

The Enterprise and innovation support – the Ústí Region opportunities – Operational Programme Enterprise and Innovations for Competitiveness (OP EIC)

Ministry of Industry and Trade

BUSINESS FORUM
ÚSTÍ REGION 2015
21st – 22nd September 2015



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EVROPSKÝ FOND PRO REGIONÁLNÍ ROZVOJ
INVESTICE DO VAŠÍ BUDOUCNOSTI



The presentation content

- 1. Ministry of Industry and Trade and the Enterprise support**
- 2. OP EI 2007-2013 and OP EIC 2014-2020**
- 3. Priority axis 1 OP EIC 2014-2020: R&D&I**
- 4. OP EIC and financial tools**
- 5. Further financial tools implemented by MIT**

MIT and the Enterprise support



How can „the state“ support Enterprise?

→ By creating the environment

- ▶ Laws and regulations (start and termination of Enterprise, the tax system, regulation, informational obligation, inspection...)
- ▶ The functioning of public services institutions (offices, courts ...)

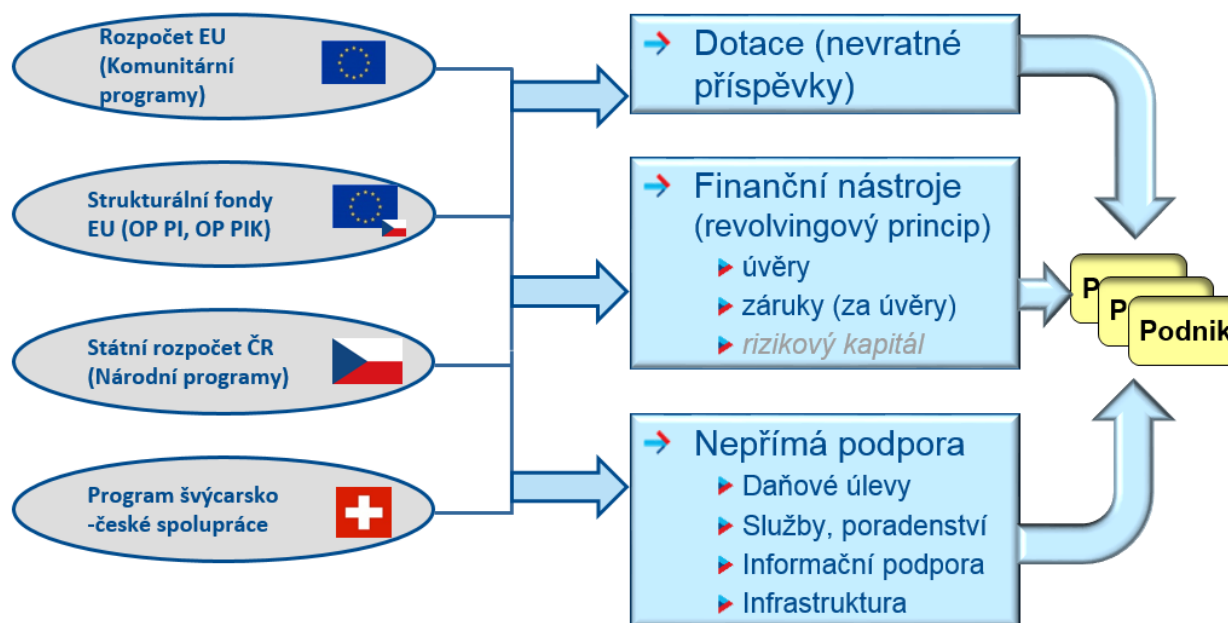
→ Financial provision

- ▶ Non returnable subsidies (from the European structural and investment funds, from the National Budget, from the regional and municipal budgets ...)
- ▶ Returnable financial tools (loans, guarantees, risk capital...)
- ▶ Indirect financial incentives (tax relief...)

→ Further services

- ▶ Infrastructure (Enterprise incubator, VT parks, innovative centres ...)
- ▶ Consultancy (solving specific situations, business development, export)
- ▶ Education and Informational service (courses, training, internship, web pages, publications)

MIT – Public sources and forms of enterprise support



Examples of support authorized by MIT

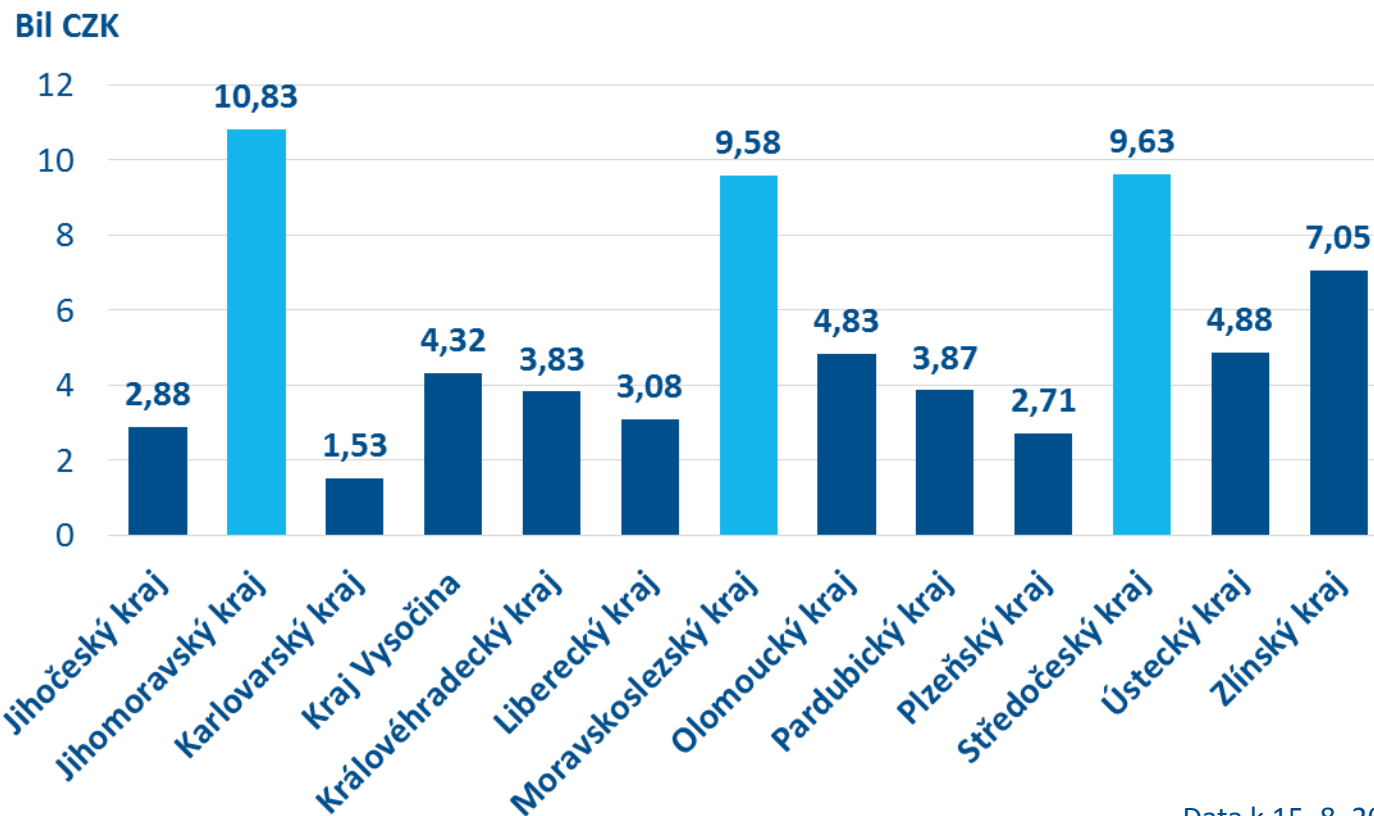
- Operational Programme Enterprise and Innovations OP EI (2007 – 2013)
- Operational Programme Enterprise and Innovations for Competitiveness OP EIC (2014 – 2020)
- National Programme GUARANTEE (2015 – 2023)
- Programme of Swiss - Czech cooperation INOSTART
- Community programme HORIZONT 2020 (authorized by MEYS)
- Community programme COSME
- Investment incentives
- Programme of enterprise property and infrastructure support
- Department programme TIP
- Etc.



OP EI 2007-2013 and OP EIC 2014-2020

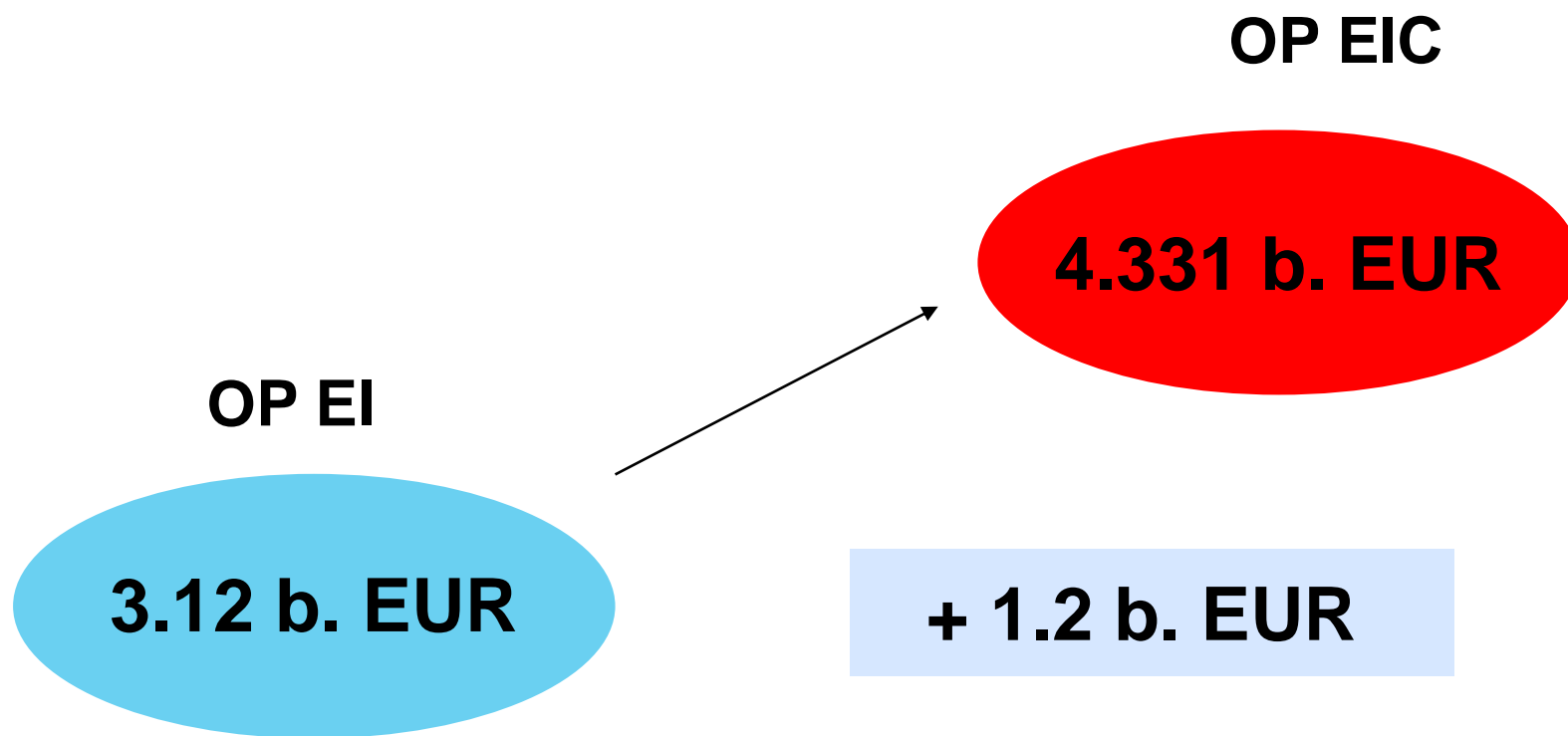


OP EIC drawing in particular regions



Data k 15. 8. 2015

Allocation of OP EI 2007-2013 and OP EIC 2014-2020 (ERDF)



OP EIC focus – Priority axes (PA)

PA1 – Research and development growth for innovations

PA2 – Growth of Enterprise and Competitiveness of Small and Medium-sized Enterprises

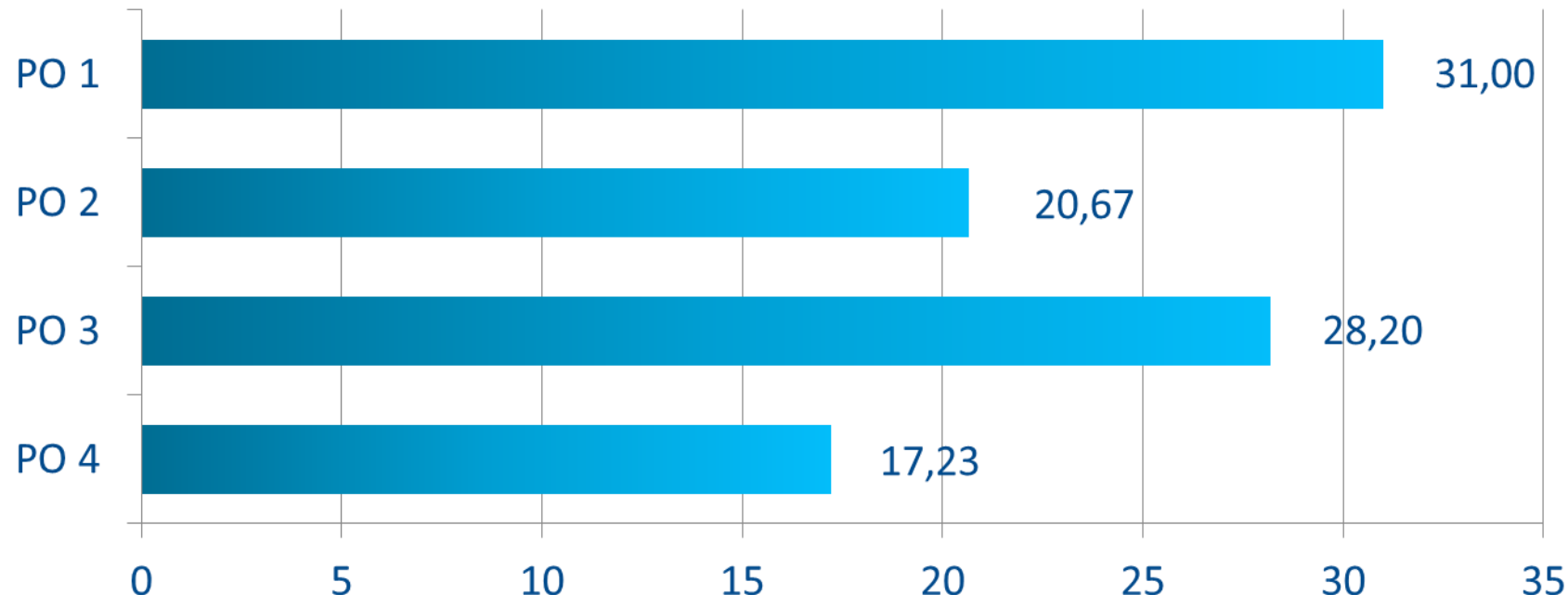
PA3 – Effective handling of energy, growth of power infrastructure and renewable energy sources, support of new technologies instalment in the field of energy handling and secondary raw materials

PA4 – Development of high-speed connection networks to internet and information and communication technologies

Financial allocation OP EIK

Total allocation OP EIK 4.331 bil. EUR, contribution ERDF

Participation of financial allocation of priority axis in the total allocation of OP EIC (in %)



PO1	PO2	PO3	PO4
Innovation Potential	Technologies Consultancy	Renewable energy sources	High-speed internet
Application	Risk Capital		
PCP	Expansion	Energy savings	
Partnership of knowledge transfer	Marketing	Smart grids I.	
Cooperation	Properties	Low-carbon technologies	ICT and shared services
Innovative vouchers		Energy savings in SST	
Infrastructure services	Educational centres	Smart grids II.	
Proof of Concept			

Note.: Benefit Programmes written in bold have already been approved by the CR government.

Priority axis 1
OP EIC 2014-2020
R&D&I



Devision of priority axis 1 OP EIC

Specific aim 1.1 Increase of innovative performance of Enterprises

- ➔ Support of application of innovations in Enterprises, especially in technologies (modified programme INNOVATIONS)
- ➔ Support of establishment and development of Enterprise research and development centres (present programme POTENTIAL)
- ➔ Support of projects of Industrial research and development with outcomes in the form of prototypes, semi-operations, materials, softwares (programme APPLICATION)

Program POTENTIAL

- ➔ **Support beneficiaries:**
Enterprise entities
- ➔ **Extent of support:**
Up to 50 %
- ➔ **Maximum amount of support :**
75/150 million CZK /proj
- ➔ **Planned amount per proposal:**
1.5 b. CZK
- ➔ **Type of proposal:**
continual
- ➔ **Announcement of first proposal of the programme**
June 2015
- ➔ **Opening of receipt of RA**
1st June 2015
- ➔ **Opening of receipt of FA**
1st September 2015

Programme INNOVATIONS

- ➔ **Support beneficiaries:**
Enterprise entities
- ➔ **Extent of support**
25 – 45 %
- ➔ **Maximum amount of support:**
200 million CZK/project
- ➔ **Planned amount per proposal:**
4 b. CZK
- ➔ **Type of proposal:**
continual
- ➔ **Announcement of first proposal of the programme**
June 2015
- ➔ **Opening of receipt of RA**
1st June 2015
- ➔ **Opening of receipt of FA**
1st September 2015

Programme APPLICATION

- ➔ **Support beneficiaries:**
Enterprise entities and research and education proliferation organizations
- ➔ **Extent of support:**
According to the size and activity type of entities
- ➔ **Maximum amount of support:**
100 million CZK/project
- ➔ **Planned allocation per proposal:**
2 b. CZK
- ➔ **Type of proposal:**
in rounds
- ➔ **Announcement of first proposal of the programme**
26th June 2015
- ➔ **Opening of receipt of RA**
26th June 2015
- ➔ **Opening of receipt of FA**
1st September 2015

Division of Priority axis 1 OP EIC

Specific aim 1.2 Evolution of cooperation between the Enterprise sector and public education and scientific-research institutions.

- ➔ Support of Enterprise innovation centres, scientific-technical parks and incubators (programme INFRASTRUCTURE SERVICES)
- ➔ Support of clusters and technological platforms (programme COOPERATION)
- ➔ Communication development and experience and know-how sharing between the Enterprise and research spheres (programme PARTNERSHIP OF KNOWLEDGE TRANSFER and INNOVATIVE VOUCHERS)

Programme INNOVATIVE VOUCHERS

➔ **Support beneficiaries:**

- Support beneficiaries for activity a) It can be a SME entity
- Support beneficiaries for activity b) It can be practitioners of innovative infrastructure, such as scientific-technical parks, innovative centres and Enterprise incubators.

➔ **Extent of support**

Up to 100 %

➔ **Maximum amount of support**

0.5 million CZK /project of type A, 5 million CZK / project of type B

➔ **Planned allocation per programme (ERDF)**

13,987,240 EUR

➔ **Planned announcement of the first proposal of the programme: November 2015**

November 2015

Programme PARTNERSHIP OF KNOWLEDGE TRANSFER

- ➔ **Support beneficiaries**
The support beneficiary is a SME entity
- ➔ **Extent of support**
up to 70 %
- ➔ **Maximum amount of support**
4 million CZK per project
- ➔ **Planned allocation per proposal**
300 milion CZK
- ➔ **Type of proposal**
in rounds
- ➔ **Announcement of first proposal of the programme**
1st June 2015
- ➔ **Opening of receipts of R**
- ➔ **Opening of Zahájení příjmu PŽ**
1st September 2015

Program COOPERATION

- ➔ **Maximum amount of support**
80 million CZK per project
- ➔ **Planned allocation for the proposal of activity Clusters:**
500 million CZK
- ➔ **Type of proposal**
In rounds
- ➔ **Announcement of the first proposal of the programme**
1st June 2015
- ➔ **Opening of receipts of RA**
1st June 2015
- ➔ **Opening of receipts of FA**
1st September 2015

Programme INFRASTRUCTURE SERVICES

- ➔ **Maximum amount of support**
80 million CZK per project
- ➔ **Planned allocation for the proposal of activities b) c) d):**
2 b. CZK
- ➔ **Type of proposal:**
continual
- ➔ **Announcement of the first proposal of the programme**
November 2015
- ➔ **Opening of receipts of RA**
November 2015
- ➔ **Opening of receipts of FA**
January 2016

OP EIC and financial tools



- **The expected share of financial tools for OP EIC allocation is 10%, i.e. 434 million EUR (approx. 12 b. CZK), majority in the priority axis 2 and only as a supplement in priority axis 1 and 3**
- The implementation of financial tools should be secured mainly by ČMZR bank.
- ➔ Tools of „the 1st generation“: loans, guarantees in SA 2.1, 2.3, 3.2 and 3.5
 - Standard implementation models, a possibility of fast set up
- ➔ Tools of „the 2nd generation“ – innovative financial tools in the sphere of risk capital, proof-of-concept, revitalization of brownfields
 - Piloting projects with more complex implementation and smaller allocation, a chance of broadening after a successful implementation

Specific target/PA	Program podpora	FN 1st generation	FN 2nd generation	Suggested range of allocation FN (mil. EUR)	Allocations ŘO for pilot implementation FN (mil. EUR)	Specific target allocation on OP EIC (mil. EUR)
1.1 – Increase innovative efficiency of enterprises	Innovation	Guarantees		50-65	0	974.9
1.2 – Increase intensity and effectivity of cooperation in research, development and innovations	Proof of Concept		Capital input	21-42	20	377.7
2.1 – Increase competitiveness of starting and developing SMEs	Expansion	Soft loans and guarantees		322-436	350	609.4
	Risk capital		Capital input	30-60	30	
2.3 – Increase efficiency of infrastructure for enterprise	Nemovitosti	Soft loans	Sub-loans	20-35	3-20	113.1
3.1 – Increase rate of energy production from renewable sources in total gross consumption in CR	Renewable energy sources	Soft loans		15-22	0	53.5
3.2 – Increase energetic efficiency of enterprise sector	Energy savings	Soft loans		20-75	20	746.2
3.5 – Increase efficiency of heating supply systems	Energy savings in HSS	Soft loans		11-25	11	142.9

- Activation of the domestic market with risk capital, especially in seed, start up and early stage phases
 - Provision of know-how and reinforcement of general awareness about this type of financing.
 - Additional aim is to increase attractiveness of CR for foreign funds of risk capital that can bring not just the capital into the starting-up Czech environment, but also the necessary global contacts.
 - The investment strategy of the fund will be aimed at areas that are covered by the private funds of risk capital only peripherally at the moment – piloting (prototyping) phase and high-tech departments outside ICT with a longer return period.
- ➡ The study of feasibility has undergone an interdepartmental remark procedure and has been discussed by the government.

Further financial tools implemented by MIT



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Programme GUARANTEE 2015 - 2023

- ➔ Guarantees will be provided to **small-sized Enterprises with less than 50 employees up to the amount of 4.1 million CZK.**
 - ▶ Guarantees for investment loans with up to 8 years liability
 - ▶ Guarantees for loans for stock acquirement with up to 6 years liability
- ➔ To obtain the guarantees, entrepreneurs may make use of the standard procedure and apply immediately in case of need.
- ➔ Necessary information, especially application forms, instructions for applicants and overview of cooperating banks are available at web page www.cmzrb.cz.

Investment plan for Europe (Juncker's package)

- ➔ **European fund for strategic investments (EFSI)** represents the core element of the investment plan for Europe which may mobilize means from public sources, apart from the EU budget, with the aim to attract investments from the private sector.
- ➔ **Means deposited at EFSI should gradually reach the volume of up to 21 b. EUR:**
 - ▶ Guarantee from the EU budget in the amount of up to 16 billion EUR
 - ▶ Amount of 5 b. EUR from the European Investment Bank (EIB)
 - ▶ Other potential contributions, e.g. From the member states - G, FR, IT and PL 8b. EUR each; ES – 1.5 b. EUR; LU - 80 million EUR and recently also SR - 400 million EUR – via national supporting banks, these will be provided above the frame of expected 315 b. EUR.
- ➔ **According to EC and EIB estimations these means should reach a total multiplying effect of 1:15, thus generating around 315 b EUR of new investments.**

Juncker's investment plan for Europe + COSME

- ➔ **A first factual engagement of CR in so-called Juncker's package have been attained.**
- ▶ **By making an agreement about provision of guarantee between EIF and ČMZR bank the MIT with its national programme Guarantee 2015-2023 is getting engaged in Programme for Competitiveness of Enterprises and SMEs (COSME) and also in the usage of European Fund for Strategic Investments (EFSI), established within the scope of Investment plan for Europe.**
- ➔ **By utilization of back-up guarantee from the EIF the investment and stock loan guarantess will be provided. The investment loan liability will be granted for up to 8 years, the operational loan one for up to 6 years. Enterpriser will not induce any charges for the guarantee.**
- ➔ **Since February 2015 over 2000 loans in the total amount of 5.4 b. CZK for SMEs have been secured via the national programme Guarantee.**

Programme INOSTART



→ The project content

- Implemented by MIT within the Programme od Swiss – Czech cooperation in order to reduce economic and social differences under the terms of expanded European union.
- The aim is to enable **small and medium-sized enterprises (SMEs)** to gain access to loans for realization of **innovative enterprise intentions** (within 3 years from a business start up) by provision of loan guarantee.
- Supplemented by advantaged (subsidized)counsultancy in the area of business and innovation management and development and the preparation of a business plan
- 10 million CHF (approx. 260 million CZK) have been allocated to the programme, intended for provision of guarantees and consultancy
- Announced in year 2013 initially in the Moravian-Silesian and Olomouc region
- The programme has been extended to the whole CR in May 2014

→ Realization of the project

- Loans in the amount of 0.5 – 15 million CZK and consultancy (up to 150 thousand CZK)provided by Czech insurance company
- The loan is secured by the ČMZRB bank guarantee up to the extent of 60 % unpaid principal sum of every loan.
- Up to 31st March 2015 the entrepreneurs were provided with loans of a total sum 140 million CZK.
- This support has resulted in the creation of 135 new working positions.
- The programme of Swiss – Czech cooperation will end in December 2016, programme Inostart will continue as a national programme..

Thank you for your attention.



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