting infrastructure. The importance of such innovation awareness programs has also been acknowledged by 19 of the countries that say have such programs. An overview of countries and their programs in this main objective is shown in table 2.3.2.

Table 2.3.2 Innovation awareness programs

Belgium (Flanders)	One of the main objectives of the Flemish Innovation Cooperative ventures (BE_56) is to encourage technological innovation through a
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	range of activities, which should raise the awareness of businesses - in particular SMEs - with regard to the importance of technological innovation, and support them in this sense with front-line care and further referrals
Cyprus	Scheme Pupils in research through encouraging school pupils to draft and implement R&D projects, where there is a possibility to win a prize for the best project.
Czech Republic	Association Of Innovative Entrepreneurship CR, give out the prize: Innovation of the Year Award.
Estonia	Has a specific program of innovation awareness and give out prizes for the best ICT invention, best product quality and some business activity prizes
Finland	INNOFINLAND is a project which has promoted Finnish innovative activities since 1994. The purpose of the INNOFINLAND is to promote creativity, skill, entrepreneurial spirit and co-operation in Finland in a practical and creative way in order to improve opportunities to increase well-being nationally. The project aims to encourage companies and private persons to engage in innovative activities; promote the development of novel inventions into commercial products; spur to new business activities; provide further opportunities for innovative entrepreneurs, financing organizations, and the public administration to network in order for them to establish an even closer co-operation; emphasize the importance of innovative, small and medium-sized companies; draw special attention to regional characteristics.
France	The 'National Competition' program can be seen as an awareness raising measure, specially assigned for SMEs. (Trophée de l'INPI) (granted by The National Institute for Intellectual Property (INPI) to an SME which successfully integrates Intellectual Property in its strategy (every 2 years - FR32)
Germany	Within the INSTI program, awareness to innovation among students is attempted being raised (DE_39). Another way of raising awareness to innovation in Germany is to put innovation into the centre of policy debates, for instance through public documents (strategy papers). The most recent one is the Hightech Masterplan by the BMBF and BMWA (February 2004) that summarizes the ongoing and planned innovation policy measures and attempts to guide public attention towards innovation. There is also a German Innovation Prize that awards highly innovative innovation projects. The Federal Government runs several innovation prizes in different fields of technology, e.g. a German Internet Prize (no TC datasheet), a multimedia prize for start-ups (DE_22).
Greece	The Greek Patent Office awards prizes to best inventions of the year, invented in Greece [GR 42]. The Commercial and Industrial Chamber of Athens awards annual prizes to most dynamic Greek exporters
Iceland	Rannis has launched a number of awareness activities.
Hungary	Innovation Grand Prizes is given out by the Hungarian Innovation Association (MISZ), various ministries and government agencies. The prizes have various categories for different types of companies, as well as individuals.
Ireland	National Innovation Awards, run annually, organised by Forfas and

	sponsored by a major National consulting house
Latvia	The National Program on Innovation is seeking awareness for innovation an action plan, which includes 3 different actions for creation of general understanding of the role of innovation in economic development: (1) promotion of public understanding, (2) student involvement in innovative activities, (3) identification and dissemination of good practice examples on innovative businesses.
Liechtenstein	SME-Centre affiliated at the University of Applied Sciences in Liechtenstein gives out awards for innovative business plans.
Netherlands	SENER will in the start of June 2004 launch a concept of Regional Road Shows, where the central theme is to give participants a 'taste' of entrepreneurship. It will include workshops for teachers, students and other participants, where they can learn about projects where entrepreneurship is set in the context of education. SENER also hosts 'business days' conferences every year. In 2004 this will be about innovation and sustainability and it will give information about all measures and programs from SENET in these areas, it also gives the chance to meet other businesses and take part in workshops. There is also the possibility to speak with project advisors from SENET.
Poland	Club of Innovative Enterprises holds periodical seminars, which is organized by the Polish Agency for Entrepreneurship Development. The main goals of these meetings are to facilitate exchange of information and strengthen the cooperation between innovative entrepreneurs, the science and research community and the administration responsible for supporting innovation activities. Promotion of Innovative Solutions and Firms is a program where the Innovation and Technology Unit at the Polish Agency for Entrepreneurship Development promotes innovative companies and their products through the co-organization of international fairs, co-operation meetings, conferences and thematic workshops. Polish Product of the Future is a competition where the main goal is to promote and raise awareness of both technical and technological solutions which can be applied in SMEs. The competition has two categories; Product of the Future and Technology of the Future. (PL 07)
Portugal	DEMTEC - Incentive System for Undertaking pilot projects concerning technologically innovative products, processes and systems (PT 37)
Sweden	The objective of the SMINT-program is to encourage SMEs to participate in the EU R&D framework programs. Venture Cup is a business plan competition that helps students, researchers and others to take their business idea and turn it into reality. The focus is to identify ideas that can be used in innovative SMEs with a high growth potential. HÖG 2004 - This is a program initiated by the Knowledge Foundation in Sweden in order to boost Sweden's competitiveness by supporting the creation of new firms with a solid connection to the research performed at the universities.
Switzerland	CTI Certified is label that reserved for very innovative, successful start-up firms.

Turkey	The Technology Award" is a prize organized by TUBITAK (the Scientific and Research Council of Turkey), TTGV (Technology Development Foundation of Turkey) and TUSIAD (Turkish Industrialists' and Businessmen's Association). It has two categories, where one is specifically designed for SMEs with technologically innovative products.
UK	SMART awards is for particularly highly achieving SMEs

Most of countries have prizes and awards for SMEs, which has been innovative and or successful in one way or the other. 12 of the countries that have answered this question are having innovation awareness program. Some of the programs are seeking to encourage SMEs to develop additional technological innovation through a range of activities. Other programs I seeking wider and are trying to be more informative and promote the importance of innovative activity to young people, students and teachers.

A program that both seeks to encourage and inform different user groups is INNOFINLAND. This is also a project that has an impressive support from organizations supporting innovation activities: the Ministry of Trade and Industry, the Foundation for Finnish Inventions, the Central Chamber of Commerce, the National Board of Patents and Registration, the Finnish National Fund for Research and Development Sitra, the Jobs and Society in Finland, the Federation of Finnish Enterprises, the National Technology Agency Tekes, the Confederation of Finnish Industry and Employers, the Ministry of Labour, the Finnish regional councils, the Employment and Economic Development Centres, and educational establishments. Locally, there are also other organisations supporting innovative activities.

The most creative program must be SENTERs concept of Regional Road Shows, where the central theme is to give participants a 'taste' of entrepreneurship.

2.3.3 Improving skills for innovation

The need to create a more skilled workforce for producing high quality/high value products and services has become an important priority for the innovation policy makers. The government speaks of us living through a new era for skills and productivity improvement. This means that the companies need to train and innovate if they hope to compete effectively in the future. It has been argued that the key to genuine improvements in innovation lay through the encouragement of more skills training among employees, especially in the new advanced areas of information and telecommunications technology. The different countries education and training system is vary important in this sense and has to become more sensitive to the wider needs of industry. Raising the level and value of formal educational qualifications is seen by policy-makers as a necessary objective in order to improve competencies at work and encourage more innovation and creativity.

14 of the countries have answered that they have programs that is aiming at improving skills for innovation. An overview of the countries and their programs are shown in table 2.3.3.

Table 2.3.3 Improving skills for innovation

Estonia	Training, consulting program - Special seminars (timber, textile)
Finland	The Employment and Economic Development Centres, TE-Centres, offer companies and entrepreneurs a wide palette of training options and consultation services.
Greece	Supporting entrepreneurial ideas (of students) through tertiary education

	structures [GR 53]
	Encouragement of entrepreneurial activities (of students), innovative applications and elective courses for tertiary education students [GR 54]
Hungary	Economic Competitiveness Operational Program (ECOP) seeks to Strengthening Firms' R&D and Innovation Capabilities. Promotion of innovation at SMEs is a project that provides grants to finance a) commissioning applied R&D activities, b) in-house R&D projects, c) improving upon existing technologies, products, services, d) feasibility studies for innovation projects, etc.
Ireland	Short courses on Technology & R&D Management (IE 18)
Netherlands	Subsidy School Impulse (Scholingsimpuls - Senter.nl) KeBB: Knowledge transfer technical education and industry (kennisuitwisseling beroepsonderwijs bedrijfsleven NL21) Learning entrepreneurship (leren ondernemen) has been set up by Senter to stimulate entrepreneurship in schools
Poland	Development and Modernisation of Companies Based on New Technologies (Sectoral Program for SMEs Development and Innovation, Economic and Social Cohesion, Phare 2002)
Slovakia	Education and training programs related to quality management systems are eligible for the SPIT & CQMS Scheme.
Spain	e-pyme is a section of 'españa.es' program (ES-41), whose aim is to help the implantation of ICT solutions and services in SMEs. This is similar for the Artepyme II program (ES-22), that is aimed to foster the adoption of new technologies by SMEs (particularly e-commerce).
Sweden	The TUFF scheme [SE_10], is run by VINNOVA, it aims to facilitate the trade in technological services between public RTD technology providers and SMEs. Launched in 1999, it encourages SMEs to co-operate in order to become stronger customers of qualified technology services. During the first phase the scheme stimulated SME demand through supporting feasibility studies, creating groups or networks of firms, and co-operative projects. TUFF is intended to become a national gathering for strengthening of the ability of SMEs to absorb new technologies and know-how. During the years 2002-03 VINNOVA has drastically decreased its support to the TUFF system.
Switzerland	CTI bottom up funding focuses on knowledge transfer between Universities and SMEs. Firms' technological (innovative) abilities should be improved by co-operations with researchers at universities and other research institutes.
Turkey	KOSGEB implements training and consultancy programs towards SMEs for improving skills for innovation. TUBITAK-TIDEB has recently started such a program, which is carried out in specified regions with a university-industry joint research centre.
UK	Manufacturing Advisory Service' (UK_63) - offers assistance from experts to enable SME manufacturers to improve productivity, through a network of regional centres for manufacturing. The MAS delivers the following to companies: practical help; assistance for technology transfer; development of manufacturing skills; dissemination of best practice; development of Networks of Expertise.

These programs that are created to promote more skilled workforce for innovation in SMEs shows a range of variation concerning education, training options and consultation services. This can be programs that offer short courses on Technology & R&D Management, special seminars, training and consultancy and knowledge transfer between SMEs and other knowledge creators like universities and R&D institutes, to mention a few.

2.3.4 Accessing human resources for innovation

The availability of personnel with special competences is always a concern for managers and owners in SMEs. There is a dependency between the number of employees with higher education and whether the firm produce a new and unique innovation. The possibility to access human resources for innovation, meaning availability of qualified personnel, helps innovation.

There are 12 countries that have programs aimed at accessing human resources for innovation. These are shown in table 2.3.4.

Table 2.3.4 Accessing human resources for innovation

Belgium (Wallonia)	<p>In Wallonia ‘the Technological Innovation Manager Measure’ (BE_32) supports the hiring (6 months to 2 years) of a technological innovation manager in SMEs, for the realisation of new product, process, the undertaking of technological analysis or a research project.</p> <p>Very similar is the ‘Technological Innovation Manager Europe’ (BE_33) where the project is aiming at developing partnership with another SME of the EU.</p> <p>‘The APE Recruitment subsidy for unemployed persons’ (BE_49) provides funding for the hiring of unemployed persons in SMEs for carrying out a development project in the fields of research for the development of new products, services or processes, promotion of exports outside the EU, energy or raw material saving, environment protection and reaching quality standards norms.</p> <p>‘FIRST Enterprise’ (BE_61) aims at reinforcing skills and competence in Walloon enterprises as well as their links with the research institutes and universities of the region. It subsidises the training of young researchers of large companies or SMES in Universities or Research Centres. The subsidy is higher for SMEs than for large enterprises.</p> <p>In Brussels Capital Region the ‘Salary subsidy for the hiring of unemployed persons for economic development projects’ (BE_09) is similar to the above mentioned BE_49. It subsidises the hiring of unemployed persons in small enterprises (3 to 100 employees) in view of carrying out a development project including new product or process development.</p> <p>‘The Subsidy for a Technical Feasibility Study’ (BE_67) targets SMEs only and provides funding for an economic, technical or financial feasibility study conducted by an external consultant (for instance for the development or improvement of a product).</p>
Estonia	Training, consulting program
France	‘Research Conventions for superior technicians’ (CORTECHS) (FR_6) is a program that is enabling SMEs and medium-sized enterprises (less than 2000 employees) to ask a technician to work for one year on a

technological development project in partnership with a competence center.

Long term 'stages' of students (with more than a technical degree) at SMEs.(FR_14)

'Support to Recruitment for Innovation in SMEs' (ARI – FR_3) is a program encouraging enterprises with less than 2000 employees to recruit R&D personnel.

Other measures comprise the 'Support to the recruitment of cadres'(ARC), the 'Diploma of Technological Research' (DRT) for SME and medium-sized enterprises of less than 2000 employees (FR_30)

Germany	The 'Green Card program' eases the access of non-EU residents with skills in the IT business to the German labour market (DE_45). The program is open to all types of companies, i.e. SMEs and large corporations.
Ireland	FUSION - knowledge transfer across the Island of Ireland (Northern & Southern Ireland). Placement of a graduate in a company across the border supported by his/her university department. This program is supported by InterTradeIreland (a North-South government body)
Latvia	The Action plan for the National Program on Innovation 2004 is aiming at (1) development of scientific and academic staff, (2) increase in the number of engineering graduates; (3) support to the improvement of employees' professional skills.
Portugal	NITEC - Incentive System for the Creation of R&D Nuclei in Companies (PT_36)
Slovakia	The INTEG scheme tries to avoid brain drain by educated human resources to border countries
Spain	'Torres Quevedo' (ES-30) is a program that support placement of doctorates and skilled personnel in enterprises and SMEs.
Switzerland	CTI supports (funds) co-operations between SMEs and researchers. This helps SMEs to access human resources for innovation from universities and other research institutions.
Turkey	KOSGEB supports employment of qualified staff by SMEs for innovation activities.
UK	'Engineering Technicians Initiative' (UK_40) - This program helps manufacturing businesses - particularly SMEs - tackle shortages of engineering technician skills. The objectives of the program are: to improve the technical and managerial skills of engineering technicians; to encourage collaboration between small firms employing engineering technicians with similar training needs.

All of the programs have an overall objective to help the SMEs to an easier access of human resources for innovation, especially to support recruitment of highly academic skilled persons and R&D personnel to the SMEs. Some of the programs also opens up for recruitment from countries outside EU. Belgium seems to have the most comprehensive program in this main objective.

2.3.5 Improving market intelligence

Competence about the market is often crucial for the SMEs to survive. There is now problem to develop new technologies and products, but it is difficult to develop something that is being accepted by the market. It is when the SME is entering into competition on a market it becomes obvious if an allegedly innovative product is really innovative and competitive. Because of their limited resources, especially SMEs have to overcome serious obstacles when entering markets. At this stage, essential support can be provided by helping to find appropriate contacts / partners in the framework of networks, or by financially supporting the companies in the process of accessing markets.

12 countries have acknowledged having programs aiming at improving market intelligence. The programs is further described in table 2.3.5.

Table 2.3.5 Improving market intelligence

Belgium (Wallonia)	Measure (BE_34) is a program that supports the realisation of techno-economic studies mandated by SMEs in order to evaluate the chances of successes of a new product, process of service (analysis of potential demand, of competition, etc.). The support covers 80% of the study costs carried out by an external consultant.
Cyprus	Scheme for the subsidisation of market research (CY_15)
Czech Republik	'Czech Trade' provide grant-aided marketing consultancy and information
Estonia	Estonia has 4 programs that is aiming at improving market intelligence within the SMEs: 1.Export plan program 2.Database of exporters and special homepage 3.Preliminary analysis (R&D) 4.Foreign representations of Enterprise Estonia
Finland	'Finpro' provides services, support and information to help Finnish companies enter the international market. Finpro has not restricted its services for certain size of enterprises only. However, expertise on the internationalization process of the small and medium size enterprises has been getting a more visible position in Finpro's strategy during the recent years. An example of Finpro's services is provided by INKA concept. INKA service is tailored to assist companies to find a business idea within their product innovation activities (if possible) and help to develop it into a profitable business. The assessment is carried out in close cooperation with the company's management and technical and business experts. Finpro provides also a variety of market intelligence services including a wide selection of reports and services. The objective of these services is to offer tools for the companies to follow the global markets and business opportunities.
Ireland	Support for Feasibility Studies by all development agencies for SMEs
Liechtenstein	The SME-Centre supports SMEs in many respects: start-up phase, growth phase and change management.
Poland	Bank of Technologies and Designs (PL_09). The purpose of operating the Bank (since 1999) is to find buyers of technologies and designs being developed by scientific institutes and technical universities. The target groups are manufacturing companies looking for innovative projects as a base for a further expansion of business. In case of necessity, the Polish Agency for Entrepreneurship Development may provide preferential

Slovenia	loans for the purchase and implementation of the stated projects. The Public call on internationalisation directly finances costs of marketing training.
Switzerland	CTI-start-up program provides young entrepreneurs with professional support in non-tech areas, like management.
Turkey	KOSGEB supports international market research and trade mark development activities of SMEs.
UK	'UK Online for Business' (UK_49) is a Online-based information service which provides small businesses with advice on using information and communication technologies to assist performance and competitiveness

Under this main objective most of the countries have general programs which offer market research for the SMEs, also on international markets. Belgium has a more specific program which supports the realisation of techno-economic studies mandated by SMEs in order to evaluate the chances of success of a new product, process or service in the market. In Poland they have a program for finding buyers for technology and design that is developed by the scientific institutes and technical universities.

2.3.6 Measures reducing the barriers to work with research centers

SMEs innovation support is influenced by very different players. Research centers and universities are important technology providers, but it is often difficult for the SMEs to be linked up with such organisations. An SME may be an acknowledged expert in his area, but when the interplay of relevant forces like this is more available it can be even better. The communication and co-operation with such actors are important for many SMEs.

There are 16 countries running programs which main objective is to stimulate collaboration between SMEs with research centres and universities. Details concerning the programs are listed up in table 2.3.6.

Table 2.3.6 Measures reducing the barriers to work with research centers

Belgium (Flanders)	The 'Innovationnetwork ' is a good example of an initiative that reduces the barriers to work with research centres and universities, but also with other intermediaries (for instance Higher Education Institutes, centres specialised in advice to SMEs) that can provide useful information to SMEs and help them resolving difficulties is the. This network has existed since 2001 (its predecessor was the IWT-SME-Network created in 1997) and is an initiative of the Institute for the Promotion of Innovation by Science and Technology in Flanders (IWT). 'The Feasibility Studies for Technical Support' (BE_40) aim at allowing SMEs to conduct a feasibility study of new products, processes or services with the assistance of an external organism. Accordingly, it provides funding for technical services (analyses and measures, testing and measurement, patenting possibilities) with an exploratory character, with a view to testing hypotheses before the elaboration of a formal R&D project. The technical services are subcontracted to a university laboratory or a research centre.
Cyprus	Cyprus have several programs for better co-operation between the SMEs and the research centres and universities for integration, particularly on support and mobility of young researchers.
Estonia	Program of Technology Development Centres

Finland	<p>‘Tekes Technology Clinic’ initiative is a program, which tries to carry technology transfer from research centres and universities to SME's. These clinics have assisted in solving specified technological problems and in the exploitation of new methods in companies. Average costs have been 10,000€ half paid by Tekes and half by the commissioning company. Tekes has recently launched a new and broader program (TUPAS) replacing ‘Tekes Technology Clinic’. TUPAS offers funding for those SMEs which transfer services based on all types of R&D results.</p>
France	National Centres of Technological Research (CNRT)
Germany	<p>The program ‘InnoNet’ (DE_26) supports R&D networks between at least 4 SMEs and at least 2 public research organisations The program ‘ProInno’ (DE_28) provides subsidies to SMEs for carrying out co-operative research projects, including projects together with public research organisations. Moreover, grants are available for personnel exchange of researchers between SMEs and public research organisations.</p>
Hungary	Economic Competitiveness Operational Program (ECOP), Priority 3.3, Strengthening Firms' R&D and Innovation Capabilities, component 3, Promotion of innovation at SMEs
Ireland	<p>‘Technology Transfer Initiative’ is supported by Enterprise Ireland and the three Atlantic universities. The Atlantic universities are the National University of Ireland Cork (NUIG, formerly UCC), the National University of Ireland Galway (NUIG, formerly UCG) and the University of Limerick. The initiative supports two technology transfer specialists in each university, all working as a team with SMEs</p>
Latvia	Action plan for 2004 of the National Program on Innovation includes measures for the promotion of international cooperation of scientists and entrepreneurs as well as promotion of effective links between industrial, educational and research sectors
Norway	MOBI (NO_11) aims at stimulating cooperation between SMEs and R&D milieus. Also, SkatteFUNN (NO_16) gives tax allowances for R&D projects that are carried out in cooperation with research institutions, thus reducing the financial barriers for such cooperation.
Romania	Science parks
Slovakia	The INTEG scheme invites Universities, research institutes and similar actors to establish technology parks, where technology-based SMEs could participate in applied research and commercialisation of the research output.
Slovenia	The Public Call on R&D subsidies (SL_4) helps firms to work with public research institutes and universities (not open just to SMEs but to all business firms)
Switzerland	CTI bottom up funding supports co-operations between SMEs and universities.
Turkey	SMEs located in KOSGEB's Technology Development Centres (TEKMER) have to cooperate with the university where the TEKMER is located (there are 10 TEKMERs in different regions which were established jointly with a university and are located in that university).
UK	See Faraday Partnerships and Knowledge Transfer Partnerships above, as two examples

The programs under this objective can be divided into two main categories. The largest one is programs which offer the SMEs innovation networks and co-operation through projects. Some of these programs seem to be inspired by a triple helix way of thinking. The other category deals with technology and competence transfer, where the research centres and universities offer SMEs to receive this kind of information.

2.3.7 Measures reducing the barriers to work with other firms

There are many reasons for SMEs to not work with other firms. One important issue is for instance problems concerning the SMEs protection of their core technology and competence. On the other side such co-operation can reduce risks and lower total capital investments and also contribute to technology and competence transfers, to mention something.

Table 2.3.7 shows the different program for the actual countries in this main objective. 14 countries have responded for programs aimed at reducing barriers for SMEs to work with other firms.

Table 2.3.7 Measures reducing the barriers to work with other firms

Belgium (Flanders)	The 'PLATO program' (BE_23) aims also at stimulating the exchange of experience between SMEs (notably by creating an SME network) and the creation of business networks linking small and large firms
Czech Republic	Program 'SUPPLIER' improvement of ability to supply foreign companies in the market, provided by Czech Invest."
Estonia	Training, consulting programs
Finland	Various measures promoting networking between firms are encouraging enterprises to work with each other. The main public initiatives are Tekes' technology programs and cluster programs jointly funded by several ministries. Both programs promote practical cooperation and encourage networking between companies as well as with universities and research institutes.
Germany	ProInno also supports R&D co-operation among SMEs. The Joint Industrial Research program (DE_17) is a program for co-operative R&D among SMEs. This program provides funding for research projects that are relevant to SMEs. The research projects are defined in a co-operative way on a branch level, coordinated by a total of 105 sector-specific Institutes for Co-operative Industrial Research (IfGs). The results of the research are made available to all SMEs belonging to the respective sector and that are member of one IfG.
Hungary	Economic Competitiveness Operational Program (ECOP), Promoting Co-operation Among Firms, is a scheme (component) that is aimed at promoting networking among SMEs: establishing new networks, mentoring their activities, preparing joint project proposals and other types of applications.
Ireland	Support for co-operation and networks of companies. Other - the Lack of Finance (the main reason for low innovation). Actions relating to Equity Finance for Innovation (IE_8 and IE_19): Seed & Venture Capital Measure; Campus Companies Venture Capital Fund and a Business Angel Database of 70 members (IE 19). These are initiatives put in place to address shortages of venture and particularly early stage/seed capital for innovation. The approach has been for the

	state to act as catalyst and/or co-founder. Undertaken by Enterprise Ireland.
Latvia	Promotion of inter-firm co-operation is promoted through Industrial Cluster Restructuring project launched in 2000 under the supervision of the Ministry of Economy aimed to promote competitiveness of Latvian industry by popularizing company cluster concept and by providing consultancy to certain potential clusters (information systems, wood industry, composite materials, engineering).
Netherlands	Technologische Samenwerking Technological co-operation (NL_1) Co-operation projects have to consist of new activities from the Dutch perspective and three categories are distinguished: - Fundamental research, Industrial research, defined as acquisition of new knowledge in order to use this for the development of new products, processes or services or the improvement of existing products, processes or services. - Pre-competitive development defined as the application of the results of industrial research in plans, schemes or designs for new or improved products, processes or services. The co-operation project has to involve at least, two companies, or one company and one knowledge institute. The individual entrepreneur has to bear the costs & risks of the project and can subcontract part of R&D activities to a research organisation or other company. Consortia should not include large companies with >25000. This measure will be put into a streamlined measure in 2004 called Innovation subsidy co-operation - whose goal is co-operation projects for innovation - in this measure businesses can work with national as well as international partners.
Norway	IFU (NO_01) is to increase cooperation between SMEs and larger firms. Under SkatteFUNN (NO_16), SMEs can get tax allowances for R&D projects that are carried out in cooperation with other firms.
Poland	Club of Innovative Enterprises
Slovenia	The Public calls on cluster initiatives and technology networks (SL16) has the ambition to promote cooperation between companies.
Turkey	KOSGEB supports establishment of workshops, laboratories and training centres for common use with the aim of increasing cooperation and interaction between SMEs.
UK	SMART awards

Nearly all the countries have programs under this main objective that encourage and promote the SMEs for co-operation and networks with other companies. One is aiming more at exchange of experiences between SMEs and another is focusing on support for establishment of workshops, laboratories and training centres, but with the aim of increasing cooperation and interaction between SMEs.

2.4. Delivering innovation programs to SMEs in a user-friendly manner

This part of the survey sought information on specific steps or actions aimed towards delivering innovation programs to SMEs *in a user-friendly manner*. Reducing bureaucratic hurdles, feasibility studies, two-step selection procedures and delivering through regional agencies were listed as examples of such initiatives.

According to the responses obtained, most countries have taken such steps or actions in one way or another. Only Austria, Bulgaria, Cyprus, the Czech Republic, Denmark, France, Iceland, Liechtenstein, Luxembourg and Switzerland responded negatively. In the case of Luxembourg, the reason was held to be that “there is no national innovation program, so no action have been taken in delivering innovation programs in a user-friendly manner to SMEs.” For both Bulgaria and France, it was underlined that although there are no such initiatives directed exclusively towards SMEs, actions to achieve administrative simplification in general have been carried out.

It should be noted, that the responses clearly show that this part of the questionnaire has been open to a broad level of interpretation. Whereas the majority of the respondents have referred to steps or actions aimed at making general innovation policy initiatives better suited to SME needs, some have focused on measures that are designed exclusively for SMEs.

The initiatives that have been referred to by the respondents can be divided into three broad categories: (1) *General initiatives*, that is initiatives to meet the needs of SMEs in general; (2) *Agency or program specific initiatives*, that is initiatives facilitating SME needs within the context of specific innovation agencies or programs; and (3) *Initiatives for regional accessibility*, referring to the existence of regional structures that ensure SMEs access to innovation policy programs, advice and counselling.

An overview of concrete initiatives in different countries is given below. The overview is structured according to the above categorization.

1. General initiatives

Belgium: In Wallonia administrative simplification and the modernisation of public service to allow it to respond to the needs of citizens and businesses is an important priority. Several initiatives are taken in that respect. Examples are the creation of the Sowalfin (decree adopted in July 2002 - www.sowalfin.be), a single entity responsible for financing SMEs (bringing together all the existing services which provide financial support to SMEs and coordinating the activities of the sub-regional investment companies) or a decision of the Walloon Government of May 2000 to oblige the regional administration to acknowledge receipt of all requests from companies within ten days and to indicate the likely delay for a final decision.

Initiatives in terms of administrative simplification and improvement of the diffusion of information to firms has also taken place in the Brussels Capital Region, notably with the creation of a one-stop shop enterprise agency (the Brussels Enterprise Agency - <http://www.abe.irisnet.be/>) in January 2003.

Initiatives to mention at the federal level are the creation of a single database, “Enterprises Crossroads Bank”, and the establishments of one-stop shops for the administrative formalities for creating enterprises. The concept of the one-stop shop for enterprises is to develop a network of offices, run by the private sector or non-profit organisations, where an entrepreneur will be able to settle issues related to a series of company registration procedures in one go (the initiative was launched in July 2003).

Finland: In order to facilitate and ease the use of public innovation services, an internet web portal -the Yrityssuomi.fi (Business Finland) - was launched in 2002 and has been further developed since then. This new service emulates the idea of “one-stop-shop” and is a significant and concrete step in collaboration between public providers of corporate finance

and service organisations, i.e. Finnvera plc, Finpro, the Finnish National Fund for Research and Development Sitra, Finnish Industry Investment Ltd, the National Technology Agency Tekes and the Employment and Economic Development Centres (TE-Centres). This network aims at assisting small and medium-sized enterprises, entrepreneurs and would be entrepreneurs to find the relevant public services for their situation and needs.

Germany: The BMBF Agency for Advice to SMEs (KMU-Förderstelle des BMBF, no TC measure) was established in 2002 to ease access for SMEs to various innovation programs, especially the many technology programs (DE_67 to DE_71) run by the BMBF (the Federal Ministry of Education and Research). The SME-Agency has three objectives:

(i) Advice on

- Federal funding opportunities available
- Opportunities for using research results
- Founding a technologically orientated company

(ii) Information on

- Funding measures for SMEs
- Offers of interesting business events
- Founding and funding policies for SMEs

(iii) Establishing contact to

- Project management organisations for funding measures
- Contact partners in the research field
- Disseminator of federal states and EU information.

The SME-Agency is no funding agency but solely concentrates on reducing information barriers at SMEs with respect to funding opportunities in the field of innovation. (See http://www.kmu-info.bmbf.de/index_uk.htm).

Hungary: A background study, commissioned by the Office of Research and Technology, has been completed on issues concerning delivering innovation programs in a user-friendly manner to SMEs. Steps are yet to be introduced.

Latvia: On July 31st, 2003 the Cabinet of Ministers passed the new Action Plan for Improvement of Business Environment targeted to SMEs. The plan includes 35 activities aimed at improvement of the business environment and identifies ministries and institutions responsible for the implementation of this plan. The Cabinet of Ministers has entrusted the Latvian Investment and Development Agency the task to supervise the implementation of the Action Plan and to institutionalise a dialogue between the Government and the business community.

The Latvian Investment and Development Agency and the World Bank approximately once in two years carry out surveys on the impact of administrative procedures on the business environment. These surveys contribute to business development by mapping areas in need of new reforms and measuring efficiency of different activities aimed at improvement of the business climate. The survey helps to develop support measures for small and medium-sized businesses and to study the opinion of entrepreneurs with regards to the work of state and municipal institutions.

Malta: The Innovation Relay Centre was launched in Malta in 2002 in order to help business, particularly SMEs tap into innovative activities in the EU. The Innovation Relay Centre in Malta is particularly active in:

- Environment technology
- Information and communications technology (ICT)
- Fish technology

The Netherlands: The work of Syntens - the Dutch implementing agency for innovation support to SMEs - has made it possible for businesses to download request forms and information from the internet, fill in forms electronically, and/or complete forms on the internet - programs where this is possible include Scholingsimpuls, SKO, SKB and others.

MKBalans is an online instrument developed in co-operation between the Ministry of Economic Affairs and Syntens. The idea is to get a quick insight into different areas of business. It is for all businesses with between 5 and 200 employees. The idea is that SMEs are to be able to compare business with others in the same sector and with similar size businesses in other sectors. After using the instrument (80 questions) the SME gets direct feedback in three areas:

- Performance of the business
- Sector comparison
- Advice

Romania: The Government Action Plan adopted in May 2001 encourages the improvement of the legal framework for SMEs and the removal of administrative barriers by simplifying SME registration and authorisation procedure and reducing the related costs.

The Research Department of the Ministry of Education and Research is involved in the development of new specific instruments (programs and measures) to improve the co-operation between public R&D and SMEs in order to enhance the potential for innovation and education policy and the training of highly qualified specialists for more efficient use of human resources (as communicated by MER-Research, the ITT unit).

Slovenia: There is a continuous government program called the Anti-bureaucratic project, aimed at eliminating administration hurdles, but the end objective of establishing a one-stop agency has not been achieved yet.

Sweden: The Entrepreneur's Guide is an interactive website aimed at all who run or want to run their own company. The Guide provides necessary tools for starting and developing companies. It also gives information that is relevant to entrepreneurs in Sweden.

In 1994, the Small Business Council was formed on an initiative from the Swedish Government. In 1998 the Council presented a report on the need for administrative simplification containing about 79 topics from the accounting system for restaurants to public procurement, including the simplification of registration of start-ups (SE_05). The so called Simplex-group has continued the work within the Swedish Ministry of Industry, Employment and Communications.

The United Kingdom: The "Small Business Service" (UK_27) was established as the first single organisation within Government dedicated to the interests of small business. It helps to reflect small firm interests in Government, improve the coherence and quality of Government

support, and help on regulation. This service has helped with the creation of an extensive range of innovation programs and delivers many of the Government's schemes targeting small businesses, together with softer innovation support such as advisory and information dissemination services.

2. Agency or program specific initiatives

Estonia: The Foundation Enterprise Estonia was reorganized recently and one main intension is to become a more user-friendly organization.

Finland: Specific characteristics of SMEs are taken into account in funding and program selection criteria in several agencies offering innovation related services. Funding schemes and programs have been tailored with SMEs especially in mind.

Greece: For some policy measures (GR_38, GR_39 and GR_45), calls for proposals with fixed deadlines have been replaced by calls with open deadlines, while the lead time for evaluation and approval has been reduced.

Israel: While big enterprises applying to the OCS (Office of The Chief Scientist, Ministry of Industry, Trade and Labor) should concentrate applications at the start of each year, SMEs may apply all year round.

The Netherlands: WBSO (NL_5) is a fiscal facility for businesses and independent persons that undertake R&D work. For SMEs there are a series of WBSO workshops in 2004 - organised for businesses by 'Senter', an implementing agency for innovation and technology. The SME series are done in co-operation with Syntens.

Sweden: An active step in order to simplify the procedure surrounding applications for allowances within the VINN.NU program has been taken. The process has formerly been experienced as complicated and time consuming. The form for applications has been reduced to 26 clear questions, each with a maximum of words that can be used as an answer. This has both reduced application time and resulted in a sharper image of the applicant.

Turkey: There are not any steps or actions specifically taken for SMEs in delivering innovation programs in a user-friendly manner, except the offices of KOSGEB - the Small and Medium Industry Development Organisation - that were established to act as a one-stop shop for SMEs applying for KOSGEB supports.

3. Initiatives for regional accessibility

Belgium: The creation of the Institute for the Promotion of Innovation by Science and Technology in Flanders (IWT-Flanders) in 1991 by the Flemish government as a regional public institution and one-stop shop to provide R&D and innovation support, is an example of the delivering of innovation programs in user-friendly manner to SMEs. For this purpose the IWT has several financial tools and an annual budget of 190 million EUR (in 2002) available to support projects. In addition to direct funding, a variety of services are provided to the local industry in the field of technology transfer, partner search, information about international subsidy options, etc. IWT has also an important co-ordination mission, aiming at a strong co-operation between all organisations in Flanders, offering technological innovation services to companies. Over the years IWT has expanded into the knowledge center for R&D and innovation in Flanders.

Finland: A number of innovation related services are nowadays delivered through the regional offices of the public service providers. A major initiative was the establishment of regional Employment and Economic Development Centres in 1997 by merging the regional units of three ministries (the Ministry of Trade and Industry, the Ministry of Labour, and the Ministry of Agriculture and Forestry). Altogether there are 15 TE-Centres. Their main task related to innovation policy is to provide support and advice to SMEs in the different phases of their life cycle. Regional TE-Centres gathers under the same roof as not only the TE-Centres' own advisory and development services for businesses, entrepreneurs and other clients but also the services of Tekes (the National Technology Agency) and The Foundation for Finnish Inventions. The TE-Centres can assist customers also in relation to services of the National Board of Patents and Registration of Finland.

Ireland: A regionalised/localised structure has been in place for more than a decade, delivering innovation services through regional and local development agencies such as Shannon Development Mid-West (NUI's III region), County Enterprise Boards (micro-firms with less than 10 employees) and Udaras na Gaeltachta (working in the Irish speaking areas, mainly on the Atlantic coast of Ireland).

The Netherlands: The Government supports the regional centres of Syntens, who operate partly as a network, partly as individual centres to adopt to regional specificities. The network's mission is to strengthen the innovative capacity of SMEs through active mediation in the area of applied knowledge. The emphasis is on technology and business management. With Syntens, SMEs have at their disposal a network with advisory capacity for all sectors and the entire spectrum of business issues. The activities of the 15 centres consist of:

- Stimulating and supporting innovative processes that generate successful innovations through collective advice oriented toward specific target groups and themes, and through national and regional projects. This is accomplished by offering applicable knowledge itself, as well as through mediating between knowledge suppliers and SMEs
- Supporting regional, national and international partnerships aimed at increasing the innovative capabilities of SMEs
- Being accessible to entrepreneurs for questions within the context of the mission
- Informing governments about relevant developments in SMEs.

The execution agency of the Ministry of Economic Affairs - Senter - works to support the improvement of the competitive position of SMEs. It has 16 offices through the country with a central office in the Hague.

Norway: The parliamentary bill "Instruments for an innovative and creative industry" (St.prp. 51, 2002-2003) proposed that there should be one common "gate of entry" to most of the business oriented innovation policy instruments. Subsequently, this function has been assigned to the regional branch offices of Innovation Norway, which was established on January 1st 2004. Although this initiative was not designed specifically for SMEs, they are an important target group.

Poland: In the framework of the Economic and Social Cohesion (Phare 2002), it is required that all applications must be submitted to Regional Financing Institutions (Regionalne Instytucje Finansujace - RIFs).

Portugal: In Portugal, regional offices has been set up to deal with firms' applications.

Spain: The main national program oriented to SMEs, PCCP (Plan for the Strengthening and the Competitiveness of SMEs, ES_27) is funded by the Ministry of Economy, but regional agencies are the bodies in charge of the measure's administration and management.

Sweden: ALMI Business Partner gives guidance in all stages of enterprise development (from seed to expansion) and has offices located in all Swedish counties. This makes it possible for SMEs to access a regional trustworthy partner with a clear understanding of local conditions and the importance of long term business relationships.

2.5. Cases of excellence

The respondents were asked to identify any initiatives in their respective countries that could be said to represent a “case of excellence” in user-friendly SME innovation programs. All in all, respondents from 14 countries reported on a total of 21 such “cases of excellence” (see table 2.5.1 for an overview). Several of those who could not report such cases, commented that the programs had not been active long enough to evaluate them.

Table 2.5.1 Cases of excellence

Austria	FFF, the Austrian Industrial Research Promotion Fund (AT_2)
Belgium (Flanders)	The Innovation Network
Czech Republic	Small Loans provided through the ARP BIC/RPIC network
Cyprus	Program for integration, support and mobility of young researchers (CY_20) The Follow-up program (CY_26)
Finland	The technology programs
France	Technological Development Networks (RDT)
Greece	PAVE-NE (GR_08) ELEFTHO (GR_45)
Ireland	Specialised bioincubators Skillnets Network Training Program
Italy	The Emilia Romagna approach
Netherlands	KIM (NL_6)
Slovakia	The Seed Capital Company
Spain	ARTEPYME II (ES_22)
Sweden	VINNKUBATOR
UK	The Small Business Service The Teaching Company Scheme (now Knowledge Transfer Partnerships) SMART The LINK programs

Based on their main objectives, the majority of the reported “cases of excellence” group themselves into three categories: Measures promoting interaction/networking between firms, knowledge institutions and/or public agencies; incubator and S&T park programs; and innovation financing instruments.

1. *Promoting interaction and networking*

The largest of the above listed categories is measures aimed at *promoting interaction and networking between firms, knowledge institutions and/or public agencies*. In 8 out of the 14 countries that were reported to have “cases of excellence”, measures of this kind were referred to. The different measures are presented in more detail below.

Belgium: The Innovation Network, in existence since 2001 and an initiative of the Institute for the Promotion of Innovation by Science and Technology in Flanders (IWT), may be used as a “case of excellence” not of user-friendly delivery of innovation programs (it does not deliver any program), but as a user-friendly tool to help SMEs to resolve questions they have with respect to innovation. In fact, the Innovation Network has already been recognised as a good practice. The Italian Institute for the Promotion of Industry has indeed launched a feasibility study for the creation of an International SME Network. The study was finalised in 2002 and presented the Flemish Innovation Network as a good practice. The Innovation Network’s predecessor, the IWT-SME-Network (established in 1997) was evaluated in 1999. The evaluation led to an optimisation of the network and its new start under the name Innovation Network.

Finland: The technology programs have provided for SMEs not only access to new knowledge and technology but also to domestic and international networks with lower costs than if pursued alone. This has lowered the threshold to cooperate with other firms and other actors in the innovation system.

France: Probably one of the most successful and effective measure is the Technological Development Networks (RDT) which makes it possible to derive synergies from the many actors providing support to SMEs locally, and thus avoiding the risk of overlapping competence. They represent a useful single entry into the system.

Greece: PAVE-NE (GR_08) promotes industrial research in new enterprises, in most cases in cooperation with public research centres and universities, which work as generators of the applications and subcontractors in project implementation.

Ireland: Skillnets Network Training Program is led and managed by the private companies in the individual networks. Networks have undertaken R&D training, upskilling, new product development programs, world class manufacturing techniques, quality and hygiene, management training, business development etc.

Italy: The Emilia Romagna approach is considered a good example of a public/private partnership in this field. The approach towards SMEs is indirect or implicit. The program is by definition for all, but the actions selected for its implementation give SMEs (more or less) the same opportunities as the large firms.

The Netherlands: The goal of KIM (NL_6), which is administered by Syntens, is to enlarge the innovative capacity of SMEs. Companies can be subsidised for hiring a recently graduated “knowledge carrier”. The graduate implements a previously drafted innovation plan, directed at organisational, market, product and/or process innovation. The reason for launching the KIM measure was to boost innovation in small companies and increase the number of “knowledge carriers”. Support was a one-off wage-cost subsidy of €9,000 maximum. In 1998 the budget was considerably increased due to the success of scheme. For the period 1997-2000, budgets have been: €1 million in 1997; €6 million in 1998; €5 million in 1999; and €4 million in 2000. The instrument was last evaluated in 2000. The evaluation assessed the impact of the subsidy in terms of

- the importance of the subsidy: for approx. 75% of the firms the non granting of the subsidy would have had an impact on the implementation /size/ start/duration of the project.

- first order effects (impact on R&D input): for 50% of the “old participants” and 53% of the “new participants” KIM has had a positive effect on the R&D intensity
- second order effects (impact on R&D output /innovativeness): 91% of the “old participants” and 84% of the “new participants” have realised innovations; the majority of product innovations has been successfully commercialised; 57% of the companies have improved their efficiency due to process innovation
- third order effects (impact on company performance): in 52% of “old participants” and 80% of “new participants” KIM has had a positive impact on turn-over. In 45% of “old participants” and 68% of “new participants” KIM has had a positive impact on employment. In 30% of “old participants” and 42% of “new participants” KIM has contributed to an increase in the number of high-skilled personnel in the company.

KIM is an unique instrument in terms of selective acquisition. Syntens does not try to “sell” the measure to as many companies as possible. The organisations look for value-added (fine-tuning) - close monitoring through regular contact with the company and the knowledge carrier. However due to its character, the implementation costs are relatively high. From May 2001 onwards, the KIM and the Feasibility Studies MKB (NL_12) have been merged into one firm-oriented knowledge transfer facility due to the streamlining of technology policy instruments.

The UK: The Teaching Company Scheme (now Knowledge Transfer Partnerships) increases interactions between universities and companies. Graduates (TCS Associates) are recruited to work in a company for two years in close cooperation with a university, on a strategically important project.

The LINK programs provide support for academic-industry projects that address foresight priorities.

2. Financing innovation measures

The second category - *innovation finance measures* - covers five “cases of excellence” in Austria, Cyprus, the Czech Republic, Slovakia and the UK respectively:

Austria: FFF, the Austrian Industrial Research Promotion Fund (AT_2), which is the most important source of finance for industrial R&D and innovation projects in Austria, can be regarded as a “case of excellence”. Although it does not run specific SME programs, it treats SMEs different from larger firms.

Cyprus: the Follow-up program (CY_26), which provides co-funding of projects in order to complete previous research projects, can be regarded as “cases of excellence”.

Czech Republic: Small Loans provided through the ARP BIC/RPIC network represents a “case of excellence”.

Slovakia: The Seed Capital Company (established in 1991) is the oldest scheme for promotion of innovation in Slovakia. It is the only agency providing a comprehensive list of supportive services for innovative SMEs in Slovakia (equity investments, syndicated investments, advisory, accountancy, managerial and consultancy services for venture capital).

The UK: SMART provides grants on a competitive basis for two distinct types of project: 1. a technical and commercial feasibility study into innovative technology 2. the development up

to pre-production prototype stage of a new product or process which involves a significant technological advance....(more)

3. Initiatives directed towards incubator and S&T park

Three countries - Greece, Ireland and Sweden - reported on “cases of excellence” that were *initiatives directed towards incubator and S&T park* activities:

Greece: The ELEFTHO program (GR_45) supports the further development of private S&T incubators and S&T parks which will complement the existing low profile public initiatives.

Ireland: “Specialised bioincubators will provide the appropriate business and scientific support needed for new companies to survive and grow. Increased funding for research in the life sciences will result in increased commercial technology in the next decade. The Trinity bioincubator will provide a launch pad for innovative new ideas and products, which are the future for our knowledge-based economy. This is a central objective of Enterprise Ireland’s biotechnology strategy, ‘Building Biotech Businesses’.” (Feargal ÓMóráin, Director of Science, Innovation and Corporate Support Services, Enterprise Ireland.)

Sweden: If something should be mentioned that in some sense, so far, is a success story for Sweden, VINNKUBATOR might be potential candidate. The incubator project has in evaluation showed excellent results and has managed to attract researchers, entrepreneurs, investors and customers. Since June 2003 has each of the current 14 Swedish incubators been able to create approximately 5 new high-tech companies every 6 month. This has been done by professional management that connect R&D results to a market place, balances demand and support, enables powerful teams to be formed and give a clear support to strong business ideas. The incubators public return-on-investment for pre-commercial funding and R&D investments is high and it is therefore plans to upscale the project to a nationwide program.

Three of the “cases of excellence” that were reported on do not fit into any of the above categories. They include the British SME support organization the Small Business Service; the Spanish initiative ARTEPYME II (ES_22) which has been recognized as a good-practise in the promotion of e-commerce into Europe in the Framework of the European Commission initiative "Go Digital"; and the program for integration, support and mobility of young researchers (CY_20) in the case of Cyprus.

3. Main conclusions

Trend Chart correspondents from 32 countries answered the questionnaire, only Lithuania is missing. The level of detail varies between countries – partly as a consequence of variation in the interpretation of the questions.

Of the 32 countries only eight report that no specific arrangements to stimulate participation of SMEs in innovation programs are undertaken. Thus, the survey provides positive information that 3/4 of the countries in the survey have specific arrangements of this kind.

About two thirds of the 32 countries have innovation agencies which deliberately are targeting to only certain types of SMEs. The countries where SME innovation measures are neither particularly specialised nor targeted are Denmark, Estonia, Latvia, Liechtenstein, Norway, Poland, Malta and Israel. None of these countries give any additional comments.

The business areas most frequently focused are ICT, particularly software production, and Health/Pharmaceuticals (especially biotech) sectors. The overall impression is that countries tend to support and target high-tech sectors. From this perspective, one may argue that there is a high-tech bias in targeting of national SME innovation policies. It should be noticed, though, that some countries do pay attention to SMEs within traditional sectors of particular national strategic importance.

The majority of reporting countries provide funding opportunities to start-ups needing pre-seed, seed capital, managerial help, and incubator services. Few countries, however, are focusing on supporting technological risky projects and/or on pre-competitive innovation activities in mature SMEs.

24 out of the 30 countries run programs to overcome innovation barriers for SMEs. 4 countries had programs in all 7 main objectives and 3 countries had programs in 2 or less objectives. Thus, there is a considerable strategic thinking and policy efforts on this area. The two most frequently answered main objectives were 'Innovation awareness' and 'Improving innovation management competences'.

Some of the 'Innovation awareness' programs are seeking to encourage SMEs to develop additional technological innovation bases through a range of activities. Other programs aim wider attempting to reach and stimulate innovative young people, students and teachers.

Programs aiming to improve innovation management competence for the SMEs were the second most frequently mentioned area of program activities, emphasising the general acknowledgement of their importance. Most of the programs accounted for here have as a goal to stimulate exchange of good practice innovation management practices. Some programs are trying to create network where companies can support each other, while other programs provide funding opportunities for building on managerial competences or focus on innovation failures and how SMEs can learn from that.

All programs aiming to bettering access conditions of human resources for innovation for SMEs focus on supporting recruitment of skilled academics and R&D personnel to the SMEs. Some of the programs also open up for recruitment from countries outside EU.

Most of the countries have general programs to improve market intelligence for the SMEs, mainly offering funding to market research, also on international markets. Belgium has a more specific program which supports the realisation of techno-economic studies mandated by SMEs in order to evaluate the chances of success of a new product, process or service in the market. Poland runs a program focused on the identification of buyers for technology and design developed at the national scientific institutes and technical universities.

Measures reducing the barriers between SMEs and research centres (universities) either are programs funding innovation networks involving SMEs or technology and competence transfer from research centres and universities to SMEs.

Nearly all the countries have programs encouraging and promote co-operation and networks between SMEs and other firms (suppliers, customers, competitors).

Considerable efforts have been invested in making access to innovation measures more user friendly in the majority of the countries participating in this survey. It should be noted,

however, that the responses clearly show that this part of the questionnaire has been open to a broad level of interpretation.

Whereas the majority of the respondents have referred to steps or actions aimed at making general innovation policy initiatives better suited to SME needs, some have focused on measures that are designed exclusively for SMEs.

The initiatives that have been referred to by the respondents can be divided into three broad categories:

- (1) *General initiatives*, that is initiatives to meet the needs of SMEs in general;
- (2) *Agency or program specific initiatives*, that is initiatives facilitating SME needs within the context of specific innovation agencies or programs; and
- (3) *Initiatives for regional accessibility*, referring to the existence of regional structures that ensure SMEs access to innovation policy programs, advice and counselling.

As a concluding remark, one may address two issues of considerable policy importance but not addressed in this survey. The first issue concerns the degree of coordination between all the various instruments implemented in the various countries. Is there an overall (holistic) coordinated strategy of providing funding and other kind of help to SMEs not only in the first phases of firms' lives but also later on? Are there attempts for such coordination of efforts and if not what are the main hindrances for that? In short, are there concerns and practices of identifying policy holes in the overall national innovation systems?

The other issue concerns the need of understanding better the actual impact of policy measures targeting innovation activities in SMEs. It is important to investigate whether, and if yes how, different countries monitor or evaluate the effects of their SME policies. What kind of monitoring and evaluation methods are been used and what are the (preliminary) results of such investigations? Recent studies, conducted under the aegis of OECD, show an alarming low impact of measures supporting private sector R&D activities. Therefore, there is an urgent need to make innovation policy instruments more efficient.