

Smart Growth

Operational Programme

2014-2020

“FROM IDEA TO MARKET”

Smart Growth Programme

*Businesses that grow by development and improvement do not die.
But when a business ceases to be creative, when it believes it has reached perfection
and needs to do nothing but produce – it is done.*

Henry Ford

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Welcome to a short guide to the Smart Growth programme (SG OP). Here you will find information on the principles of financing research and development projects. You will find out for what, where and when you can obtain financing. We will present you the importance of researchers and entrepreneurs' work and its impact on the economy. We will also answer questions.

Do you have any questions? Please contact: poir@mir.gov.pl

We developed the Smart Growth programme with a view to support the entire innovation process – “from an idea to the market” in order to transform ideas into unprecedented technologies, products and services that would be applied also in our everyday life.

Smart Growth is the largest national programme financing research, development and innovation in the European Union. Approximately EUR 8.6 billion, i.e. over PLN 36 billion, were allocated for its implementation from the European funds. It is the second largest programme for the 2014–2020 period, financed from the European Union funds in Poland.

1. INNOVATIVENESS – POLAND NOW

The creation of innovations involves significant labour input and funding. However, the expenditure of Polish enterprises on research and development is still low and amounts to only 25% of the EU average. In Denmark, the figure is 150%, in Sweden – 176%, and in the neighbouring Czech Republic – 77%.

In the Innovation Union Scoreboard (IUS) published in 2015, Poland was placed in the group of moderate innovators, although we still score poorly in statistics on the level of innovation.

The objective of the Smart Growth programme is to change this situation by encouraging companies to spend more on R&D and implementations. This will result in creating new job and in placing of innovative products and services on the market. They will contribute to an increase in innovation and competitiveness of the Polish economy.

***12,000 – the minimum number of companies which will receive support for conducting research and implementing innovation,
20,500 – the minimum number of jobs to be created thanks to support under SG OP EUR,
EUR 4.4 billion – the amount that the companies will additionally allocate for research and innovation from their own resources.***

WHAT DO WE WANT TO ACHIEVE?

EXPENDITURE ON RESEARCH AND DEVELOPMENT (GERD) in % of GDP		
2013	2020	2023
0,87%	1,7%	2,0%

2. INNOVATION YESTERDAY, TODAY AND TOMORROW

In the 2007–2013 period, researchers and entrepreneurs could apply for subsidies under the Innovative Economy programme. This opportunity was used by **16,000** companies and over **12,000** researchers participated in the supported projects. Thanks to the co-financing from the European Union, a number of innovative solutions in various fields, such as medicine, ICT, transport, tourism and other, were created.

The funds from the Innovative Economy programme contributed, *inter alia*, to implementation of almost **1,400** new technologies by companies and to creation of **4,700** innovative products and services (i.a. the world's first family and business jet, a tester for early detection of breast cancer, a groundbreaking device to establish contact with people in coma or the first electric bus in Europe).

The world's first family and business jet and the first electric bus in Europe were developed by Poles thanks to the involvement of the EU funds. There are and will be many more such examples. Now science and business may finance joint work on innovative solutions under the Smart Growth programme.

The Smart Growth programme is the follow-up to the Innovative Economy programme, but not its simple continuation. In the years 2014–2020, priority will be given to economy-oriented research projects and joint undertakings of science and business. The support will be linked to smart specialisations and project initiators will gain greater access to financial instruments.

INNOVATIVE ECONOMY 2007–2013	SMART GROWTH 2014–2020
Supporting the innovativeness of enterprises to a large extent in the form of purchase of ready technologies	Investments of companies in R&D and creation of innovations
Numerous support instruments for infrastructure investments in the area of research	New infrastructure is financed to a lesser extent
Low share of instruments directly supporting the cooperation between science and business	Priority of cooperation between science and business – significantly greater focus of research projects on the needs of the economy
Limited use of financial instruments	Wider use of financial instruments (capital entries, loans, guarantees)
Support for development of BEI* potential (infrastructure, services, networking, cluster development)	Concentration of support on professionalisation of innovation-oriented services provided by BEI*
Low level of concentration of support on priority areas	Focus on smart specialisations
Instruments for digitisation of administration, society and economy	Support for digitisation under a separate programme (Digital Poland OP)
Support for tourist projects	Lack of support dedicated to tourist industry

*BEI – business environment institutions

3. SMART GROWTH IN BRIEF – QUESTIONS AND ANSWERS

3.1. Who is the programme for?

The following entities may apply for co-financing:

- enterprises (in particular SMEs);
- scientific entities;
- consortia of enterprises and scientific entities.

3.2. What kind of projects can be implemented?

- research and development projects (R&D);
- implementation of results of R&D works;
- infrastructure for R&D;
- technology transfer;
- purchase of services necessary for starting and carrying out innovation activities,
- activities related to entering foreign markets;
- development of R&D personnel.

3.3. How are the projects financed?

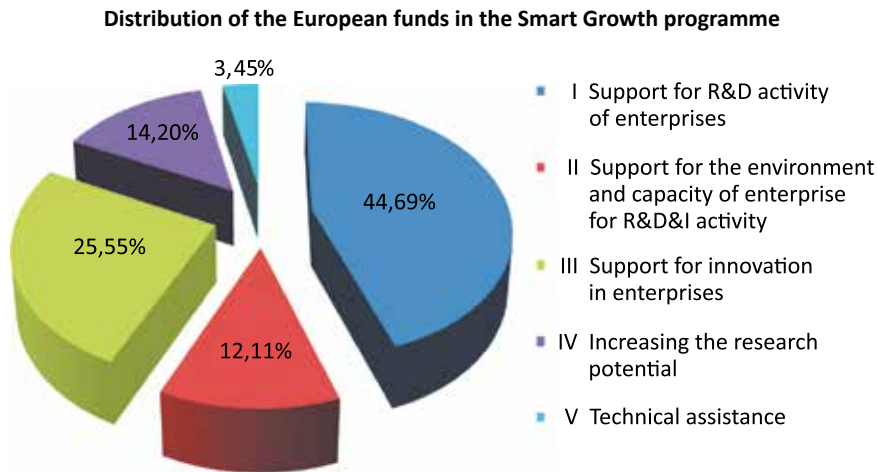
The method of project financing depends on specific characteristics of a given project and its level of risk. Project initiators may apply for:

- subsidies;
- capital instruments, guarantees, loans (so-called financial instruments).

The support is granted in the form of:

- refund – the support paid constitutes a refund of total or a part of expenditure actually incurred by the entity implementing the project from its own funds or
- advance payment – paid out for planned expenditure. The final settlement is made on the basis of documents indicating actually and appropriately incurred expenditure.

In the majority of projects financed under the Smart Growth programme, beneficiaries are required to participate in the costs of their implementation (so-called own contribution). This principle applies in particular to projects involving State aid.



3.4. Where to look for information on competition?

The schedule of calls for proposals for a given year is available at the website: www.poir.gov.pl. You can find the competition announcement along with the competition documentation on the website of the institution organising a given call for proposals and on the portal www.funduszeuropejskie.gov.pl.

4. HOW TO BENEFIT FROM THE PROGRAMME?

4.1. 5 steps for the beneficiary

STEP 1: DEFINE THE PROJECT

- Specify the subject, necessary support and find an appropriate SG OP measure – the support tool is the search engine of subsidies on the website www.funduszeuropejskie.gov.pl (“Find co-financing” icon);

STEP 2: FIND THE COMPETITION

- Check the schedule of calls for proposals, where you will find information about the competition announcement date and the estimated time for collection of applications;

STEP 3: STUDY THE CONDITIONS

- Read carefully the information in the competition announcement, study the documentation (including the application for co-financing and the contract template);

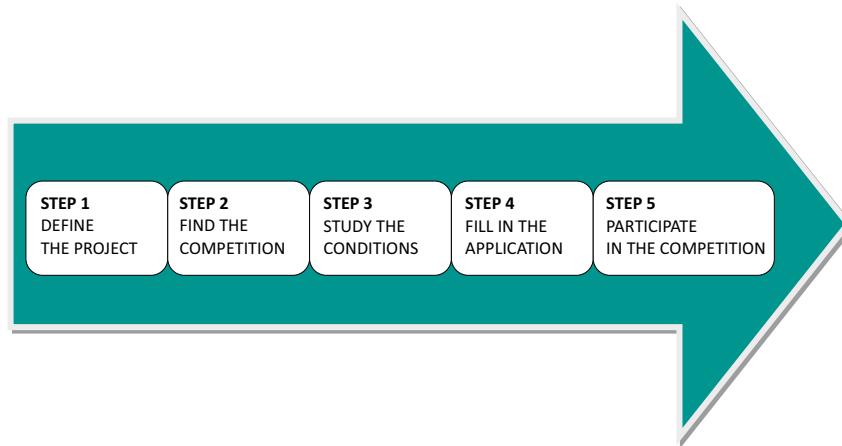
STEP 4: FILL IN THE APPLICATION

- Fill in the application form according to the instruction for filling in the application, remember to include all required information, attach the required documents to the application;

STEP 5: PARTICIPATE IN THE COMPETITION

- Submit an application for co-financing in the form indicated in the call for proposals announcement, remember to submit the application on time (calls for proposals are accepted electronically – the institution organising a given competition will decide on the required form of submitting applications).

HOW TO BENEFIT FROM THE PROGRAMME? 5 STEPS FOR THE BENEFICIARY



4.2. Non-competition projects

Projects of greatest importance for social and economic development of the country will be implemented under the non-competition procedure. This means that under certain measures of the Smart Growth programme the calls for proposals will not be organised. The selected public entities will implement projects for final support recipients (e.g. enterprises, scientists) or systemic activities (e.g. connected with updating the list of smart specialisations) in those areas.

Under which axes are the non-competition projects planned?

Non-competition projects	
Axis I	<ul style="list-style-type: none">• None
Axis II	<ul style="list-style-type: none">• Open innovation• Monitoring of smart specialisation strategies• InnoLAB
Axis III	<ul style="list-style-type: none">• Brand.pl• Polish tech-bridges
Axis IV	<ul style="list-style-type: none">• International Research Agendas• Development of R&D personnel

5. FROM IDEA TO MARKET – SUPPORT AREAS

5.1. IDEA – CREATING INNOVATION IN ENTERPRISES

The entrepreneurs searching for resources for developing new or improved solutions (including experimental prototypes and pilot installations) can apply for financing of industrial research or experimental development.

The R&D works can be carried out by the enterprise itself. The enterprise can also subcontract part of activities under the project to scientific entities, other enterprises, scientific networks, scientific-industrial consortia etc.

In order to obtain co-financing, the applicant has to prove that there is a demand on the market for the results of the applicant's R&D work and if the research is successfully completed, the implementation of its results will be possible (in own economic activity of the entrepreneur, in the form of granting licenses or sale of the project results to implement them in the economic activity of other enterprise).

Large R&D undertakings, important for the development of individual economy sectors, will be implemented under the so-called sectoral programmes launched by a group of enterprises from a given sector.

Which SG OP measures provide support for research and development?

Name of measure/sub-measure	Who is it for?
Sub-measure 1.1.1 Industrial research and development work implemented by enterprises (competition projects)	Enterprises
Sub-measure 1.1.2 R&D work related to manufacturing a pilot/demonstration installation (competition projects)	Enterprises
Measure 1.2 Sectoral R&D programmes (competition projects)	Enterprises, consortia of enterprises

5.2. ENTERING THE MARKET – IMPLEMENTING NEW SOLUTIONS BY ENTERPRISES

The funds for placing innovative solutions on the market will be available only for micro, small and medium-sized enterprises. Co-financing will be granted mainly to the projects which envisage the use of results of R&D work (own or purchased). The necessary condition will be to meet the innovation criteria (specified in documents particularising the programme). The priority will be given to the pioneer solutions, i.e. introduced for the first time or little known.

Which SG OP measures provide support for implementing the results of R&D work?

Name of measure/sub-measure	Who is it for?
Sub-measure 3.2.1 Research for the market (competition projects)	Micro, small and medium-sized enterprises
Sub-measure 3.2.2 Technology innovation credit (competition projects)	Micro, small and medium-sized enterprises
Sub-measure 3.2.3 Guarantee fund to support innovative enterprises (financial instrument)	Micro, small and medium-sized enterprises*

* Final recipients of support

Technology innovation credit is the follow-up to the measure implemented under the Innovative Economy programme. The support granted in form of the so-called technology premium will allow to partially repay technological credit granted by a commercial bank.

5.3. LABORATORIES AND EQUIPMENT – INVESTMENTS IN R&D INFRASTRUCTURE

5.3.1. Enterprises

If the planned research and development work requires investments in infrastructure of an enterprise (devices, equipment or technology), it may be financed under the Smart Growth programme. However, its purchase must be directly linked with the research and development work plan.

The following factors will decide about granting of co-financing:

- the scope of planned industrial research or development work, which will be performed using new or modified infrastructure;
- the ability of a project initiator to carry out R&D work (experience and human resources) and to create new jobs in the R&D sector;
- the share of expenditure on research and development in the total cost of the investment.

5.3.2. Scientific entities

Scientific entities may use the financing from the Smart Growth programme funds for investments from the so-called Polish Roadmap for Research Infrastructure, i.e. selected projects concerning large, strategic research infrastructure.

The Polish Roadmap for Research Infrastructure is a list of 53 most important investments in strategic research infrastructure, i.e. equipment and facilities of key importance for development of scientific research in Poland. The list of undertakings will be updated by the Ministry of Science and Higher Education.

The condition for granting the co-financing will be the obligation of the project provider to develop assumptions for sharing the purchased equipment with enterprises and other stakeholders. The project should supplement the already existing research and development infrastructure.

Which SG OP measures provide support for purchase of research infrastructure?

Name of measure/sub-measure	Who is it for?
Measure 2.1 Support for investments in R&D infrastructure of enterprises (competition projects)	Enterprises
Measure 4.2 Development of modern research infrastructure of the science sector (competition projects)	Scientific entities, consortia of scientific entities, consortia of scientific entities and enterprises

5.4. INNOVATION ENVIRONMENT – PRO-INNOVATION SERVICES

The development and professionalisation of pro-innovation services will constitute an element of support for research and development of companies. As a result, entrepreneurs will gain broader access to services provided by business environment institutions (i.a. advisory and expert services on research and development, training in patent protection or brand promotion abroad). The programme also envisages the possibility to apply for reimbursement of costs related to obtaining the protection of industrial property.

Which SG OP measures support the provision of pro-innovation services?

Name of measure/sub-measure	Who is it for?
Sub-measure 2.3.1 Pro-innovation BEI* services for SMEs (competition projects)	Micro, small and medium-sized enterprises
Sub-measure 2.3.2 Innovation vouchers for SMEs (competition projects)	Micro, small and medium-sized enterprises
Sub-measure 2.3.3 Internationalisation of Key National Clusters (competition projects)	Coordinators of Key National Clusters, Members of Key National Clusters
Sub-measure 2.3.4 Protection of industrial property (competition projects)	Micro, small and medium-sized enterprises

*BEI – business environment institutions

5.5. "OPEN INNOVATION" – TECHNOLOGY TRANSFER

Technological development requires dissemination of knowledge, new ideas and technologies. For this reason, the Smart Growth programme resources will be used to create a technology bank which will collect patents, licences or unpatented technical knowledge of (especially large) enterprises and research and development institutions.

Companies will be able to apply for co-financing of the purchase of intellectual property rights from the technology bank and advisory services related to this process (e.g. valuation of the subject of the transfer or verification of formal and legal correctness of transactions).

Which SG OP measures provide support for technology transfer?

Name of measure/sub-measure	Who is it for?*
Measure 2.2 Open innovation – support for technology transfer (non-competition project; financial instrument)	Micro, small and medium-sized enterprises

* Final recipients of support

5.6. ENTERING FOREIGN MARKETS (INTERNATIONALISATION)

Entrepreneurs interested in entering foreign markets may apply for co-financing from the European Funds for promotion of products, services or technology abroad. The support under the Smart Growth programme is addressed to sectors with a high competitive and innovation potential and to selected priority foreign markets. To “internationalise” Polish innovative companies, the following support instruments have been developed:

- **Polish tech-bridges**, i.e. financing the establishment of economic and technological contacts, whose aim will be to introduce highly innovative products, services or technologies to the selected countries’ markets,
- **general and sectoral programmes**, i.e. financing the promotion of the Polish economy by selected sectors and at the most important economic and promotional events (such as EXPO, important fairs etc.).

Which SG OP measures provide support for export and international promotion?

Name of measure/sub-measure	Who is it for?
Sub-measure 3.3.1 Polish tech-bridges (non-competition projects)	Micro, small and medium-sized enterprises*
Sub-measure 3.3.3 Support for SMEs in the promotion of Polish product brands – Go to Brand (competition projects)	Micro, small and medium-sized enterprises

* Final recipients of support

5.7. DEVELOPMENT OF R&D PERSONNEL

The key to conducting R&D work is knowledge, competence and experience of persons engaged in the project. Therefore, a part of the Smart Growth programme resources has been allocated to increasing the competences of scientists and employees of companies in the management of research and commercialization and in the area of cooperation between business and science. The financing of personnel development under the SG OP will include:

- group projects conducted in scientific entities or enterprises by eminent researchers from around the world, including the returning scientists of Polish origin,
- group projects with the participation of students, PhD students and young scientists, conducted under the direction of a researcher with experience in cooperation with the economy and targeted at developing a specific solution for business,
- projects of academic Technology Transfer Centres (TTC) and special purpose entities targeted at support for commercialisation of the results of research of their employees and PhD students,
- internships of employees of enterprises in foreign enterprises or renowned research organisations.

Which SG OP measure supports personnel development?

Name of measure/sub-measure	Who is it for?*
Measure 4.4 Increasing the human potential in R&D sector (non-competition project)	scientific entities, entrepreneurs, scientists, students, PhD students, special purpose entities, academic technology transfer centres

* Final recipients of support

5.8. GREATER SIGNIFICANCE OF THE POLISH SCIENCE ON INTERNATIONAL LEVEL

A measure financing the development of International Research Agendas will contribute to strengthening the position of Polish science in the international market. The involvement of scientific entities and researchers in the best research teams in the work of individual agendas will allow to conduct international projects on a greater scale and will contribute to increasing and consolidating the importance and prestige of the Polish science.

International Research Agendas are joint research programmes created by Polish scientific entities in cooperation with renowned research centres from other countries.

Which OP OP measures will finance the International Research Agendas?

Name of measure/sub-measure	Who is it for?*
Measure 4.3 International Research Agendas (non-competition project)	Scientific entities, scientists

* Final recipients of support

5.9. START-UP, SPIN-OFF

In order to support new companies which are emerging based on innovative technological ideas, solutions have been developed to allow to obtain funds from private investors and fill in the gap in financing high-risk undertakings. Start-ups, whose development financing opportunities are limited, will be able to use the financial instruments available under the programme. This form of support includes, i.a.: seed capital, venture capital and loans.

Approximately 10% of the SG OP budget has been allocated to financial instruments.

The entities will be created to find innovative ideas or R&D projects (including those created by researchers) to be supported and to invest public and private funds in the companies established based on those ideas or projects.

Development of public-private forms of financing will be based on:

- capital and quasi-capital instruments;
- a loan instrument.

Companies past the start-up stage will be able to use the SG OP funds to finance activities related to entry to capital and bond markets (e.g. advisory services on preparing documentation and analyses necessary to find an external investor).

Which SG OP measures finance the activity of enterprises at early stages of their development?

Name of measure/sub-measure	Who is it for?*
Sub-measure 1.3.1 Support for development of undertakings from the science sector at the seed stage – BRIDGE Alfa (financial instrument)	Originators, research teams
Sub-measure 1.3.2 Public-private support for R&D work with capital fund participation – BRIDGE VC (financial instrument)	Micro, small and medium-sized enterprises
Measure 2.2 Open innovation – support for technology transfer (financial instrument)	Micro, small and medium-sized enterprises
Sub-measure 3.1.1 Investments in innovative start-ups – Starter (financial instrument)	Micro, small and medium-sized enterprises
Sub-measure 3.1.2 Business angels' group investments in SMEs – Biznest (financial instrument)	Micro, small and medium-sized enterprises
Sub-measure 3.1.3 Innovation Loan Fund (financial instrument)	Micro, small and medium-sized enterprises (which have an investor)
Sub-measure 3.1.4 Competitive Nationwide Fund of Innovative Funds (financial instrument)	Micro, small and medium-sized enterprises
Sub-measure 3.1.5 Support for SMEs to access the capital market – 4 Stock (competition projects)	Micro, small and medium-sized enterprises

* Final recipients of support

6. CASE STUDY

Let us move back in time. It is the end of the 19th century. Jan Szczepanik is working on a piece of clothing to protect from bullets fired from small arms. After many years, his experiments succeed – the inventor develops the first bulletproof vest in the world. The invention saves the King of Spain Alfonso XIII from death and Jan Szczepanik becomes known as “the Polish Edison”. However, new types of bullets are developed that the bulletproof vest cannot protect against. In order for the invention to be improved, specialist research on more durable materials is needed.

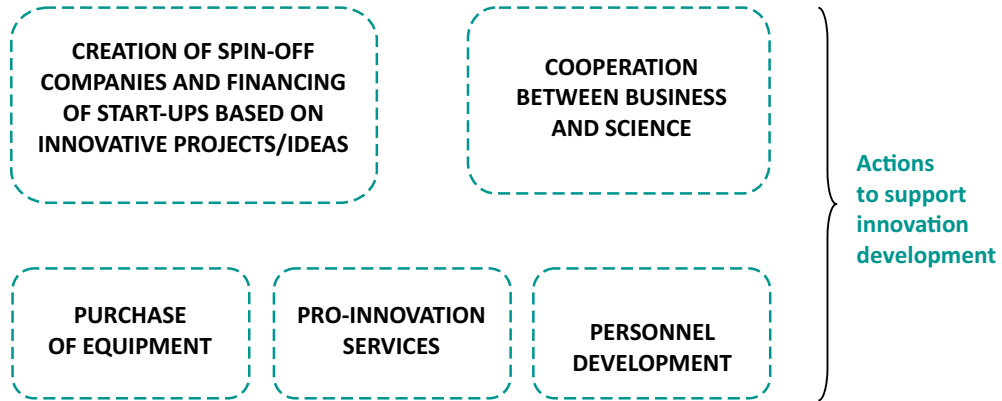
Nowadays, funds from the Smart Growth programme would provide the opportunity to improve the bulletproof vest and Jan Szczepanik could finance i.a.:

- R&D work on properties of innovative fibrous composites (material currently used for ballistic protection);
- the purchase of technical moulds for multi-layered and compact structure composites with ballistic properties;
- elaboration of a demonstrative bulletproof vest with the use of fibrous composites;
- introduction of the invention to a large-scale production;
- advisory services, i.a. concerning the legal protection of the invention;
- establishing economic contacts within the framework of the Polish Tech Bridges.

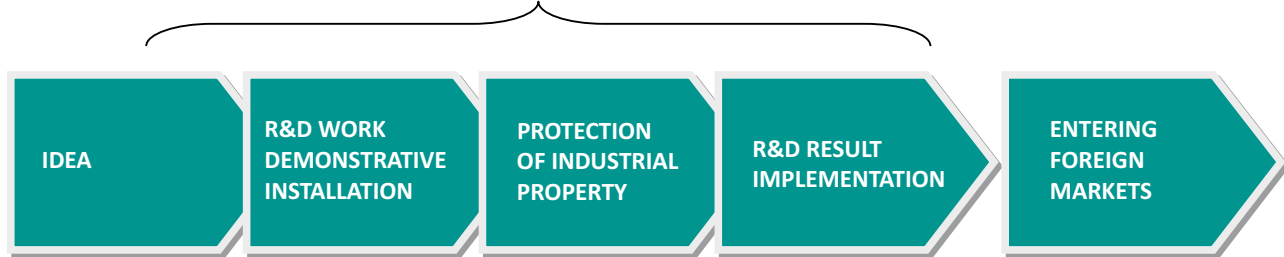
* Developed based on assumptions of the project: “Modern ballistic body armours and covers for transportation means as well as for buildings, made on a basis of fibrous composites” of the Institute of Security Technologies Moratex. The project has been implemented thanks to co-financing from the Innovative Economy programme.

7. FINANCING INNOVATION UNDER SG OP – DIAGRAM

“From idea to market” financing innovation under the Smart Growth programme



Innovation creation process



“FROM IDEA TO MARKET” Smart Growth Programme

8. NATIONAL SMART SPECIALISATION

The smart specialisation strategy identifies the areas where the state or a given region may gain a competitive advantage in research and development and innovation. Thanks to cooperation between companies, scientists and institutions involved in supporting the R&D, the document entitled “National Smart Specialisation” (NSS) identifies 19 areas in which Poland could specialise.

19 smart specialisation areas were grouped into 5 thematic areas.



What is the connection between the National Smart Specialisation and the Smart Growth programme?

One of the conditions for obtaining co-financing of projects under selected measures of the Smart Growth programme is their compatibility with the National Smart Specialisation areas.

The NSS list is an open catalogue, and the SG OP projects under selected measures will also be used to verify the potential of smart specialisation areas in the so-called entrepreneurial discovery process.

The SG OP funds will be used to develop a system for monitoring and updating smart specialisations at the national and regional level.

Which SG OP measure finances the entrepreneurial discovery process?

Name of measure/sub-measure	Who is it for?*
Sub-measure 2.4.2 Monitoring of the National Smart Specialisation (non-competition project)	Micro, small, medium-sized and large enterprises, scientific entities, scientists and students, business environment institutions, social and economic partners, public administration

* Participants of the entrepreneurial discovery process

9. INSTITUTIONS OF THE SMART GROWTH PROGRAMME

Ministry of Infrastructure and Development (so-called Managing Authority of SG OP)

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