

INNO-DEAL—Analysis, Diagnosis, Evaluation, Pilot Actions and Learning processes for Joint Innovation Programmes— is a Sixth Framework Programme project, supported by the European Commission, DG Enterprise and Industry, under the PRO INNO Initiative.

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# INNO-DEAL *Newsletter*

*Financing innovation*

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## INNO-DEAL Project Final Event “How to provide Solutions for Innovative and Creative Start-ups in Uncertain Times”

Ljubljana, Slovenia, 2-3 July 2009

### Final Conference, 2 July 2009

#### Introduction

The INNO-DEAL project is inspired by the ever stronger need for European regions to find common ways to generate growth and to create strategic synergies by sharing experiences and bringing their recommendations to the attention of European authorities at all levels.

The project aims to create long-term cooperation among managers of financing schemes and programmes for support of innovative small and medium enterprises (SMEs). The focus is on start-up and spin-off companies and on trans-national cooperation of EU regions. In order to achieve the project's goal two Trans - regional Networking Workshops were organized: in Vienna, 10 - 11 April 2008 and Rome, 14 - 15 October 2008.

Based on the expressed interests of managers from 12 EU regions the INNO-DEAL Consortium identified 5 cooperation themes:

1. Loan Guarantee Scheme as a help to access to credit for new and start-up companies
2. Integration of services for spin-off creation and internationalization
3. Matching between European SME, Business Angels and/or Venture Capital
4. Trans-regional cooperation and innovation in the environmental sector
5. Cooperation between venture capital and other intermediaries in the field of digital media and creative industry



#### The Conference

The international conference »How to Provide Solutions for Innovative and Creative Start-ups in Uncertain Times« showed that INNOVATION - in enterprises, public services and communities (at all levels from a city to a state) - is the main weapon to tackle the recession and to guarantee the survival of SMEs that intend to act world-wide. The European Union should aim to emerge (out of this battle) as a more innovative, greener, more diversified and sustainable economy.



*Michela Michilli,  
FILAS*

In the first part of the conference **Michela Michilli**, INNO-DEAL Project Director, drew attention to the fact that the European early-stage venture capital market has been currently experiencing major changes. “With private funds - once the bedrock of start-up investment for entrepreneurs - moving away from the early stage, it is not just entrepreneurs but the economy as a whole that will be affected. The shift comes at a time when there is real pressure for Europe to build great global companies to match those of the US, India and China as well as a harder environment in which to start a new business. The public sector has become considerably more important as an investor and Business angels also have become more significant in terms of support.” Further she stressed the importance of having private-public partnerships in order to increase the critical mass of support and mobilize as much resources as possible for highly innovative companies.

Following her an international group of high level speakers from European Commission, Slovene Government and academia presented policy approaches and joint initiatives for encouraging innovation in EU regions. Presentations available at <http://www.rralur.si/en/projects/inno-deal/>

As **Reinhard Buescher**, Head of Unit of Innovation Policy Development at the European Commission said, “not all countries in Europe can pump as many billions to stabilize the economy and recover from financial crisis as Germany” and not so many countries in EU would use the crisis as an opportunity to leave the crisis stronger as they entered it. “One of the biggest challenge that we are facing now is how to make ‘the motor run again’ not that the economy is stuck and there is no growth.” With a new approach to innovation policy the INNO-DEAL project proved, that with setting up clear goals good-strong results could be reached. According to Mr. Buescher INNO-DEAL has helped to raise the awareness on the importance of the financing for innovation, it has helped the regions to put more emphasis on building up strong innovation systems including access to finance, which represent a fundamental issue for growth and innovation for start-ups. “All signed cooperation agreements could “show us how to do it, from who to learn it, but these initiatives must be mainstreamed, they have to become part of the economic pillars of the Lisbon Strategy”.

In the second part of the conference the key word had panellists and representatives of successful European intermediaries and economic development agencies that presented various possibilities of early stage investment around Europe, as well as reviewing practical actions and available support programmes to innovative and creative SMEs taking into account also the current economic situation.

Before the end of the conference 29 managers of financial schemes signed **5 Cooperation Agreements**. With signing they expressed their willingness to collaborate beyond the end of the INNO-DEAL project.

In his closing remarks **Alex Talacchi**, INNO-DEAL Project Officer, EC, stressed the importance of the project for creation of new initiatives, new ways of cooperation and new projects. EC expectations were exceeded in both - the number of signed Cooperation Agreements as well as in mobilization of people and resources.

## Conclusions

The INNO-DEAL Consortium had committed to negotiate and sign at least 3 Cooperation Agreements for Joint Innovation by the end of the project. Exceeding expectations, 5 Cooperation Agreements have been successfully negotiated and formally signed. These agreements show a sheer diversity in terms of scope and nature of their objectives as well as in the number and profile of signatories. This actually reflects the huge preparatory work and the fact that they were truly moulded to the signatories' interests and missions and not reached via an abstract centralised "one-size-fits-all" approach.



*Reinhard Buescher,  
European Commission*



*Alex Talacchi,  
European Commission*

## Final Working Session, 3 July 2009

On Friday 3 July 2009 the **first working sessions** of signatories of the Cooperation Agreements took place in the Technology Park Ljubljana, Slovenia. As some of the Cooperation Agreements (CA) have already received expressions of interest by potential new members, these organizations also joined the sessions. Signatories agreed on future 6-months activities, while the foreseen duration of CA is 3 years, renewable by mutual agreement among signatories.

## Cooperation Themes

### *Topic 1: Loan Guarantee Scheme as a Help to Access to Credit for New and Start-up Companies*



Providing guarantees to new and start-up enterprises is still one of the key issues. Loan Guarantee Scheme is a financial instrument, which helps solving this problem. By providing guarantees to enterprises it increases the flow of bank lending to MSME.

- Coordinator: **Podlaska Regional Development Foundation** (<http://www.pfrr.bialystok.pl/148.page>), Bialystok, Poland
- Signatories of Cooperation Agreement:
  - Podlaski Loan Guarantee Fund Ltd, Bialystok, Poland
  - Unionfidi Lazio S.p.A., Rome, Italy
  - Slovene Enterprise Fund, Maribor, Slovenia
  - Investment and Business Guarantees, Ltd. (INVEGA), Vilnius, Lithuania
- Beneficiaries: All stakeholders of guarantee schemes, micro, small and medium size companies
- Objectives: To increase the flow of bank lending to MSME's by providing guarantees to enterprises with weak collateral position or those that do not have any business history.

### *Topic 2: Integration of Services for Spin- off Creation and Internationalisation*



*Reinhard Büscher, Head of Unit of Innovation Policy Development, DG Enterprise and Industry, EC:*

"Integrated approaches in support policies are the only way to maximize the impact in terms of innovative business creation. All the more so when business ideas are connected to innovative technologies and business models that need often 4-5 years to get off the ground."

- Coordinator: **Finanziaria Laziale di Sviluppo SPA (FILAS)**; (<http://www.filas.it/>), Rome, Italy
- Signatories of Cooperation Agreement:
  - Advantage West Midlands (AWM), Birmingham, United Kingdom
  - Centro Europeo de Empresas e Innovacion (CEIN), Navarra, Spain
  - Coventry University Enterprises limited (CUE), Coventry, United Kingdom
  - Ljubljana University Incubator (LUI), Ljubljana, Slovenia
- Beneficiaries:
  - All regional/national stakeholders (universities, research centres, incubators, etc.), interested in: supporting the creation of research spin-off, stimulating the entrepreneurial spirit and favouring the access of SMEs to global market
  - Indirectly all SMEs that will benefit from the support instruments offered by agencies.
- Objectives: To establish a permanent collaboration between agencies managing financing and supporting schemes for stimulating the creation of spin-offs and favouring the internationalisation of SMEs.



**Topic 3:**  
**Improve Matching**  
**between European**  
**SME and Business**  
**Angels Networks**  
**and/or Venture**  
**Capital**

*Reinhard Büscher, Head of Unit of Innovation Policy Development, DG Enterprise and Industry, EC:*

“Support to cross-regional investments in early stages is particularly important since it allows for the scouting, screening and selecting of business ideas with a European potential. Selection at early stages with European anticipation provides business ideas with the highest chances of success at an international level and a higher level of value added.”

- Coordinator: **Méditerranée Technologies** (<http://www.mediterranee-technologies.com/>), Marseilles, France
- Signatories of Cooperation Agreement:
  - Marseille Innovation (inkubator), Marseilles, France
  - Provence Business Angel, Marseilles, France
  - Finanziaria Laziale di Sviluppo SPA (FILAS), Rome, Italy
  - Advantage West Midlands (AWM), Birmingham, United Kingdom
  - Coventry University Enterprise Ltd, Coventry, United Kingdom
  - Wirtschaftsförderung Region Stuttgart GmbH, Stuttgart, Germany
  - Technology Park Ljubljana Ltd., Ljubljana, Slovenia
  - META Group Ltd., Ljubljana, Slovenia
  - Business Angels of Slovenia, Ljubljana, Slovenia
  - Podlaska Regional Development Foundation (PRDF), Bialystok, Poland
  - Agentia pentru Dezvoltare Regionala Nord-Est, Piatra-Neamt, Romania
- Beneficiaries: Partners managing a BAN, BA funds or VC funds, project partners working on regional policies, SMEs in contact with private investors in their region
- Objectives: Trans-regional networking of private investors. Foster internationalization of SME through internationalization of private investments.



**Topic 4:**  
**Trans-regional**  
**Cooperation and**  
**Innovation in the**  
**Environment Sector**

Innovation is very important also in the field of environment protection. With global development the environmental problems have become more complex; therefore one has to accede to their solving with a new way of thinking and new methods. Renewable energy and waste management (“Zero waste” policy, encouraging recycling of waste and reuse) have been the main issues.

- Coordinator: **Kouvola Innovation** (KINNO, <http://www.kouvolainnovation.fi/en/>), Kuovola, Finland
- Signatories of Cooperation Agreement:
  - Podlaska Regional Development Foundation (PRDF), Bialystok, Poland
  - Central Bohemia Regional Development Agency, Kladno, Czech Republic
- Beneficiaries: SMEs in countries involved in the cooperation
- Objectives: The main goal is to explore and to find cooperation opportunities between the regions involved in the agreement. The common interest is to find financing for the SMEs interested in environmental projects such as bio-energy and waste management.



## Topic 5: Improving the Value of Digital Media and Creative Industries through Innovation

Digital Media and Creative Industries can prosper in a long-term period only in a truly intercultural and international environment. Collaboration is crucial; inward-looking support and financing are less-effective and short-sighted.

- Coordinator: **Finanziaria Laziale di Sviluppo SPA (FILAS)**; <http://www.filas.it/>), Rome, Italy
- Signatories of Cooperation Agreement:
  - Advantage West Midlands (AWM), Birmingham, United Kingdom
  - Wirtschaftsförderung Region Stuttgart GmbH, Stuttgart, Germany
  - Coventry University Enterprise Ltd, Coventry, United Kingdom
  - VirCE - Kompetenzzentrum Virtuelle Realität und kooperatives Engineering w.V. (Virtual Dimension Center - VDC), Fellbach, Germany
- Beneficiaries: All stakeholders of the Digital Media and Creative Industries value chain, with special reference to independent producers and funding/supporting agencies/associations.
- Objectives: To establish a permanent network between agencies managing financing and supporting schemes for Digital Media and Creative Industries.

More information about INNO-DEAL Final Event: <http://www.rralur.si/en/projects/inno-deal/>

## The INNO-DEAL Project Consortium

- Finanziaria laziale di Sviluppo (IT) - coordinator
- Méditerranée Technologies (FR)
- Vienna Science and Technology Fund (AT)
- North East Regional Development Agency (RO)
- Kouvola Innovation (FI)
- Central Bohemia Regional Development Agency (CZ)
- Advantage West Midlands (UK)
- Lithuanian Innovation Centre (LT)
- Regional Development Agency of the Ljubljana Urban Region (SI)
- Government of Navarre (SP)
- Podlaska Regional Development Foundation (PL)
- Stuttgart Region Economic Development Corporation (DE)

