



## KIS-PIMS

" Knowledge Intensive Services for the Planning, Installation, Maintenance, and Scrapping (PIMS) services of renewable energy production systems"

Grant Agreement	ENTR/CIP/07/C/N04S00-7		
Start date	2008-02-01	End date	2011-01-31

## D2.1 COMMON SUPPORT SCHEME FOR SERVICE SME IN THE RENEWABLES IN AUSTRIA, FINLAND AND FRANCE

Revision [V1]	Organization	Date & Visa	Due date of the Deliverable
Written by	TECHNOFI	2009-02-20 V. Morfouace	
Checked by	All Partners	2009-03-12 <i>All</i>	
Validated by	TECHNOFI	2009-03-13 S. Galant	2009-01-31

Revision	Date	Changes description
Draft	2009-02-20	First issue
V1	2009-03-13	Integration of the partners' upgrades

Project co-funded by the European Commission within the Competitiveness and Innovation Programme		
Dissemination Level		
PU	Public	X
PP	Restricted to other programme participants (including the Commission Services)	
RE	Restricted to a group specified by the consortium (including the Commission Services)	
CO	Confidential, only for members of the consortium (including the Commission Services)	

The KIS-PIMS project is funded by the European Commission, Directorate General for Enterprises and Innovation, under the Competitiveness and Innovation Programme 'CIP' programme. It aims to develop Knowledge Intensive Services 'KIS' in the field of renewable energy production systems.

## COPYRIGHT

© Copyright by the KIS-PIMS Consortium.

The KIS-PIMS Consortium consists of:

Participant number	Participant organization name	Participant org. short name	Country
<b>Coordinator and Multiplier</b>			
1	Technofi SA	TECHNOFI	France
<b>Public players</b>			
2	Motiva Oy	MOTIVA	Finland
3	OSEO Innovation	OSEO	France
4	Agence de l'Environnement et de la Maîtrise de l'Energie	ADEME	France
5	LandesEnergieVerein	LEV	Austria
<b>Energy Clusters</b>			
6	Pôle de Compétitivité "Développement des Energies Renouvelables dans le Bâtiment et l'Industrie"	DERBI	France
7	Pôle de Compétitivité CapEnergies	CAPENERGIES	France
8	Pôle de Compétitivité "Technologies Energies Nouvelles Energies Renouvelables Rhône-Alpes Drôme Isère Savoie"	TENERRDIS	France
<b>Multipliers</b>			
9	Greenovate! Europe EEIG	GREENOVATE	Belgium
10	Advansis Oy	ADVANSIS	Finland
11	Michael Heidenreich Consultant	MH	Austria
<b>Research Centres</b>			
12	Valtion Teknillinen Tutkimuskeskus	VTT	Finland
13	Association pour la Recherche et le développement des Méthodes et processus Industriels	ARMINES	France
14	Antennen Umwelt Technik Becker	ATB	Austria
15	European Renewable Energy Centres agency EEIG	EUREC	Belgium

This document may not be copied, reproduced, or modified in whole or in part for any purpose without written permission from the KIS-PIMS Consortium. In addition to such written permission to copy, reproduce, or modify this document in whole or part, an acknowledgement of the authors of the document and all applicable portions of the copyright notice must be clearly referenced.

© All rights reserved.

## EXECUTIVE SUMMARY

This report aims at **specifying the commonalities and the country specific features of the KIS-PIMS support scheme** to be experimented in Austria, Finland and France.

Starting from the generic principles of implementation extracted from Deliverable D1.5, this Deliverable D2.1 builds upon the already existing support schemes in Austria, Finland, France and at European level to specify a working basis to address the barriers still faced by KIS ventures of the RE sector in their innovation process (see Deliverable 1.4).

The existing support programmes, instruments and tools, and the specific constraints of each country will be reviewed and taken into account to finally specify:

- **A common denominator** made of methodology, instruments and tools for the implementation process of the KIS-PIMS support scheme,
- **Country specific mechanisms**, which will be further detailed in Deliverable D3.1.

The KIS-PIMS support scheme will address the whole innovation process (from the invention to the market reach), with an emphasis on the identified weak points:

- o The early stage to reach first funding support (project shaping, feasibility)
- o The later stage to reach the first sales

This report introduces the work to be done within Work Package 3 of the KIS-PIMS project for the detailed design of the whole KIS-PIMS support process.

## GLOSSARY

“CBS” stands for Capacity Building Scheme.

“CIP” stands for Competitiveness and Innovation Framework Programme.

“EC” stands for the European Commission.

“EIF” stands for European Investment Fund.

“ETP” stands for European Technology Platform.

“FP7” stands for the Seventh Framework Programme for Research and Technological Development.

“GIF” stands for High Growth and Innovative Company Facilities.

“IEE” stands for Intelligent Energy Europe programme.

“KIS” stands for Knowledge Intensive Services. It is meant services involving science-based and technology-based innovations, process and business model innovations.

“KIS-IP” stands for Knowledge Intensive Services Innovation Platform.

“PIMS” stands for Planning, Installation, Maintenance and Scrapping services.

“RES” stands for Renewable Energy Sources. Main technologies under scrutiny during the KIS-PIMS project are solar, biomass, wind, small hydraulic and geothermal, without excluding the other ones.

“RET” stands for Renewable Energy Technologies. It means the technologies that enable the conversion of RES into usable energy (electricity, heat, cold), and optionally by-products.

“RTD” stands for Research and Technical Development and designate the related activities.

“SME” stands for Small and Medium size Enterprise, as defined by the European Commission (see [http://ec.europa.eu/research/sme-techweb/pdf/sme-definition\\_en.pdf](http://ec.europa.eu/research/sme-techweb/pdf/sme-definition_en.pdf)).

# TABLE OF CONTENT

<b>COPYRIGHT</b> .....	<b>ii</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>iii</b>
<b>GLOSSARY</b> .....	<b>iv</b>
<b>TABLE OF CONTENT</b> .....	<b>v</b>
<b>1. INTRODUCTION</b> .....	<b>1</b>
<b>2. REVIEW OF EXISTING SERVICE INNOVATION SUPPORT SCHEMES IN AUSTRIA</b> .....	<b>2</b>
2.1. FFG NATIONAL PROGRAMMES AND INSTRUMENTS .....	2
2.2. LEV SERVICES IN THE STYRIAN REGION .....	3
<b>3. REVIEW OF EXISTING SERVICE INNOVATION SUPPORT SCHEMES IN FINLAND</b> .....	<b>4</b>
3.1. TEKES PROGRAMMES AND INSTRUMENTS .....	4
3.2. THE ROLE OF MOTIVA AND SERVICES TO SMES .....	5
3.3. THE CLUSTERS .....	6
<b>4. REVIEW OF EXISTING SERVICE INNOVATION SUPPORT SCHEMES IN FRANCE</b> .....	<b>8</b>
4.1. OSEO SERVICES .....	8
4.1.1. <i>APT (aide au partenariats technologiques européens et internationaux)</i> .....	8
4.1.2. <i>Feasibility study</i> .....	9
4.1.3. <i>ISI (Innovation Stratégique Industrielle)</i> .....	9
4.1.4. <i>Support to the creation of an innovative enterprise</i> .....	10
4.1.5. <i>Aide Passerelle (bridging support)</i> .....	10
4.1.6. <i>ATT Aide au transfert de technologie (technology transfer support)</i> .....	11
4.2. OPPORTUNITIES OFFERED BY ADEME .....	12
4.3. THE “PÔLES DE COMPETITIVITÉ” AS A POWERFUL REGIONAL AND TRANSREGIONAL INSTRUMENT .....	13
<b>5. REVIEW OF EXISTING SERVICE INNOVATION SUPPORT SCHEMES AT EUROPEAN LEVEL</b> .....	<b>17</b>
5.1. FP7 PROGRAMMES ‘RESEARCH FOR THE BENEFIT OF SMES’ / ‘RESEARCH FOR THE BENEFIT OF SME ASSOCIATIONS’ .....	17
5.1.1. <i>Intellectual Property handling</i> .....	19
5.2. EUROPEAN TECHNOLOGY PLATFORMS .....	19
5.3. COMPETITIVENESS AND INNOVATION FRAMEWORK PROGRAMME .....	21
5.3.1. <i>Financial Instruments</i> .....	21
5.3.2. <i>Networking</i> .....	22
5.3.3. <i>Pilot and Market Replication Projects (Eco-innovation Programme)</i> .....	24
5.3.4. <i>Intelligent Energy Europe programme (IEE)</i> .....	25
5.4. EUREKA .....	26
<b>6. IDENTIFICATION OF THE COUNTRY SPECIFIC ACCESS CONDITIONS TO FUNDED SUPPORT SCHEMES BY PIMS SMES</b> .....	<b>28</b>
6.1. ACCESS CONDITIONS TO AUSTRIAN FUNDED SUPPORT SCHEMES .....	28
6.1.1. <i>FFG national programmes and instruments</i> .....	28
6.1.2. <i>LEV services in the Styrian region</i> .....	29
6.2. ACCESS CONDITIONS TO FINNISH FUNDED SUPPORT SCHEMES .....	30
6.3. ACCESS CONDITIONS TO FRENCH FUNDED SUPPORT SCHEMES .....	31
<b>7. SPECIFICATION OF THE SUPPORT SCHEME TO BE EXPERIMENTED WITHIN KIS-PIMS</b> .....	<b>32</b>
7.1. SPECIFICATION OF THE COMPULSORY COMMON DENOMINATOR OF THE KIS-PIMS SUPPORT SCHEME .....	32

7.2.	SPECIFICATION OF THE COUNTRY SPECIFIC ADAPTATIONS .....	43
7.2.1.	<i>Specification of the Austrian support scheme .....</i>	<i>43</i>
7.2.2.	<i>Specification of the Finnish support scheme .....</i>	<i>43</i>
7.2.3.	<i>Specification of the French support scheme.....</i>	<i>44</i>

# 1. INTRODUCTION

Work Package 1 of the KIS-PIMS project enabled analyzing and reporting:

1. the expected market of services in the renewable energy sector from 2006 to 2020
2. the needs of this sector in terms of science & knowledge, skills & training, business models and financing
3. the overview of the competence offer which has potential to meet the expressed needs
4. the barriers still faced by the players of the renewable energy sector to bring their service innovations to the market
5. the good practices of support to innovation in services existing outside Austria, Finland and France, which have proven efficiency.

Starting from the generic principles of implementation extracted from Deliverable D1.5, this Deliverable D2.1 builds upon the already existing support schemes in Austria, Finland, France and at European level to specify a working basis to address the barriers faced by KIS ventures of the RE sector in their innovation process (see Deliverable 1.4).

The existing support programmes, instruments and tools, and the specific constraints of each country will be reviewed and taken into account to design

- **A common denominator** made of methodology, instruments and tools **for the implementation process of the KIS-PIMS support scheme**,
- **Country specific mechanisms**, which will be further detailed in Deliverable D3.1.

D2.1 is the result of a work led by Vincent Morfouace from TECHNOFI with the support of:

for Austria: Christian Sakulin from LEV and Michael Heidenreich,

for Finland: Olli Laitinen from MOTIVA and Janne Lehenkari from ADVANSIS

for France: Jacques Gautray from OSEO

for Europe: Simone Landolina from the EUREC Agency.

## 2. REVIEW OF EXISTING SERVICE INNOVATION SUPPORT SCHEMES IN AUSTRIA

The national and one regional supporting schemes dedicated to innovative energy services in Austria are described hereafter.

### 2.1. FFG<sup>1</sup> national programmes and instruments

According to the self-presentation given on the web<sup>2</sup> “... the Austrian research Promotion Agency (FFG) is the national funding institution for industrial research in Austria. The Agency offers a comprehensive range of services for Austrian enterprises, research institutions and researchers – from the management of public funding programmes to consulting services in all phases of technology development and innovation, from support for integration into European research programmes and networks to the promotion of Austria’s interests at the European and the international level. As a „one-stop shop“ offering a diversified and targeted programme portfolio, the FFG gives Austrian businesses and research facilities quick and uncomplicated access to research funding.” The following brief descriptions appear to conform to the scope of KIS-PIMS and are extracted from [www.ffg.at](http://www.ffg.at) and from particular interviews with FFG services:

- “...The FFG General Programmes strengthen the competitiveness of companies based in Austria. Since 1968, the General Programmes run by the FFG (including its predecessor organisation FFF) have funded 22,648 research projects to the tune of just over 3.5 billion €. In 2007 alone, around 318 million € went to companies active in research, for the development of new products, processes and technologies. The goal is to support innovative ideas and research initiatives and to help transform them into tangible, successful projects – quickly and flexibly. In addition, the FFG General Programmes also run special short-term schemes or industry-specific programmes and initiatives (e.g. start-up funding). They serve to realise specified research policy goals, such as raising the technological level of sectors with low research intensity or promoting research activities in promising high-tech sectors.
- The innovation voucher is a funding programme designed to help small and medium-sized enterprises in Austria to start ongoing research and innovation

---

<sup>1</sup> The Austrian research Promotion Agency FFG was founded in September 2004, and is wholly owned by the republic of Austria, represented by the Federal ministry for Transport, innovation and Technology (BMVIT) and the Federal ministry of economics and Labour (BMWA). As a provider of funding services, however, the FFG also works for other national and international institutions.

<sup>2</sup> <http://www.ffg.at/content.php?cid=498>

activities. This cheque enables enterprises to enlist the services of research institutions (non-university research institutes and universities) and to pay for these services to a maximum value of € 5,000. The innovation cheque is designed to encourage SMEs to cooperate with research institutes.

- The aim of the Young Experts programme is to promote cooperation and communication between science and business. During their studies, young researchers may work on a research project together with their professor and a company as part of their degree or doctoral theses...”

## 2.2. LEV services in the Styrian region

The LandesEnergieVerein (LEV), as a service hub for consultancy and funding treatment in the area of renewable energy, connects concerned SMEs with their respective grants. By doing so the LEV establishes business opportunities between innovative SMEs and public funding schemes in the area of its competencies. Furthermore, the LEV assists all interested private or public parties in defining innovation by providing them with expert knowledge and accumulated experience. The following brief descriptions appear to conform to the scope of KIS – PIMS:

- The “Economic initiative for sustainability” (WIN) is funded by the Styrian economic chamber (WKO) and the “Styrian Business Promotion Agency” (SFG). It aims to foster the development of sustainable business strategies for SMEs in the region of Styria. The very core of this program is the intent to encourage companies to develop a conscientious and responsible behaviour towards all concerned stakeholders as well as the affected natural environment. In order to convey their endeavours, the WIN offers a consultancy cheque amounting to 1.000, - € to Styrian SMEs.
- The SFG itself also offers various support schemes in order to promote production and service innovation in Styrian SMEs. Appropriate companies may receive financial support for the following innovation research projects: In-house diploma theses and dissertations may be sponsored with up to 5.000, - €. Product and service development research projects may be subsidised with up to 30.000, -€ with a dedicated use for external consultancy. Implementation of internal R&D projects by external scientific personnel may be funded with up to 100.000, -€.

LEV together with the “Styrian Eco-Energy Network” (NOEST) initiative is a main Styrian contact for consultancy and general support, concerning the procurement of subsidies for RET related projects.

## 3. REVIEW OF EXISTING SERVICE INNOVATION SUPPORT SCHEMES IN FINLAND

Finland has been of the leading countries to implement specific support schemes addressing innovation in services. These policies were deduced from an in-depth analysis of what services are and how innovation comes up in the service businesses.

There are few institutions in Finland operating support schemes for service innovations. TEKES is by far their largest financier.

### 3.1. TEKES programmes and instruments

TEKES has several instruments that can be used to develop innovative renewable energy services. Funding may be a low-interest loan or a grant, depending on the stage of the innovation and the nature of the proposed project. TEKES overall funding for companies was 293 million euros in 2008, and SMEs received 62 percent of it. There are continuous funding instruments that SMEs in the renewable energy sector can use. Following instruments are suitable for service development.

*R&D funding* can be a grant, loan or a combination of these two. Grants are mainly allocated to the early stages of the project which create a foundation for developing products and services. TEKES's share of the total project costs depends on difficulty of the project, demand of the markets and financial situation of the company. The grants run from 25 to 65 percent of the eligible costs, while loans run from 25 to 70 percent (of the eligible costs).

Among other goals of the financing instrument, *De minimis grant* encourages companies to develop SMEs to develop innovative products and services. The grant can be up to 50 000 euros and the TEKES share of the total costs is always 50 percent.

*Grant for acquiring innovation services* can be used to purchase expert services which support long term development of business concept (of the company) and innovation activities. The funding is limited to SMEs only. The grant can be up to 75 percent of the eligible costs. All the costs, which receive TEKES support, have to be purchased from independent experts.

*Serve programme* targets to increase and broaden the services development of the Finnish industry and to promote academic research in service related areas. It started in 2006 and will run until the end of 2010. The budget of the programme is approximately 100 million euros.

*The ClimBus programme* ran during 2004-2008. The goal of the programme was to find and promote technological options which help to mitigate climate change. The programme aimed to support the development of technology, business concepts, products and

services that are internationally top-class in cost-effectiveness and reduce greenhouse gas emissions. A new programme, which promotes renewable energy and is targeted to SMEs, will be launched in the near future.

### 3.2. Regional employment and economic development centres (T&E Centres)

There are 15 regional *employment and economic centres* in Finland. T&E centres provide companies affordable and practical tools in developing their business, such as various company-specific development programmes enabling companies to enhance their competitiveness. T&E centres also provide funding and training programmes.

T&E centres finance R&D projects in their region. Preparation grants for innovation projects are limited to SMEs only. The funding is targeted to support promising innovations in the early stage. Companies can receive T&E grants up to 15 000 euros. The grant can be up to 70 percent of the eligible costs. This financing instrument cannot be used if the project receives other public funding.

Examples of operations which can receive T&E funding:

- R&D activities
- Creating a technology strategy
- Commercializing innovations
- Creating a business plan

### 3.3. Motiva's Role in Supporting RE Companies

Motiva Oy produces expert services in order to promote efficient energy use and renewable energy. The company's services are utilised by the public administration, businesses, communities, and consumers.

MOTIVA is a close partner to The Ministry of Employment and the Economy (TEM) and the ministry is the most important client for MOTIVA. TEM has a major role in promoting RE in Finland. MOTIVA and TEM plan and carry out a number of RE projects annually.

MOTIVA often operates as a project coordinator in RE projects and subcontracts many parts of the projects. This creates markets for companies with RE expertise. MOTIVA has also a prominent role in informing the public and companies about renewable energy and its positive effects on climate change. This work is likely to create more demand for RE products and services. MOTIVA also trains RE experts and produces different kinds of materials for that purpose.

## 3.4. The RE Clusters

### 3.4.1. OSKE

The Centre of Expertise Programme (OSKE) is a fixed term (2007–2013) special government programme aimed at focussing regional resources and activities on development areas of key national importance. The overriding objective of the programme is to increase regional specialisation and to strengthen cooperation between centres of expertise. The programme is built on cooperation of companies, universities, research agencies and public institutions. The national programme involves 13 national clusters of expertise and 21 regional centres of expertise.

OSKE programme offers a number of expert services and gives funding to companies at early stage of projects. Examples of OSKE services:

- Funding (grants for early-stage studies and partial funding for implementation of projects)
- Assistance in finding financing (domestic and international)
- Internationalization services
- Finding partnership projects for companies, universities and research agencies
- Assistance in developing innovations
- Communication services

**The Energy Technology Competence Cluster** strengthens the position of Finnish energy technology in the growing global markets. Five regional centres of expertise are involved in the cluster. Its activities are focused on industrial enterprises that manufacture the machines and equipment required in the production, utilisation and distribution of energy, as well as on companies providing services in these fields.

The Energy Technology Cluster Programme develops strong industry-based research, development, innovation and education environments. The programme has been put together based on the needs of businesses and organisations in the energy field. “The main technological themes of the programme are bioenergy technologies, decentralised energy production, industrial energy solutions and electrical engineering.

### 3.4.2. Other clusters

*The BENET Bioenergy Network (BENET)* includes individuals and organizations with special expertise in agriculture and forestry, biomass processing, energy production technology, plant engineering, energy markets, business development and training.

BENET network has operated for over 10 years and implemented over 50 international joint projects. Currently we have 6 independent expert organizations as members.

*Wood energy net* (WENET) is a concept for the transfer of business models, technology and expertise from North Karelia to other parts of Europe and world wide. Inside the WENET operates companies, research and training organizations from North Karelia and other parts of Finland as well as their partners abroad.

## 4. REVIEW OF EXISTING SERVICE INNOVATION SUPPORT SCHEMES IN FRANCE

### 4.1. OSEO services

OSEO was born in 2005, by bringing together ANVAR (French innovation agency) and BDPME (SME development bank), around a mission of general interest supporting the regional and national policies. Its mission is to provide assistance and financial support to French SMEs and VSEs in the most decisive phases of their life cycle : start up, innovation, development, business transfer / buy out. By sharing the risk, it facilitates the access of SMEs to financing by banking partners and equity capital investors.

OSEO covers three areas of activity:

- Innovation support and funding: for technology transfer and innovative technology-based projects with real marketing prospects.
- Funding investments and operating cycle alongside the banks.
- Guaranteeing funding granted by banks and equity capital investors.

OSEO head structure is a holding with public status. It reports to both the Ministry for Economy, Finance and Industry, and Ministry for Higher Education and Research.

The budget of OSEO for innovation in 2009 has been established to 512 M€, 160 M€ of which will be targeting ambitious projects (up to 10 M€ of public support) 209 M€ providing interest-free loans and 62 M€ of grants. This budget allows for funding innovative initiatives through the following instruments.

#### 4.1.1. APT (aide au partenariats technologiques européens et internationaux)

The “APT scheme” encourages and finance small enterprises willing to access grants for collaborative research and development activities...

- at national level using the “Pôles de compétitivité” labelling of projects to reach ANR<sup>3</sup> grants
- at international level by applying to transnational (ERA-Nets) intergovernmental (EUREKA, Eurostars) Community (Framework Programme) calls, or other instruments targeting specific extra-European focused cooperations

---

<sup>3</sup> Agence Nationale pour la Recherche (Research National Agency)

The APT aims to cover expenses related to external expertise to assess the project feasibility, the partners search, and the preparation of the application file.

The table below shows the progression of this instrument for the past 3 years.

	2006	2007	2008
Number of “APT”	57	97	110
Grants dedicated	1 M€	1,9 M€	2,6 M€

#### 4.1.2. Feasibility Grant

The Feasibility Grant concerns French enterprise or group of enterprises and the main goal of this grant is to finance the feasibility stage of projects to lower the main technical risks before investing significant public funding only if the feasibility stage is positive. The total budget for feasibility study including the “APT Scheme” is 62 M€ for 2009, which means that almost 4,2% of it will be dedicated to European feasibility projects (APT).

#### 4.1.3. ISI (Innovation Stratégique Industrielle)

The ISI program addresses strategic collaborative projects pooling at least two companies. This instrument is one of OSEO’ supports for the innovative projects led by companies. The program Industrial Strategic Innovation (ISI) was endowed with a budget of 300 M€ in 2008.

Beneficiaries

Companies of French law up to 5000 employees and French public and private research bodies, partners of a project of industrial strategic innovation.

The projects have to contribute to create or to strengthen new European or world champions. These structuring collaborative projects allow gathering all the useful skills of companies and laboratories around R&D activities to launch on the market products, processes or services, high value-added, generators of growth.

- Technological breakthroughs
- Industrial objectives (produced, processes, services) explicit and promising.

The eligible expenses concerns the costs of staff, external services, technical knowledge and patents, depreciation of equipments, grounds and premises and overheads bound to the program, engaged by the partners during the phases of industrial research and experimental development of the project.

Agreement between the partners:

- The payment of the ISI grant is bound to the presentation of the legal agreements organizing the collaboration (mandates of representation, and bilateral or consortium agreements) and presenting the future exploitation of the results with conditions of transfer of the intellectual property corresponding to the European rules.

Modalities of intervention

The maximum amount of a ISI grant amounts to 10M€ per project.

The grant is paid:

- In subsidy, up to an upper limit of 50 % of the eligible costs only for the activities relevant of industrial research;
- Early refundable, up to 40 % (+ 10% bonus in some cases) of the eligible costs for experimental development tasks.

The same beneficiary can thus receive subsidies and refundable advances, according to the nature and to the type of tasks performed. The balance between subsidies and refundable advances depend on the tasks. The refunds of the advances, at the European rate current, take place according to a plan predetermined, related to the commercial success of the project.

#### **4.1.4. Support to the creation of an innovative enterprise**

This instrument supports physical persons who pay their taxes in France and SMEs which are younger than 3 years old.

It aims at helping the entrepreneur consolidate his/her business plan and to achieve at least technical and legal verifications to validate the innovative project feasibility.

The financial support covers the project design and definition, a market-technical-legal-financial feasibility study and potential partner search. The contribution of OSEO can be either a grant or a 0% interest loan reimbursed in case of success.

#### **4.1.5. Aide Passerelle (“Footbridge” support)**

This instrument targets the cooperation between an SME and a big organisation (public or private but not a financial holding). The principle is that the SME performs research and development which is of interest for the big organization.

The financial effort is shared as follows:

- 1/3 OSEO Innovation
- 1/3 SME

- 1/3 big organisation (in cash or in kind and access to facilities)

It addresses and frames:

- An innovative project carried by a Company which arouses the interest of a major account but still requires development works (feasibility of applications, new functions, tests, adaptations)
- an agreement of collaboration (including a technical and industrial property state of the art) to sign between the Company and the Major account
- a right of first glance of the major account on the project results in its field of application (defined in the contract)

The agreements signed within the framework of the agreement of collaboration signed by the SME and the Major account will have to respect the general principle of this particular support, namely:

- For the SME, a freedom of exploitation of the results of the project and the industrial property rights relative to it, except the domain of application reserved for the Major account
- and for the Major account, the conditions of exercise of the exploitation right of the results in its reserved domain of application, as well as the time frame to raise the option and apply this right.

#### 4.1.6. ATT Aide au transfert de technologie (technology transfer support)

This instrument addresses public and private research bodies on the one hand and SMEs on the other hand. It supports the development of technological cooperations between public research and SME, in particular within the framework of *Pôles de compétitivité* for:

- inciting research laboratories to develop industrial applications from their research results;
- allowing an SME innovate by acquiring a technology developed by another company or public or private laboratory.

The financial support of OSEO covers the design and definition of the project, the search for partners, vacations, intellectual property expenses, market study, technical feasibility, assistance to the negotiation, the realization of prototypes or preseries.... It takes the form of a 0% interest loan reimbursed in case of success.

## 4.2. Opportunities offered by ADEME

In liaison with the France's National strategy for Sustainable Development, highlighting the need for improving actions to prevent pollutions and manage energy, ADEME aims to reinforce its expertise and be the point of reference and the one-stop shop for the general public, companies and local authorities. The Agency operates in three strategic directions with the aim of turning the concept of sustainable development into a concrete reality :

- Adhering to a list of appropriate criteria to guarantee consistency in its policies and actions within the scope of its sustainable development programme.
- Helping contacts and partners by offering methods and tools adapted to their needs.
- Implementing an internal “ADEME : Setting the Example” programme.

ADEME’s strategic research orientation for 2007–2010 focuses on the emerging fields of knowledge and technology, articulated in ten main programmes. Of these ten programmes, seven will develop technical and organisational options to reduce the pressure that humans exert on their surroundings. The three remaining programmes aim to acquire the knowledge needed to conceive and implement effective public policies in the areas of energy management, renewable energy, waste, air quality, soils and noise pollution.

ADEME relies on three main areas of expertise to achieve its missions:

- Science and technology : to seek out environmentally friendly solutions.
- Expertise and advice : to guide decision-makers in their projects and choices.
- Results and experience in the field: pooled in the agency’s own Resource Centre to promote the circulation of best practices.

Further more, ADEME has fostered countless partnerships to support its initiatives with:

- major corporations,
- local and regional authorities and NGOs
- counterpart organizations out of France

With a skills base in multiple fields, the agency is able to get involved in various ways:

- Orienting, managing and financing research programmes :

ADEME manages, finances and develops research and technological innovation in the fields of energy and the environment. The agency is also contributing to the establishment of a European research centre dedicated to these fields.

- Advice and expertise :  
ADEME offers companies, public authorities and individuals its technical skills, helpful advice and financial assistance in order to help them choose the solutions best suited to their needs.
- Developing practical tools and disseminating best practices :  
ADEME develops practical tools and promotes the model initiatives it has financed, in addition to the studies, research projects and fieldwork it has developed, in order to help spread the most effective practices and best technologies.
- Financing decision-support assistance, exemplary operations and projects :  
By offering grants and comprehensive project guidance, ADEME provides valuable support for implementing projects and installations that seek to manage energy consumption more effectively and conserve our environment.
- Training, information, communications and awareness-raising initiatives :  
ADEME is eternally committed to guiding companies, public authorities, NGOs and the general public in changing their behaviour by sharing information, raising awareness, providing training and conducting communication campaigns.

### 4.3. The “Pôles de Compétitivité” as a powerful regional and transregional instrument

In an increasingly competing worldwide economy, France launched in 2004 a new industrial policy which mobilizes the key factors of competitiveness, to the first rank of which the capacity of innovation takes place.

A *Pôle de Compétitivité* is, on a given territory, the association of companies, research centres and training companies, engaged in a partnership strategy, intended to release from synergies around innovating projects led jointly in the direction of a given market.

This policy aims at causing then supporting the initiatives emanating of the economic actors and academics present on a territory.

Four principal elements are the key to success of the *Pôle de Compétitivité*:

- the implementation of a common strategy of economic development coherent with the comprehensive strategy of the territory,
- partnerships deepened between actors around projects,

- concentration on the technologies intended for markets with high growth potential,
- a sufficient critical mass to acquire and develop an international visibility.

By this setting in network of the actors of the innovation, the policy of the poles has the following objectives:

- to develop the competitiveness of the French economy by increasing the effort of innovation;
- to consolidate on territories of activities, mainly industrial, with strong technological contents and creation;
- to increase the attractiveness of France, thanks to a reinforced international visibility;
- to support the growth and employment.

A *Pôle de Compétitivité* is a vector of collective projects between companies, research centres and training companies.

- the R&D projects are the heart of activity of the poles and independent factors of competitiveness;
- Platforms of innovation are infrastructures intended to support innovation by the companies by the installation of mutualized means and services;
- projects besides R&D (training, real investments, ICT infrastructures, economic intelligence, promotion of the territory, international development...) are an essential complement for the competitiveness of the companies of the poles and the economic development of the territories.

Each *Pôle de Compétitivité* is represented and animated by a legal entity, generally an association. This structure of governance is held to grant a dominating place to the industrial, scientific and academic actors in its leading authorities while allowing the representation of the interested local authorities.

Each association has a permanent team which has a determining role to facilitate the assembly of the projects between the various actors of the poles. The State and the local authorities contribute to the financing of these structures.

The main missions of the permanent team are:

- the development and implementation of the general strategy of the pole,
- the coordination and selection (“Labelling”) of the research projects candidates for a support by public funds dedicated specifically to the policy of the poles,
- the communication of the pole, in particular on the international scene,

- the installation of co-operations with other clusters, in France and abroad,
- the evaluation of the projects.

A contract framework governs the relations between the *Pôle de Compétitivité*, the State and the involved local authorities.

After a positive evaluation of the first phase (2006-2008) of the policy, the government decided to assign 1.5 billion euros to the launching of one second phase (2009-2011) which, in addition to the continuation of the collaborative R&D support, at the heart of the dynamics of the poles, will be developed along three axes:

- reinforcement of the animation and the strategic management of the *Pôle de Compétitivité*, in particular with the creation of the “contracts of performance” and the reinforcement of the State relationships;
- new methods for funding, in particular the platforms of innovation;
- the development of an ecosystem of innovation and growth, in particular by involving more private funds and by investigating better territorial synergies.

1,5 billion euro are allocated by the Government to the *Pôles de Compétitivité* for the period 2009-2011.

Budget	In M€
<b>Animation (governance structures)</b>	<b>50</b>
<b>Action credits</b>	<b>600</b>
Of which R&D projects	495
Of which innovation platforms	105
<b>Agencies and CDC<sup>4</sup> actions</b>	<b>850</b>
Of which National Research Agency (ANR)	600
Of which OSEO and CDC	250
<b>TOTAL</b>	<b>1500</b>

<sup>4</sup> CDC = Caisse des Dépôts et Consignations, acts as a public credit body

Taking into account the reinforcement of the research tax credit (CIR) decided in 2007, the rates of funding for a single company taking part in the selected projects were adapted and vary from 25% to 45% according to the situation:

- 45% of the eligible costs for an SME of less than 250 employees located in the R&D area of one of the poles having “labelled” the project,
- 30% for SME of less than 250 employees not located in the R&D area of one of the poles having “labelled” the project,
- 30% for the intermediate companies (between 250 and 2,000 employees) located in the R&D area of one of the poles having “labelled” the project,
- 25% for the other companies.

For more information, please visit <http://www.competitivite.gouv.fr/>

4 of the 71 *Pôles de Compétitivité* are dealing with strategic plans in the area of renewables energies:

1. CapEnergies addresses non GHG emitting energies (thematics: Energy demand management, Wind, Solar, Hydraulics, Hydrogen/Biomass, Geothermal, Fusion, Fission)
2. DERBI addresses renewable energies (thematics: Energy producing buildings, energy networks, decentralized production of energy)
3. TENERRDIS addresses renewable energies (thematics: solar buildings, networks management, Biomass, Hydrogen a fuel cells, Hydraulics)
4. S2E2 addresses electrical energy (thematics: Production & Storage, Components – packaging - connector industry, communication in the building: power line communication and radio frequency, Sparing Lighting systems, Renewable energies: wind, photovoltaic)

## 5. REVIEW OF EXISTING SERVICE INNOVATION SUPPORT SCHEMES AT EUROPEAN LEVEL

### 5.1. FP7 programmes ‘Research for the benefit of SMEs’ / ‘Research for the benefit of SME associations’

The Seventh Framework Programme for Research and Technological Development (FP7) is the EU's main instrument for funding research in Europe and it will run from 2007-2013.

In the “Capacities” Programme of the FP7, the European Commission has two instruments relevant to the topic of SME-led research and innovation.

One is ‘*Research for SMEs*<sup>5</sup>’. This programme enables SMEs who wish to pay a third party to perform research or demonstration work on their behalf to receive a subsidy for the value of the contract. Either up to 110% of the value of the contracted work can be refunded by the EC, or 100% of all costs in the project management plus 50% of all demonstration costs plus 50%/75%<sup>6</sup> of all research and technical development costs plus 100% of all costs related to dissemination and training, whichever amount is smaller.

In the vision of the European Commission, “*Research for SMEs*” is not a suitable instrument to solve short-term technological problems, but can assist companies in acquiring technological know-how and accessing international networks for their medium to long-term business development.

The rules applying to the composition of the consortium are familiar to anyone with experience of Framework Programme projects:

- ✓ *SME participants: At least three independent SMEs, established in three different Member States or associated countries.*
- ✓ *RTD performers<sup>7</sup>: At least two RTD performers which must be independent from any other participant and which can come from any country. Examples of RTD performers are universities, research organisations and industrial companies, including research performing SMEs.*
- ✓ *In addition, ‘Other’ enterprises and end-users may participate by making a particular contribution to the project. They must also be independent from any other participant.*

The EC offers written guidance on some of the features of the projects it expects to fund: they should last 1-2 years, have an overall budget of 0.5-1 M EUR and involve 5-10

<sup>5</sup> [http://ftp.cordis.lu/pub/fp7/docs/research\\_smes\\_en.pdf](http://ftp.cordis.lu/pub/fp7/docs/research_smes_en.pdf)

<sup>6</sup> 50% for large companies, otherwise 75%

<sup>7</sup> RTD: Research and Technical Development

partners. “If a project deviates from these recommendations, a justification is required,” it warns<sup>8</sup>.

With ‘*Research for SME Associations*’<sup>9</sup>, the Commission aims to extend its funding beyond ad hoc groups of SMEs to associations that manage and contract work to RTD-performers on behalf of their SME members. It is possible for SMEs to form an association simply for the sake of satisfying this eligibility criterion.

An eligible proposal will, like ‘*Research for SMEs*’, involve at least two RTD performers. It must additionally involve an “end users group” of 2-5 SMEs whose job it is to “ensure that the results of the project address SME needs and can be used by a large number of SMEs”. The key difference is in the number of partners paying for the RTD contract. In “*Research for SME Associations*” only one such partner is needed:

- ✓ *At least three independent SME association/groupings (SME-AGs), established in three different Member States or associated countries, or one European SME association/grouping*<sup>10</sup>.
- ✓ *SME associations/groupings are legal persons, composed mostly of and representing the interests of SMEs (e.g. industrial associations, national or regional industrial associations and chambers of industry and commerce).*

Because an association should be better at representing the interests of a large number of SME members than an ad hoc group, and is more likely to act in the SMEs’ long-term interests, the Commission expects projects funded by SME associations to be more ambitious. They should involve 10-15 participants, have overall budgets between 1.5-4 M EUR and last 2-3 years<sup>11</sup>.

In the calculation of costs, R&D costs related to the project of members of the association are eligible to count towards the total cost of the project.

According to EUREC’s experience, the best ‘*Research for SME Associations*’ projects are ones where the aim is to answer a general question, e.g. “Development of a process to recycle semiconductor materials from disposed PV modules”, “Development of a theoretical

<sup>8</sup> EC official in charge of the programme: “Typically the projects last for 2 years with a budget of 1 M EUR and have 6 partners”

<sup>9</sup> [ftp://ftp.cordis.lu/pub/fp7/docs/research\\_smes\\_assoc\\_en.pdf](ftp://ftp.cordis.lu/pub/fp7/docs/research_smes_assoc_en.pdf)

<sup>10</sup> An ‘Association’ or ‘Grouping’ is European if it has members from at least three EU Member States

<sup>11</sup> EC official in charge of the programme: “Typically the projects last for 3-4 years with a budget of 1.5- 2 M EUR and have 9 or 10 partners, comprising normally two SME associations, 2 RTD-performers and 2-5 SMEs who have a small budget, mainly in the ‘Management’ category, to oversee the project and ensure it is delivering according to their expectations. We find the same ratios in the countries of origin of the partners in this programme as we do in FP7 overall. Germany is not disproportionately present even though Germany (and Italy) have a ‘Forschungsvereinigungen’.”

‘BASEL II’ model for R&D and innovation”. If projects are very specific, they tend to be pushed by just a few SMEs, and the association as a whole loses interest in them<sup>12</sup>.

By the end of 2008, through two calls in each topic the Commission made available 192 M EUR for ‘Research for SMEs’ and 136.5 M EUR for ‘Research for SME Associations’.

### 5.1.1. Intellectual Property handling

The European Commission allows consortia to describe whichever rules they want for handling intellectual property (IP) in both kinds of project, providing the rules are “clear” and “adequate [for ensuring project results are used and exploited]”. However, for ‘Research for SMEs’, it suggests that 100% ownership by the SMEs of foreground should be the default regime, while for ‘Research for SME Associations’, it is more likely that “RTD performers keep ownership of the entire foreground (or parts of it) and the SME associations and their members acquire licences only.”

In the first call for ‘Research for SMEs’, the suggested approach was, in 90% of cases, the approach described in project proposals. Research centres have since begun to appreciate that owning IP makes it easier for them to perform research that follows on from the original research. IP agreements have increasingly been negotiated in which royalty-free exclusive licences are granted to the SMEs, but remain the owners of the IP.

## 5.2. European Technology Platforms

In domains where RTD has a vital role to play in addressing major economic, technological or societal challenges, and their interplay in a sustainable development perspective, **European Technology Platforms** (ETPs) can provide a means to foster effective public-private partnerships between the research community, industry and policy makers in order to deliver the impetus to mobilise the research and innovation effort towards achieving a common goal. The role of Technology Platforms in stimulating more effective RTD, particularly in the private sector, can contribute directly to achieving the Lisbon objectives, developing the European Research Area and increasing investment in R&D towards the 3% of GDP target<sup>13</sup>.

In essence, a Technology Platform is a mechanism to bring together all interested stakeholders to develop a long-term vision to address a specific challenge, create a coherent, dynamic strategy to achieve that vision and steer the implementation of an action plan to deliver agreed programmes of activities and optimise the benefits for all

---







<sup>12</sup> This must depend on the association behind the project. Members of SME Associations such as the German ‘Forschungsvereinigungen’ contract work on very specific topics, knowing that some will be of no interest, but that others will be highly relevant.

<sup>13</sup> European Commission (2005): European Technology Platforms – Knowledge for Growth

parties. The elaboration and follow-up of a Strategic Research Agenda form a crucial part of the implementation strategy, to optimise the contribution of RTD to the process. In achieving its wider goals, ETPs should, in a medium to long term perspective, generate sustainable competitiveness and world leadership for the EU in the field concerned, by stimulating increased and more effective investment in R&D, accelerating innovation and eliminating the barriers to the deployment and growth of new technologies.

According to the most updated data (February 2009), 36 European Technology Platforms have received the official endorsement of the European Commission since the ETP concept was launched in 2005. All these ETPs respond to the primary criteria of addressing a major economic, technological or societal challenge for which RTD can play a pivotal role in providing complex solutions. The public-private partnership between the research community, industry and policy makers lies at the heart of a technology platform.

For what may concern the innovative service companies which are at the heart of the KIS-PIMS project, seven ETPs are relevant to the fields of activity of the PIMS companies:

- European Biofuels Technology Platform - **Biofuels**  [info@biofuelstp.eu](mailto:info@biofuelstp.eu)
- European Construction Technology Platform - **ECTP**  [secretariat.ectp@cstb.fr](mailto:secretariat.ectp@cstb.fr)
- European Technology Platform for the Electricity Networks of the Future - **SmartGrids**  [secretariat@smartgrids.eu](mailto:secretariat@smartgrids.eu)
- European Technology Platform for Wind Energy - **TPWind**  [secretariat@windplatform.eu](mailto:secretariat@windplatform.eu)
- Photovoltaics - **Photovoltaics**  [secretariat@eupvplatform.org](mailto:secretariat@eupvplatform.org)
- Renewable Heating and Cooling Technology Platform (RHCTP)<sup>14</sup>
- Sustainable Chemistry - **SusChem**  [suschem@suschem.org](mailto:suschem@suschem.org)

SMEs can expect manifold benefits from the active participation in ETPs. First of all, ETPs should raise overall (European + national + private) RTD investments and ensuring the consistency of European efforts in the fields concerned, by showing a common vision and a consistent strategic framework at EU level for both RTD funding and deployment initiatives. Although the strategic leadership of ETPs is often controlled by large industrial groups or influent Research Institutes, SMEs can add much value to the process of developing and implementing the platforms. In turn, by participating in ETPs SMEs can gain insight in the latest market and research trends and extend their network of contacts.

<sup>14</sup> Formally endorsed by the European Commission on the 27<sup>th</sup> October 2008, the RHCTP was born from the initiative of the founders of the European Solar Thermal Technology Platform (ESTTP).

### 5.3. Competitiveness and Innovation Framework Programme

The Competitiveness and Innovation Framework Programme (2007-2013)<sup>15</sup> or CIP has a budget of EUR 3 621 million and a range of actions supporting innovation and Small and Medium Enterprises (SMEs)<sup>16</sup>. Eco-innovation is a cross-cutting issue in several CIP's sub-programmes, with particular importance within the sub-programme "Entrepreneurship and Innovation" where EUR 433 million (out of 2 172 million) are earmarked for specific support actions on eco-innovation.

Based on the definition of eco-innovation given by the European Commission, the Authors of this Report consider eco-innovation a theme which is fully relevant to PIMS companies. The text of the CIP decision introduces eco-innovation as follows: "*eco-innovation is any form of innovation aiming at significant and demonstrable progress towards the goal of sustainable development, through reducing impacts on the environment or achieving a more efficient and responsible use of resources, including energy. Eco-innovation is a progressive concept: the CIP programme must remain responsive to changes*".

Three types of measures are available to eco-innovative PIMS ventures under the CIP:

1. financial instruments (in particular the support to investment funds active in ecoinnovation) with an indicative budget of € 228 million (2007-2013);
2. networks of national and regional actors, with an indicative budget of € 10 million;
3. pilot and market replication projects, with an indicative budget of € 195 million.

#### 5.3.1. Financial Instruments

The financial instruments aim at facilitating the access of SMEs to commercial-type funding, such as risk capital or bank loans, in order to address a crucial factor in the development of innovative companies or companies with a high growth potential.

The European Commission conceived two types of instruments: the **High Growth and Innovative Company Facilities** (GIF 1 and GIF 2), and the **Capacity Building Scheme** (CBS). Cumulatively, around € 30 million are available yearly for investment into the eco-innovative PIMS companies.

**GIF** instruments allow for the Community participation in risk capital funds established to provide equity to SMEs in the seed or early development phase (for GIF 1) or in their

---

<sup>15</sup> Decision No 1639/2006/EC of the European Parliament and of the Council, of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013)

<sup>16</sup> Commission Recommendation 2003/361/EC of 6 May 2003

expansion phase (for GIF 2). A higher participation is allowed for risk capital funds whose main focus is on eco-innovation. The GIF instruments are implemented by the European Investment Fund (EIF) on behalf of the European Commission.

The Capacity Building Scheme (CBS) aims at improving the financial and technical expertise of financial intermediaries investing in SMEs or supplying credit to SMEs. This includes:

- the Seed Capital Action, supporting the recruitment and training of additional financial or technology experts (including experts in eco-innovation and RET) in risk capital funds, and
- the Partnership Action, providing technical assistance to financial institutions in the new Member States, in order to stimulate the supply of credit to SMEs for eco-innovative activities.

The CBS is implemented by international financial institutions on behalf of the European Commission<sup>17</sup>.

### 5.3.2. Networking

Within the framework of the Competitiveness and Innovation Programme, the initiatives **Europe INNOVA** and **PRO INNO Europe®** contribute to eco-innovation through the establishment of networks and partnerships.

Activities organised in the framework of these initiatives include:

- mobilising, networking and supporting national or sub-national innovation programmes to exchange information and good practices, analyse common strategic issues and possibly develop joint activities, or
- supporting specific actions or services offered by national innovation actors (such as innovation agencies), in order to allow for common services or the reciprocal opening of national measures to enterprises located in other Member States.

More specifically, in 2008 with the **Europe INNOVA** initiative the EC financed the establishment of European Innovation Platforms relevant for innovative sectors of high political priority, to test innovative tools through public-private partnerships with the perspective to leverage their broader deployment.

One of the new initiatives funded under Europe INNOVA is the **Knowledge Intensive Services Innovation Platform (KIS-IP)**, with the aim to accelerate the take-up of services

<sup>17</sup> For more details on financial instruments available for support of eco-innovation please refer to the following website:  
<http://www.access2finance.eu>

innovations in Europe. As known, KIS-PIMS is integral part of the KIS-IP initiative, which is focuses on the innovative service solutions in technological and industrial fields by developing and testing new or better innovation support mechanisms for innovative SMEs.

The **objective of the KIS-IP** is to foster technological as well as non-technological innovation in services by helping innovative SMEs to better exploit research results and to facilitate the search for investors and business partners. The KIS-IP will develop new tools for innovation support, addressing particularly the needs of innovative service companies with the ambition to grow and internationalise fast.

The KIS-IP brings together **public and private partners** from different countries willing to cooperate in developing new forms of support for innovation, taking into account the specific needs of service companies "born global". This requires not only the design and testing of new service packages but also of new forms of service delivery which are specifically tailored to the strong market orientation of service companies. Traditional innovation support mechanisms are often biased towards technological innovation in manufacturing. The KIS-IP accepts the challenge of changing this.

As a new integral part of Europe INNOVA, the KIS-IP combines **two elements**:

- **Sectoral partnerships** that bring together specialised public and private innovation support providers in the field of knowledge intensive services who accept the challenge of piloting new tailored business support solutions for innovative service companies. The **KIS-PIMS project** is one of the three sectoral partnerships launched in 2008, the other two being KIS4SAT (Downstream Satellite Applications) and ACHIEVE MORE (Information and Communication Technologies).
- A **horizontal support action** that provides innovative service companies with a platform for learning from each other and opens doors to valuable information and partners that helps them to internationalise their activities and to grow faster.

The KIS-IP is open for cooperation with other initiatives and will undertake maximum efforts to develop and test a set of new innovation support services that can ultimately be integrated into regional and national innovation support programmes. Specific attention will be paid to leveraging proven and tested solutions into the **Enterprise Europe Network** that offers great potential to strengthen the impact of new service concepts developed under Europe INNOVA.

With the **PRO INNO Europe®** initiative the EC aims at "Championing eco-innovation" through the establishment of an open platform for eco-innovation policy learning and development.

### 5.3.3. Pilot and Market Replication Projects (Eco-innovation Programme)

Barriers to the market penetration of innovative technologies are particularly important for RET and environmental technologies. Therefore CIP eco-innovation supports projects:

- concerned with the first application or market replication of eco-innovative techniques, products or practices, which
- have already been successfully demonstrated, but
- due to remaining risks need incentives to significantly penetrate the market.

Supporting such promising innovative eco-technologies should contribute to remove the obstacles to the development and wide application of eco-innovation, create or enlarge markets for related products and improve the competitiveness of EU enterprises on world markets.

This programme is addressed mainly to companies that have developed an environmental product, service, management practice or process which has a proven track record, yet is not fully marketed due to residual risks. The Eco-innovation programme is designed to overcome those barriers to further market penetration and turn these products and processes into Europe's future eco-innovation successes. Because applications from SMEs are particularly encouraged by the EC, this programme is particularly interesting for the innovative PIMS companies.

At the moment this report was submitted, the launching of the call for proposals for 2009 is foreseen for April 2009 with deadline around September 2009. The priority areas for the upcoming call for proposals are not disclosed yet; however the following aspects of pilot and market replication projects will be assessed in particular:

- Innovative character of the project, presenting clear and substantial environmental benefits and supporting Community policy objectives;
- Potential for replication of the eco-innovative technology, potential to create or enlarge markets or to improve the competitiveness of EU economy;
- Quality of the technical and economic performances already demonstrated by the product, processes, service or method, quality of the proposed dissemination of project results;
- Soundness and coherence of the project, from a financial and project management point of view; soundness of participants and (if appropriate) coherence of the partnership proposed.

#### 5.3.4. Intelligent Energy Europe programme (IEE)

The 2007-2013 **Intelligent Energy Europe** programme forms part of the EU's CIP. Its global budget of €730 million is used to support European projects under annual calls for project proposals.

IEE focuses on fostering energy efficiency and the rational use of energy sources, promoting new and renewable energy sources and energy diversification, and promoting energy efficiency and new energy sources in transport. The IEE programme aims to improve market conditions for untapped opportunities to save energy and encourage the use of renewable energy sources, therefore moving towards a more energy intelligent Europe.

In this context, it supports pilot and market replication projects and promotion and dissemination projects to fund capacity building, development and spreading of know-how, skills and methods, exchanges of experience, development of market and intelligence, policy input, awareness raising and information provision, and education and training.

The Intelligent Energy Europe programme is run by the Executive Agency for Competitiveness and Innovation (EACI) on behalf of the European Commission, and works to make Europe more competitive and innovative while, at the same time, helping it to deliver on its ambitious renewable energy and climate change objectives by 2020.

Projects funded under IEE normally running for two to three years and need to involve at least three partners from three European countries. The Programme covers action in the following fields:

##### **Energy efficiency and rational use of energy (SAVE), including:**

- improving energy efficiency and the rational use of energy, in particular in buildings and industry;
- supporting the preparation and application of Community legislation.

##### **New and renewable energy resources (Altener), including:**

- promoting new and renewable energy sources for centralised and decentralised production of electricity, heat and cooling and thus supporting the diversification of energy sources;
- integrating new and renewable energy sources into the local environment and the energy systems;
- supporting the preparation and application of legislative measures.

**Energy in transport (STEER) to promote energy efficiency and the use of new and renewable energy sources in transport, including:**

- supporting initiatives relating to all energy aspects of transport and the diversification of fuels;
- promoting renewable fuels and energy efficiency in transport;
- supporting the preparation and application of legislative measures.

The EC also promotes under IEE the implementation of “**Integrated initiatives**” where energy efficiency and renewable energy sources are integrated and synchronised in several sectors of the economy and/or where various instruments, tools and players are combined in the same action.

The next call for proposals is expected by the end of March 2009, with deadline end June 2009. According to the information provided by the EC at last IEE European Info Day on the 12<sup>th</sup> February 2009, some € 65 million will be made available this year, supporting up to 75% of eligible project costs.

## 5.4. EUREKA

**EUREKA** is an initiative created in 1985 to enhance competitiveness and productivity of European firms on an international level with a focus on cooperation between enterprises and research centres. The EUREKA network is made of 38 members including the EU member states. The projects are usually close-to-market and developed within small consortium of at least 2 member states. The goal is to develop and commercialise new products, manufacturing processes or services.

EUREKA “**Clusters**” are long-term, strategically significant industrial initiatives. They usually have a large number of participants, and aim to develop generic technologies of key importance for European competitiveness, primarily in ICT and, more recently, in **energy** and biotechnology.

Clusters bring together large companies – very often competitors – along with SMEs, research institutes and universities, sharing both the risk and benefits of innovation. They focus on developing and commercially exploiting new technologies. Their goal is to ensure that Europe retains its leading position in the world market. Initiated by industry in close collaboration with national funding authorities, each Cluster has a technological ‘roadmap’ defining the most important strategic domains. Specific goals are achieved through scores of individual projects. A key asset of EUREKA is its flexibility: roadmaps and projects are continuously adapted in response to the rapidly changing technological environment and market demands.

For what may concern the innovative service companies in KIS-PIMS, a new very dynamic cluster has been launched in 2008: the Cluster for Low-Carbon Energy Technologies **EUROGIA+**. It addresses the energy mix, i.e. not only renewable energy sources but also all types of energy from oil and gas to (except coal & nuclear). EUROGIA+ is a network of

technology providers that encompasses all scientific and technology disciplines of relevance to energy. This variety leads to cross fertilisation between those sectors and in turn accelerates innovation. As a public/private R&D partnership, EUROGIA+ aims at accelerating investment in sustainable energy technologies. EUROGIA+ has a budget of 1 billion Euro for the period 2008 – 2013.

**EUROSTARS** is another interesting project designed by EUREKA and the EC to support hi-tech and high growth enterprises in 2008. EUROSTARS projects can be financed by grant but the enterprises are selected by means of calls for proposal and only the best projects are retained following a competitive evaluation.

Both EUROGIA+ and EUROSTARS are interesting tools for the future support of the “KIS-PIMS Club” enterprises.

## 6. IDENTIFICATION OF THE COUNTRY SPECIFIC ACCESS CONDITIONS TO FUNDED SUPPORT SCHEMES BY PIMS SMEs

The KIS-PIMS partners have identified that there are still barriers that SMEs face when managing an innovation process. At the very early stage, often having low financial capacity, they need experienced support to reach either research and development funds, or business model validation. Then, the second step of research and development is often well covered by the existing instruments when the SMEs are selected, but face another gap at the industrialization and commercialisation step (private investors' conviction, business model vs market readiness, commercial partnerships especially on the internationalisation stand point, detection of the early adopters). These critical steps of the innovation process call diverse funding sources, each of them having its coverage, accessibility rules and delivery constraints depending on:

- whether it is a public or private source,
- the national law,
- the regional regulation in some cases,

These specificities are detailed hereafter per country.

### 6.1. Access conditions to Austrian funded support schemes

#### 6.1.1. FFG national programmes and instruments

In Austria, the national innovation agency FFG has launched in January 2008 a new support scheme addressing innovation by SMEs of a few sectors (of which renewables) based on an innovation voucher. This voucher scheme is very similar to those successfully tested in the Netherlands and Ireland. It addresses mainly technology & skills transfer to business. The FFG innovation voucher amounts to 5000 Euros. The total budget for innovation vouchers reached 8 Mio. € in 2008.

The coverage of this existing voucher mechanism is a support for technical project assessment and partnership building across regions in view of matching the most appropriate competences of the country with the needs of the SME project. The second objective is to advise SMEs on the most suitable financing tracks (regional, national, European public funding) for their project development and commercialisation. It

addresses service projects among the others, provided that there is a significant technology research and development content.

The applying SMEs are eligible if they fulfil the following criteria regarding:

- The conformity with Commission's definition of a SME such as the number of employees should be smaller than 250; the annual turnover should be smaller than € 50 million; the annual balance sheet total should be smaller than € 43 million and max. 25 % should be owned by a Non-SME.
- The applying SMEs should not be specialised in agriculture or fishery.
- The knowledge provider respective innovation centre and the applying SMEs should not have any contractual RTD agreement within the last five years.
- The applying SMEs should not be affected by bankruptcy.

Eligible knowledge providers are non-university research centres, universities of applied science and universities. Labs of big multinational firms, private research centres for profit businesses and consultants are excluded. Rules of "de-minimis" concerns all involved actors.

### 6.1.2. LEV services in the Styrian region

The energy agency LEV has founded the "Styrian Eco-Energy Network" (NOEST) initiative, in order to establish a common contact point for SMEs (and private individuals) in Styria for requesting consultancy and general support. NOEST is conceived to be the one-stop-shop and knowledge transfer platform for all projects related to renewable energy technologies and energy efficiency (R&D, innovation, campaigns, demonstration...). The network provides support to develop full-scaled projects, to exchange relevant know-how and to apply for a variety of grants from a single point in Styria. In order to apply for public grants via NOEST, the requesting applications have to meet the following basic requirements.

- Real innovation of the aforesaid project must be given.
- The project must have a positive impact on Styrian ecological and energetical balances.
- There must be implied a significant benefit for the Styrian economy.
- The outcomes of the awarded project must definitely be utilized afterwards for achieving the mentioned benefits.
- The efficient and effective use of provided means is a prerequisite condition.

The SFG generally supports investment, education and expansion plans connected to the field of RET. Since they procure subsidies mainly from their own public funding budget, the SFG's is focussed on consulting and supporting SMEs, whose innovation plans correlate with the SFG's grant philosophy. The procedure and criteria to acquire financial support for an innovative project in the field of renewable energy services from SFG is summarised in the following:

1. The enterprise must be situated in Styria. This criterion comprises all regional or interregional production and service enterprises. Exempt from SFG grants are the tourism industry and companies which are at least 25% owned by public authorities.
2. Notable criteria are the decent liquidity of the applying SME, and the dedicated use of related innovation grants for RET.
3. Next step is to file the solicitation for financial project support at SFG, in order to get an official approval.
4. After conducting any project related activity, the expenses will be reimbursed by the SFG. Prerequisite for this refund is a complete and consistent documentation of the project expenditures.

## 6.2. Access conditions to Finnish funded support schemes

The preconditions to companies in different Finnish support schemes vary quite a lot, which may cause problems in finding the right one. On the other hand, the variety of support schemes enables funding for very different kinds of projects.

Some of preconditions, which can prevent companies to receive financing are listed hereafter:

1. The financial situation of the company may affect its chances to receive funding.
2. The feasibility of the project may be considered too uncertain.
3. Financial instruments can be limited to company size.
4. The concept may not be considered innovative.
5. In some programs, the company has to be considered as a growth company in order to receive support.

In Finland, the support schemes often include funding for service concepts which is a positive reservoir for companies with innovative service ideas.

### 6.3. Access conditions to French funded support schemes

The first condition to access public innovation support schemes in France is the degree of innovation, knowing that innovation is not limited to technology and service.

The second condition is the feasibility of the project within the enterprise policy. This means that the human know-how of the staff, the IPR policy, the wealth of the company will be measured before taking the final decision to finance the project.

The company size is another criterion. Some instruments or funding rates are accessible only to SMEs according to the European definition (“Aide Passerelle”, R&D projects for instance), but most often they are open to bigger enterprises and Groups up to 2000 employees (details in section 4 above).

## 7. SPECIFICATION OF THE SUPPORT SCHEME TO BE EXPERIMENTED WITHIN KIS-PIMS

Based on the innovation support picture depicted in the previous section, it is believed that there is still space for a new support scheme which will bridge a gap with regards to innovative service SMEs (technology based or not), and which addresses not only research and development support preparation but also business oriented support. The emphasis of the KIS-PIMS support scheme must be put on the early stage of a project design and on the finishing of the innovation process that will make the switch between the demonstrator and the first commercial applications.

### 7.1. Specification of the compulsory common denominator of the KIS-PIMS support scheme

This section is key since it not only defines the partners' obligations during the experimental phase of the KIS-PIMS project, but also has to be used by any KIS-PIMS accredited innovation intermediary as soon as they start their activities within the KIS-PIMS support scheme.

**'Specifying' means 'defining the functions'** that the support scheme will have to provide, as services rendered to help SMEs of the renewable energy sector develop and market their innovative services to customers. Hence, the functional analysis methodology has been adopted, focused on the KIS-PIMS support scheme.

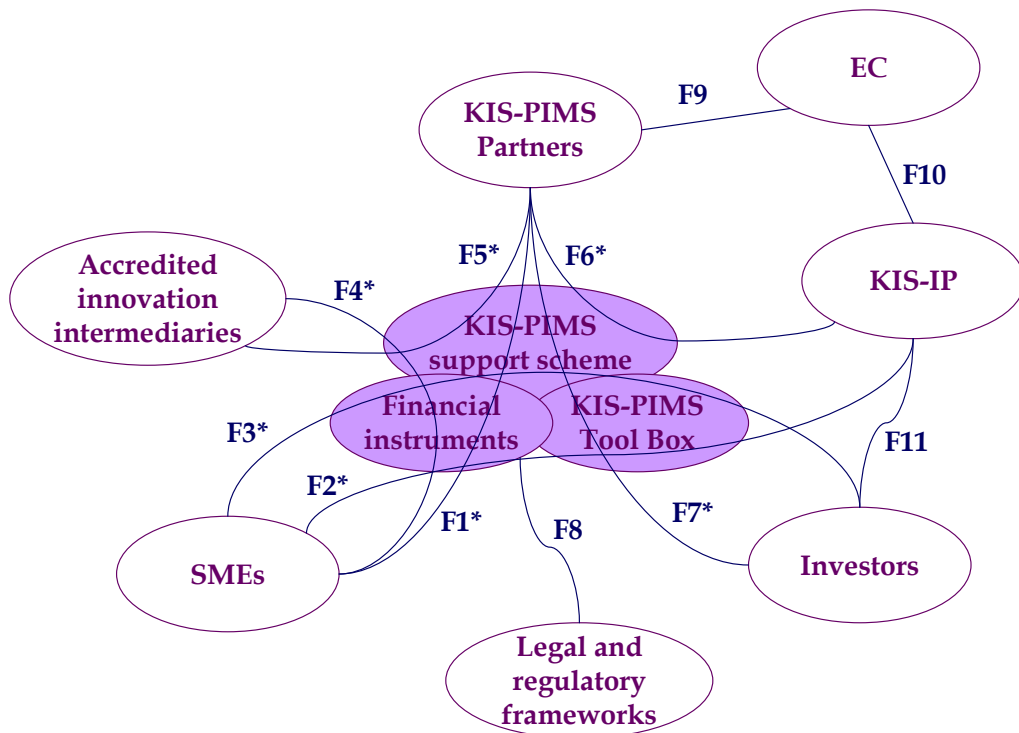


Figure 1 : The KIS-PIMS support scheme in its environment

The functions marked with a “\*” are Principal Functions, whereas the other ones are called either constraint Functions or operational Functions.

Function	Sub-Function	Realisation mode	Parameters	Specification
F1*: To experiment support services for SMEs addressing the whole innovation process, relying on the KIS-PIMS Partners	F1.1: To focus on the innovative service activities in the renewable energy sector	A Selection Committee will validate the eligibility of the project	Innovativeness Service-oriented project	Technology-based innovation Innovative business model
	F1.2: To identify and implement the appropriate financial instruments	Quick access to external expertise for project consolidation thanks to the implementation of an "Innovation Voucher"	Time to report of the external expertise Vouchers value	3 months max Country-dependent, but expected to reach Around 1 M€ in total for 100 vouchers over the 2-year experiment

Function	Sub-Function	Realisation mode	Parameters	Specification
	F1.3: To develop an appropriate toolbox to enable the service deliveries by innovation experts	Tools for project analysis and project consolidation	Risks assessment  Innovation management capability  Financial capability	Technical, IPR, Management, Commercial, Financial  Strategy, culture, life cycle, enabling factors, results measurement  Positive balance sheet in average over the last 3 years
F2*: To promote the supported SMEs using the KIS Innovation Platform	F2.1: To filter the most promising SMEs in terms of growth and employment potential	Identification of the most promising SMEs by the KIS-PIMS process	Business potential Team experience Product / Technology merit; Scientific merit Competitive position; Proprietary position Collaboration of transfer interest Project profile quality	
	F2.2: To give supported SMEs visibility on the KIS-IP	Pieces of news prepared by KIS-PIMS for publication on KIS-IP website	Their name must be visible on the KIS-IP website under Europe INNOVA	At least once mentioned

Function	Sub-Function	Realisation mode	Parameters	Specification
	F2.3: To give access to the KIS100 Club to the best performing SMEs	Nomination of SMEs by KIS-PIMS and selection by KISPLATFORM	<ul style="list-style-type: none"> <li>• Company Active in KIS</li> <li>• Rapid Growth (sales and headcount)</li> <li>• Revenues and positive cash flow</li> <li>• Nb of Patents</li> <li>• Strong Competitive position</li> <li>• International presence (or concrete expansion plans)</li> <li>• Solid Management Team</li> <li>• Good track record of raising capital</li> <li>• Brand Awareness</li> <li>• Awards received</li> <li>• Cutting Edge technology</li> <li>• Strategic Partnerships</li> <li>• Number/quality of Customers</li> <li>• Press coverage</li> </ul>	Unknown so far
	F2.4: To give access to the KIS-IP investor networks to the selected SMEs	Partnering Forums organized by KISPLATFORM		

Function	Sub-Function	Realisation mode	Parameters	Specification
	F2.5: To award the best performing SMEs	KIS Venture contest organized by KISPLATFORM in the frame of the Partnering Forums	Business potential Team experience Product / Technology merit; Scientific merit Competitive position; Proprietary position Collaboration of transfer interest Project profile quality Project Presentation quality	Score in points (max 70)
F3*: To connect eligible SMEs to public and private investors	F3.1: To give access to the investors' profiles and contacts to the selected SMEs	Greenovate! Europe and other KIS-PIMS partners connect SMEs to the most appropriate investor contacts	Selected projects	100% of the supported projects should be connected to appropriate funding source for next step
	F3.2: To inform SMEs about opportunities to meet investors	Invitations sent to SMEs about all identified investor forums	Frequency of information	At least once a year
	F3.3: To inform SMEs about the rules for getting access to public or private finance.	In each country, Clusters and Agencies inform SMEs about the eligibility criteria	Number of possible funding sources	At least one for each project

Function	Sub-Function	Realisation mode	Parameters	Specification
F4*: To enable the use of the KIS-PIMS support scheme by innovation intermediaries who are not KIS-PIMS partners	F4.1: To design an accreditation scheme to qualify the competent intermediaries to the effective use of the KIS-PIMS instruments and tools	Document describing the rules of application	Date of availability	June 2009
	F4.2: To enable access to the KIS-IP to the accredited innovation intermediaries	Request for new innovation intermediary registration sent by KIS-PIMS to KISPLATFORM	Time to open access	3 weeks
	F4.3: To enable access to the KIS-IP to the SMEs selected by the accredited innovation intermediaries	Communication of the SME names by the accredited intermediaries to KIS-PIMS for relay to KISPLATFORM	Time to publication of supported SME names	3 weeks

Function	Sub-Function	Realisation mode	Parameters	Specification
F5*: To accredit new innovation intermediaries capable of using the KIS-PIMS support scheme for the benefit of SMEs	F5.1: To train new innovation intermediaries at using the instruments and tools of the KIS-PIMS support scheme	Training by: MH in Austria Advansis in Finland Technofi in France	Number of trainings	At least 1
	F5.2: To accredit the innovation intermediaries by validating their capabilities to support SMEs	To be defined	New accredited innovation intermediaries	At least 2 per country (Austria, Finland and France)
	F5.3: To register newly accredited innovation intermediaries on the KIS-IP	Request for new innovation intermediary registration sent by KIS-PIMS to KISPLATFORM	Time to open access	3 weeks
F6*: To use the KIS-IP as an additional instrument of the KIS-PIMS support scheme	F6.1: To specify the KIS-PIMS needs regarding the KIS-IP	Specification of needs in a document or e-mails	Specification available	Yes/No

Function	Sub-Function	Realisation mode	Parameters	Specification
	F6.2: To open access to the KIS-IP to the KIS-PIMS partners, to the SMEs and to the innovation intermediaries	Registration requests sent to KISPLATFORM	Time to open access	3 weeks max
	F6.3: To use the communication tools of the KIS-IP for dissemination purpose	Definition of templates, web pages, poster and banner for the KIS-PIMS promotion	Availability	Yes/No
	F6.4: To use the KIS-IP events as additional tools of the KIS-PIMS toolbox	Integration of the KIS-IP events in the tool box (D2.2 & 3.2)	Availability	Yes/No
	F6.5: To get continuous strategic advice from the European supervision body	Participation to the Horizontal Steering Group (HSG)	Number of meetings per year	At least 2

Function	Sub-Function	Realisation mode	Parameters	Specification
F7*: To rely on public and private investors to deliver enhanced support services to SMEs	F7.1: To organize meetings between selected SMEs and private investors, using the KIS-IP or not	Partnering Forums Connection actions towards appropriate funding sources in the frame of the expert support	Frequency: opportunities per year for each SMEs opportunity per year and per SME	At least 1
	F7.2: To prepare eligible SMEs to meet investors with a good probability of success for getting financial support	Invitation to KIS Academies	Number of participants	At least 20 SMEs per Academy (all sectors together)
F8: To meet all the European and national laws and regulations constraining the KIS-PIMS framework	F8.1: To keep in line with the EC Grant Agreement	Document shared and known by all	N/A	N/A

Function	Sub-Function	Realisation mode	Parameters	Specification
	F8.2: To keep in line with the European laws and Directives related to public financing of private businesses, competitiveness rules, etc	Most of them are summarized in this Deliverable D3.1.	N/A	N/A
	F8.3: To fit the national laws regarding public subsidies and loans to SMEs	All KIS-PIMS partners are supposed to know the rules applied in each participating countries	D3.1	
F9: To interact with the EC to validate the KIS-PIMS support scheme	F9.1: To interact with the Project Officer to ensure that KIS-PIMS stays in line with the EC positions	Q&A through the KIS-PIMS Coordinator	Number of check points a year	At least 2
F10 and F11 are functions applicable to KISPLATFORM				

Note that F9, F10 and F11 are not detailed above, since they are not directly related to the KIS-PIMS support scheme. They are given for information purpose only.

## 7.2. Specification of the country specific adaptations

The above common scheme applicable to all the KIS-PIMS participating countries can be complemented by national imperatives. Mainly, the latter will relate to further details of sub-function F8.3 above, taking into account the constraints reminded in section 6.

### 7.2.1. Specification of the Austrian support scheme

The intension of the FFG voucher schemes is to bridge the way towards continuous access to research and innovation results and to launch the necessary know-how and technology transfer to business. The voucher funding scheme foresees vouchers up to 5000 Euros to financially support external expertise of public research and innovation centres.

Based on the risk allocation the project partner and Styrian energy agency LEV intends to test add-on vouchers of 4.000 - 5.000 € in order to complement the FFG scheme with an accredited expertise addressing the full business and management risks from the European market perspective. These “add-on” vouchers will be issued and financed by LEV directly. Testing the KIS-PIMS assessment tools, these add-on vouchers will contribute significantly to knowledge gained during the scope of the project and will improve the SME’s innovation capacity.

In-depth interviews with awarded SMEs about the completeness of the different supporting schemes result that there are still gaps in the innovation chain with respect to the contingent liability, to business plans for attracting investors as well as to the set-up of national and international project proposals<sup>18</sup>.

### 7.2.2. Specification of the Finnish support scheme

*Grant for acquiring innovation services* is a TEKES instrument used in the KIS-PIMS project in Finland. This financing instrument encourages SMEs to acquire innovative expert services which support long term development of business concept (of the company) and innovation activities.

TEKES funding, using this instrument, can be up to 75 percent of the eligible costs. All the costs, which are financed by TEKES, have to be purchased from independent experts. The cumulative funding can be up to 200 000 euros in a three year period. Company receives

---

<sup>18</sup> FFG is only granting the set-up of FP7 applications.

its grant after turning in the final report to TEKES. Companies have to have a clean financial record in order to receive this grant. This instrument is limited to SMEs (EU standard) only.

### 7.2.3. Specification of the French support scheme

In France, the “Innovation Voucher” (see function F1.2) will be funded by OSEO. OSEO decided to rely on an existing financial instrument – the Feasibility Grant – to fund the vouchers. Therefore, the rules applicable to this instrument are the followings:

- The innovation voucher will be a grant
- Its amount cannot exceed 50.000 €
- It can cover up to 75% of the external expert invoice.
- The beneficiary must be a small to medium sized company, up to 2000 employees provided that it is independent from a bigger group.
- The external expertise aims at assessing the risks, validating the technical and market feasibility of the project, identifying the most appropriate financing scheme and initiating partnerships.

However, the “Innovation Voucher” will not reach the maximum possible grant allowed by the Feasibility Grant. It will be limited to 15.000 €.