

Clipper - Supporting the Competitiveness of SME in the Maritime Sector

Clipper Action Plan for Schleswig-Holstein



1. Introduction

We started the Clipper project in 2017, with a view that in the light of global competition the rather traditional maritime sector and in particular the sector's SMEs need to be well supported on a regional level to become competitive in new technology fields such as Marine Renewable Energies (MRE). The overall project objective is to improve public policies in support to maritime industries' SMEs, notably by encouraging business strategies focused on diversification and differentiation.

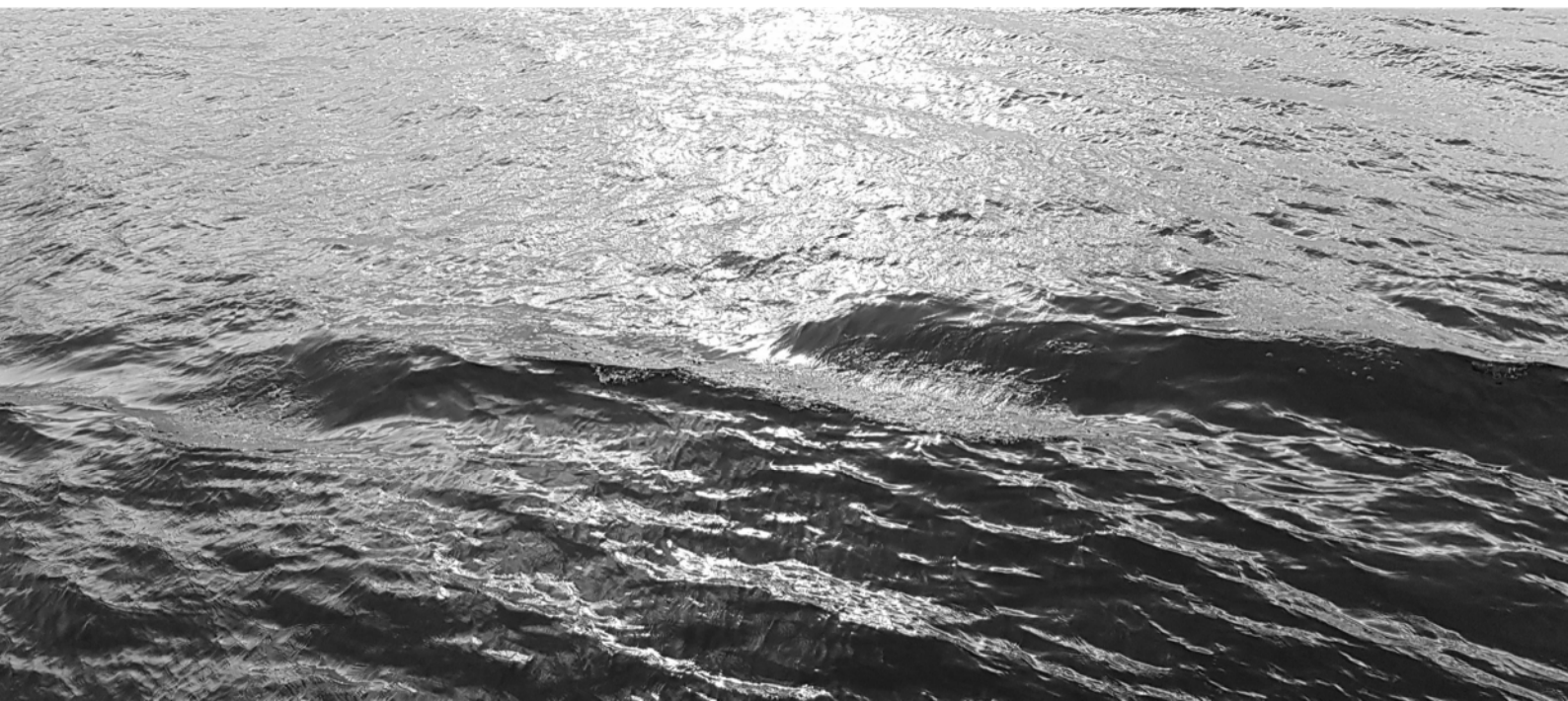
The 7 partner regions participating in this project were:

- Pays de la Loire, France
- Asturias, Spain
- Fife Council, UK
- Liguria, Italy
- Turku, Finland
- Schleswig-Holstein, Germany
- Dalmatia, Croatia

During the course of the project, intense exchanges between these participating regions took place, including an extensive benchmark. A number of conferences with stakeholders within the regions fostered an understanding of the specific challenges and needs of SMEs in the sector. These exchanges laid the foundation for learnings that lead to the formulation of recommendations to policy makers and of this action plan.

This Action Plan covers Schleswig-Holstein, Germany. It has been prepared by the R&D Centre of Kiel University of Applied Sciences GmbH in close cooperation with regional stakeholders and the Managing Authorities of the relevant policy instrument, ERDF Operational Programme for Schleswig-Holstein.

The main policy instrument addressed in the project for Schleswig-Holstein is the operational programme of allocating the funds provided by ERDF for Schleswig-Holstein. In the funding period 2014-2020, ERDF provided Schleswig-Holstein with EUR 271,24 million. Out of these funds, EUR 21,5 million are reserved for the SME Investment Fund, and EUR 6 million for the Seed- and Start-Up Fund II. Thus, the remaining EUR 243,74 million are supposed to be allocated according to the 17 ERDF-funded guidelines of the Federal Programme for the Economy and, among other purposes, support the maritime SME.



2. How this Action Plan was developed

This action plan for Schleswig-Holstein is the result of three major activities in the Clipper project:

- The regional territorial diagnosis of the maritime sector in Schleswig-Holstein with a focus on policy instruments supporting this sector
- Meetings with relevant stakeholders on a regional level, within Schleswig-Holstein
- International exchange with project partners and their stakeholders

A number of valuable suggestions for improving public policy with respect to the maritime sector were developed on this basis.

Most notably, the stakeholder meetings in Schleswig-Holstein, were a valuable source for suggestions for improvement. In these meetings both the SME interested in public funds and the authorities responsible for delivering the funds were given an opportunity to extensively exchange their views.

Representatives from SMEs criticized some aspects of the allocation of funds in Schleswig-Holstein: according to them the allocation mechanisms are too complicated, the application processes are very time-consuming and expensive, and SMEs lacked consulting and support in application processes. They wished for a better and easier access to the funds, more exchange with other stakeholders, and support from the municipalities.

The Suggestions (all related to the ERDF operational program) that were derived on the basis of stakeholder exchanges, discussions with project partners and the regional territorial diagnosis are as follows:

a) Calls for Project Proposals

Currently, funds are retrieved very irregularly in the course of the program. Resources in the funding authorities are therefore sometimes underutilized and at other times under extreme stress. From the point of view of institutions seeking funding this could mean that they have to wait longer to get their application acknowledged.

Introducing calls would help to advertise the possibility to apply in the industry, focusing the attention to call deadlines rather than having a long timespan for applications. It might therefore help utilize the resources in the administering authorities.

b) Differentiated application process

One of the issues raised by SME was that the amount of effort required to apply for funds stands in no relation to the amount of funding that they can apply for. A simplified procedure is required for SMEs and for smaller funds.

c) Introduction of funding flats

Currently, claiming administrative expenses is highly complex for SMEs. The introduction of flat percentages, for example, would simplify it for firms and administrative bodies.

d) Crowdfunding support

Crowdfunding is now widely accepted as a means to finance projects. While crowdfunding would generally constitute an applicant's own contribution, it might also be seen as a quality check. A firm that has received crowdfunding support for a project could therefore possibly apply for ERDF funds in a simplified way.

e) Funding Consultants

SMEs often rely on the help of consultants in application procedures. Currently, the cost for these consultants cannot be claimed. It would be helpful for SMEs if they could claim this cost and if the consultants in question were certified by the authorities administering the funds.

f) Interim financing

The time between funds being spent by SMEs and reimbursement by the authorities can be very long. This can lead to liquidity problems for the SMEs. This problem cannot be addressed in the ERDF operational program but would have to be solved by the Schleswig-Holstein Ministry of the Economy offering interim finance another policy instrument.

g) Central Application Office

In Schleswig-Holstein, presently, ERDF funds are administered by two bodies, the Schleswig-Holstein Investment Bank (IBSH) and the Business Development and Technology Transfer Corporation (WTSH). This leads to confusion among companies applying for funds who are unsure who is responsible for which funding program. It would help to have only one central application office. It would already improve the situation to have joint information events by both institutions and/or to have a common website informing about the funding possibilities and responsibilities.

h) Suggestion system

To establish a continuous learning process, it would be helpful to have an online suggestion system where all parties involved could submit recommendations.

i) Case Studies

Currently, there is little information available on projects that received funding in the past. Case Studies that are available to new applicants were suggested in stakeholder meetings for illustration purposes, and as a means to improve information, help in the application process and foster learning from past experience as per h).

All these recommendations from the project have been submitted to the Schleswig-Holstein Ministry of the Economy and will be discussed in the process of devising a new regional programme. Whether they will be implemented, depends on the political debating and decision process. Action i), however, can be taken up by the project team and implemented in phase 2 of the project.



3. Action Plan

Action 1: Case Studies

Policy Context

The policy instrument addressed is the ERDF operational programme for Schleswig-Holstein 2014-2020.

The policy instrument that the action plan aims to impact is

- investment for growth and jobs programme: YES
- European territorial cooperation programme: NO
- other regional development policy instrument: NO

Details of the Action envisaged

The aim of this action is to develop a set of case studies describing ERDF funded projects that constitute good practice. These case studies can then be referred to by future applicants and used by the authorities in their campaigns. The case study collection has to consider that all the findings can be transferred to as many other companies as possible. It should also incorporate an as big number of different projects, representing the available programmes, as possible.

A standard format for these case studies will be developed, based on EU standards and the case studies will be made available to the public via a website, preferably the websites of the authorities administering the ERDF funds.

The Case Studies shall contain information like:

- Description of the Institution(s) applying for funds (e.g. sector, size, legal form)
- Description of the project for which funding was requested (e.g. size, content, expected impact)
- Details on the administrative process, e.g.
 - application with or without external help
 - workload required for application
 - time until acknowledgment
 - type of reporting, estimated workload for reporting
 - time until receiving the funds
- Lessons to be learned / Success Factors
- Transferability / Limitations

Need addressed / European Context

In the regional stakeholder meetings, several representatives of SME voiced criticism regarding the way that ERDF (and other public) funds are administered in Schleswig-Holstein. Some participants criticised some aspects of the EFRE-funds allocation in Schleswig-Holstein: the allocation mechanisms were too complicated, the application processes very time-consuming and expensive, and they lacked consulting and support in application processes. They wished a better and easier access to the funds, more exchange with other stakeholders, and support from the municipalities.

In the discussions during the international meetings with our project partners and in the international matchmaking event we organized in Kiel, Schleswig-Holstein, in June 2019, it became clear that there is a great interest in SMEs from the various regions to get in touch with each other and to learn about other firms' experience with applying for EDRF grants. In France, great emphasis is given to the communication of European funding programmes, especially through the close links with CPMR. We made several recommendations to improve communication in Schleswig-Holstein on this basis where the situation is, however, complicated by the fact that there are two different authorities administering each only part of the ERDF funds. The idea to develop case studies, specifically, came up in a joint project meeting in Split, Croatia where we discussed in a workshop the possibilities for making the procedures related to apply for a grant more transparent to SMEs.

The case studies which will be collected as part of this action will help to illustrate the processes around applying for grants within the region and serve as a source of inspiration for other SMEs in other regions.

Overview of the Policy Improvement that this action refers to

With this action we are going to influence the quality of information available to SMEs interested in applying for funds. Currently, there is a large lag in the application for ERDF funds. We found that halfway through the funding period (2016-2020) only a quarter of the funds had been granted and only approximately 30% had been granted to SMEs. We expect that improved information will lead to a better take up of funds by SME in the maritime industry.

Specific Activities and Timeframe

Jan 2020 – Mar 2020	Identify suitable projects together with IBSH and WTSH
Apr 2020 – Aug 2020	Meet with companies whose projects should be presented in case studies and collect the relevant information
Sep 2020 – Dec 2020	Finalise Case Studies
Jan 2020 – Mar 2020	Prepare publication of Case Studies with IBSH and WTSH
Apr 2021 – Jun 2021	Case Studies available online

Funding Sources

No additional funding required.

Monitoring

Until the end of the clipper project a minimum of 3 detailed case studies should be collected and published.

Risk and Contingency Plans

Description of Risk: Companies not willing to contribute required information

Level of Probability: Low to Medium

Contingency Plan: Need to identify more than the required 3 companies from the start to end up with minimum 3 suitable case studies.

Official Signature



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