

MINUTES RAPIDE

RAPIDE Action Group Innovation Voucher

3rd and 4th meeting 06 – 07 October 2009

RAPIDE Action Group **Innovation Voucher**

In the first meeting in June 2009 the RAPIDE Action Group on Innovation Vouchers identified 7 subthemes which needed to be followed up by the individual partners.

- 1. Accreditation of service providers**
- 2. VAT Tax for universities. Especially in the Polish case the Universities have difficulties to sell their services via an Innovation Voucher. They risk getting a totally different taxation status.**
- 3. Who is giving the vouchers, should the one giving the money decide who gets the money?**
- 4. Marketing – how to get the SME's to the vouchers. Different ways of distribution**
- 5. The measurability of assessment and indicators. What are successful ways to assess the impact of innovation voucher schemes?**
- 6. Usage of the Innovation Voucher across the border and ways around the laws that prohibit this**
- 7. Financing is different in every country. What are the possibilities for the cash flow to the invoice/service provider**

Each partner prepared a 2 page document including a short description of the current situation and different possibilities.

At the second meeting in August the partners discussed the documents in detail and formulised some questions for further discussion and clarification at the expert meetings in Brussels on October 6 and 7.

The 3rd and 4th meeting on 6 and 7 October were used by the group to deepen their knowledge about innovation vouchers and to specify their ideas about the future design of such voucher schemes in their respective regions.

The minutes below summarises the presentations, discussions and conclusions during this two meetings.

3rd RAPIDE Innovation Voucher meeting
Tuesday 06/10/2009 13:00 – 14:30
DG ENTR Av. d'Auderghem 45, 1040 Brussels

Participants:

- 1. Milan Darak – Presov, Slovakia**
- 2. Jukka Kujala – Lapland, Finland**
- 3. Mark Dennis – Lapland, Finland**
- 4. Rafal Modrzewski – Kujawsko-Pomorskie, Poland**
- 5. Grzegorz Kaczmarek – Kujawsko-Pomorskie, Poland**
- 6. Nikos Thomopoulos – MA, Region of Western Greece**
- 7. Daniela Bergelt – Saxony-Anhalt**
- 8. Gábor Gömöri – Eszak-Alföld, Hungary**
- 9. Jurai Hrdlovic – Presov, Slovakia**
- 10. Rudolf Ziak – Presov, Slovakia**
- 11. Benjamin Kuscher – RAPIDE**

Experts:

Sven Schade – DG ENTR / Support for Innovation
Jean Severijns – Region of Limburg / The Netherlands

The RAPIDE Action Group on Innovation Voucher used the meeting to gain more knowledge about the views and findings of the European Commission on innovation voucher schemes throughout Europe.

Sven Schade presented the results of a current survey conducted with 21 schemes in 18 different countries. The final results will be published later in October this year. The Commission limited within this survey the maximum amount of an innovation voucher to EURO 20.000,-.

The key principle of the innovation vouchers is:

- Fast & Small

Despite the differences between the voucher schemes it was able to find a serious of similarities and commonalities between the voucher schemes. In summarising those communalities he was also able to answer many of the previously formulised questions.

Why vouchers

The innovation vouchers are used to finance the first step to innovation and developing partnerships between Business and academia or service providers who in

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the second stage can apply for a larger grant to develop the cooperation or innovation even further. This is generally called the 2 stage funding system. What we discuss in our action group is the first step of bringing the SME to a first innovation contact.

DG ENTR innovation voucher survey.

Following points were covered by the survey:

1. Maximum and minimum amount of innovation vouchers

The average amount of a voucher within the survey group is:
without co-funding is € 3.000,- to € 5.000,-
with co-funding it is around € 15.000,-

Minimum grants is 900€ in Slovenia and maximum of 7000€ without guarantee.
Total value voucher in Austria is 12,000€ and Flanders with 50% co financing.

2. What can be financed with a voucher? Eligible services:

Most vouchers cover all services!

but some are only R& D, IPR protection, and IP management.

In 2 places the training of staff or standards training is excluded.

11 places offer innovation management/ IT, consulting.

3. Usage of the Innovation Voucher across the border

3 programmes offer access to worldwide service providers, France, Germany and the Netherlands.

6 allow providers from the EU

Only one limits the providers to the region.

4. Public and/or private service providers

Most voucher schemes limit the services to public or semi-public service providers. However the more successful voucher schemes do not have a limit on the service providers.

5. Assessment of service providers

Most schemes have a registration list of service providers, if they are not happy with results they are removed from the list.

Within most schemes were adhoc approvals not possible.

The list of service providers is defined by the voucher agency. One possibility is that the service provider can make the terms of reference and if they cannot deliver then they are liable not the companies.

6. Application process

One of the criteria for a successful Innovation Voucher scheme is the speed and low bureaucracy level of the application process.

The two good practice examples are:

- Flanders has a € 13,000 voucher with same day approval
 - o 1 page application
 - o But this voucher is limited to a small number of services
- The second example is from Slovenia
 - o 5 pages; 5 days
 - o Open to all services.

7. VAT Tax for universities

Universities are able to issue 2 invoicing schemes one with VAT and one without. But the voucher scheme should not fund VAT anyway; the beneficiary SME will be able to claim it back.

8. Financing of Voucher schemes

Some cross border schemes are financed by INTERREG. However those programmes are often limited in time and money.

Most innovation voucher schemes are implemented as an ERDF programme by the managing agency and once the money has been dispersed the programme ends until more financing is found.

Sven Schade outlined that all voucher schemes differ from each other, some are limited to specific services, some to providers and others are flexible how the SMEs is using the voucher, but what all have in common is that they try to give the regional SMEs the chance for a first step into innovation. This of course only works if there are effective ways of follow up investment funding.

Jean Severijns shortly described the innovation **voucher scheme** of the region of **Limburg**. This region has a very long history in providing such schemes and concluded in giving quality instead of quantity. Before giving a voucher the regional innovation agency identifies together with the SME the innovation need

Bringing Innovation to the Market

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and suggests the service provider. Only then the voucher is issued and has to be used within one month.

The advantage of this system is that nearly 100% of the vouchers are used and that the Innovation Agency can individually follow the progress of each firm. However in that case the number of vouchers is very limited.



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4th RAPIDE Innovation Voucher meeting

Tuesday 07/10/2009 10:00 – 12:30

House of Hungarian Regions; Square Vergote 5, 1200 Brussels

Participants:

1. Milan Darak – Presov, Slovakia
2. Jukka Kujala – Lapland, Finland
3. Mark Dennis – Lapland, Finland
4. Rafal Modrzewski – Kujawsko-Pomorskie, Poland
5. Grzegorz Kaczmarek – Kujawsko-Pomorskie, Poland
6. Melinda Matrai – Eszak-Alföld, Hungary
7. Nikos Thomopoulos – MA, Region of Western Greece
8. Christos Tzomakas – Region of Western Greece
9. Daniela Bergelt – Saxony-Anhalt
10. Jurai Hrdlovic – Presov, Slovakia
11. Rudolf Ziak – Presov, Slovakia
12. Lorelei Hunt – SWERDA
13. Benjamin Kuscher – RAPIDE

Experts:

Katharina Krell - Greenovate! Europe
Ger Schnackers - NV Industriebank LIOF

This meeting started with **two presentations**.

First Katharina Krell gave the Action Group a general overview of different voucher schemes and their design throughout Europe. She was able grouping them according to their eligible services.

- 1st Access to research / technical expertise
- 2nd Access to business expertise
- 3rd Access to technical & business expertise
- 4th 2 – Stage Innovation Voucher

However what all those vouchers should have in common are

- Simplicity
- Speed
- Low administrative costs & barriers
- Easy & quick to access

She included in her summary voucher schemes between € 2.500,- and € 90.000,-. However the € 90.000,- voucher was a two step voucher with a lower initial funding for the first step.

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Further she described a pilot project of a thematic voucher scheme on green innovation which she conducted for the DG ENTR together with 4 regional partners. This voucher is up to € 15.000,-

The **second presentation** was from **Ger Schnackers** who gave a very detailed introduction to the history and design of the Limburg Knowledge Voucher.

The Region of Limburg was the first implementing an Innovation Voucher in 1998. The formula was right from the beginning to enable the SME to get 3 days external R & D expertise free of charge.

Formula & Conditions of Voucher:

- Only SMEs
- Support & Advise free of charge
- To boost company's own knowledge & innovative capabilities
- Starting point is existing knowledge
- Not for purchasing software (only) etc.
- No cash refund
- Voucher not transferable

The RDA visited each applicant to define together with the SME the exact question for the service provider. The RDA further identifies the appropriate service provider. This service from the RDA costs in average 3 ½ days per voucher. Therefore the HR capacity of the RDA must be sufficient.

More details in the two presentations and evaluation attached.

Discussion

Following points were discussed:

- Vouchers and the EU de minimis regulation!
 - o According to Ger Schnackers only vouchers concentrating on technical research are excluded from the de minimis regulation.
 - o However it was concluded that the Voucher of only € 5.000,- would not have a big effect on the current de minimis limit of € 500.000,-
- In the Limburg case! Who can be a service provider? Do you have a preselected group?
 - o Ger Schnackers explained that in theory every private or public entity could be the service provider. However it is the regional development agency who chooses the service provider for the question formulated by the SME.
 - o However we have to say from our experience private service providers are much better for the SME. They speak the same language and agree much faster on the content.
- How do you support in the Limburg voucher the follow up activities of the SMEs after they used the voucher?
 - o Since RDA is in direct contact with all SME who get the voucher it is easy to get them in the second step if they are interested.

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- Marketing: Do you still do any marketing for the voucher?
 - o No! We have enough interest today.
 - o However when you start such a voucher scheme you have to communicate it to all potential SMEs.
 - o In the case of the national voucher scheme in The Netherlands there is a big marketing campaign.
 - The target there is to distribute as many vouchers as possible without much follow up.

- How do you assess the services?
 - o Again we have direct contact to all SMEs who got a voucher; therefore we have with the provider and the SME an meeting after the service to discuss the results.

- How much additional costs you have per voucher?
 - o In the Limburg case we calculate 3 ½ additional days of work per voucher for the RDA.

- Can the number of jobs created by the voucher scheme evaluated?
 - o No in Mr. Schnackers experience it would be too difficult to link jobs creation with such a funding scheme.
 - o The evaluation should be done according to much clearer indicators such as:
 - Number of new SMEs funded
 - Number of SMEs in the second funding step
 - Feedback

 - The message is KEEP IT SIMPLE

- Accreditation of service providers
 - o For the Limburg voucher there is no accreditation! The Service provider is handpicked by the RDA itself.
 - o For mass voucher schemes as the national in The Netherlands there is an adhoc registration for service providers. The assessment is done after the service. If it was not satisfactory the provider will be blocked for the future.

- Financing a Voucher scheme
 - o INTERREG
 - Is possible but the final financial beneficiary cannot be a SME!
 - Therefore the service provider has to be public.
 - o ERDF
 - No problem. It is easier as a programme with a fixed amount.

Conclusion

1. For the success of a voucher scheme there is the compulsory need to establish the possibility of a follow up funding. The voucher itself is in most cases only the starting point and the innovative actions often need further support for market entry or similar activities. Thus by designing a voucher scheme you have to think about the potential second step.
2. After comparing all the different schemes in Europe it can be said that there are two different successful models regardless of thematic or service priorities.

a. **The quantity voucher!**

This design was implemented by the national development agency of The Netherlands (Senternovem) and many others. It is important to get as many vouchers as possible spread to all interested SMEs. All SMEs should be able to do the first step towards innovation. Sometimes those schemes are thematically biased but most are generally open.

Pros:

- Many SMEs get interested in innovation and some will do a follow up. Due to the high number the effect can be very strong.
- There is no need for the RDA to follow up each case. Therefore it saves time and money.
- Very easy application process
- Fast-simple-flexible

Cons:

- Due to the high number of vouchers the RDA is not able to follow up each case individually and therefore many vouchers are not used as effective as it could be.
- It is more difficult to convince the SME to do the second step.
- To be successful it need an effective marketing strategy!

b. **The quality voucher!**

This is done in Limburg and also at a cross border voucher in the Vienna region. For this kind of voucher the RDA or other agency takes at least three days to define the exact research question with the SME and to find the right service provider.

Pros:

- The support for the SME is tailor made
- It is easy to get the SME to the second step

Cons:

- Extremely time consuming for the agency
- Human and technical Capacity of the agency must be well established

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- Very limited number of vouchers

In my opinion most regional agencies do not have the necessary human and technical capacity to organise a quality voucher. Further the design of a quantity voucher is much easier. Nevertheless if implementing a quantity voucher there should be much afford to get the SMEs to the second funding step.

