

# FACTSHEET #5

## The Competitiveness Operational Programme (COP) 2014-2020 Supporting innovative enterprises, start-ups and spin-offs

### 1 Policy context

**Support to increase competitiveness, research, development and innovation (RDI)**, technology transfer, ICT development in the context of the Digital Agenda, or investments in new technologies or innovative processes are mainly funded through the Competitiveness Operational Programme (COP) 2014-2020. There are complementary national RDI funding programmes but the support they provide is usually lower than that of COP.

The COP 2014-2020 focuses on support for economic competitiveness, addressing two key vectors for this: RDI and ICT investments. The support includes investments in RDI public and private infrastructures, networking and cooperation, development of innovative enterprises, knowledge transfer partnerships. The ICT investments are focused on extending broadband access, adoption of emergent technologies, digitalisation, development of ICT products and services, e-governance.

The strategic framework set by the RDI National Strategy 2014-2020, and the National Competitiveness Strategy 2014-2020 defines the smart specialisation priority domains: (1) bioeconomy, (2) ICT, space and security (3) energy environment and climate change and (4) eco-nano-technologies and advanced materials.

**This factsheet is focused on the support to innovative enterprises through COP, SO 1.3 “Increase investments in the private sector RDI”, Action 1.2.1 - Support to spin-offs and start-ups.**

### 2 Support to innovative enterprises

#### 2.1 Overview – the policy in numbers

##### Introduction

The support to innovative enterprises<sup>1</sup> aims at increasing the transfer of knowledge, technology and the highly qualified human resources from the public research environment to the private one. The intervention is expected to increase the number of enterprises accessing research results to improve products and services.

Four categories of enterprises are targeted with customised support measures: (1) start-ups, (2) spin-offs, (3) newly created innovative enterprises and (4) all categories of enterprises. The grants are customised to the needs of each category of enterprise depending on their sizes, the type of eligible costs and the type of activities that can be funded.

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<sup>1</sup> Action 1.2.1 Stimulation of the Enterprises' demand for innovation [Stimularea cererii întreprinderilor pentru inovare], Priority Axis 1, COP 2014-2020.

The COP is a national level programme with € 20 M allocation for innovative enterprises support. The programme does not have pre-allocations of funds at the regional level. At 31 January 2020, 70 projects were contracted with a total public funds value of € 30.5 M, which means a contracting value of 152%.

3 projects out of the 70 contracted under the intervention are implemented in the stakeholder territory, all of them in Iași. No project has been contracted in the other three counties of the stakeholder territory.

Table 1: The COP 2014-2020 – implementation data

Romania			Stakeholder territory			
Allocation (ERDF+national)	Contracted (ERDF+national)	No. of contracts	Contracted (ERDF+national)	% in NE-SE	No. of projects	% in NE-SE
€ 20 M	€ 30.5 M	70	€ 1.61 M <sup>2</sup>	90.45	3	75

Source : <http://mfe.gov.ro/programe/autoritati-de-management/am-poc/>

## 2.2 Intervention logic

At the programme level, the need addressed by this intervention refers to the increase of innovation in enterprises, mainly in SMEs, which can eventually lead to increase of their economic competitiveness and achievement of the strategic targets, i.e., 2% R&D expenditure in GDP in 2023.

The intervention logic is further detailed at the beneficiary level.

### SMEs needs

- Financial resources and access to finance in support of:
  - Investments in technology and modern equipment;
  - Research and technology transfer costs, new product development and market promotion;
- Facilitation of cooperation with research organisations;
- Knowledge transfer.

### Actions

The intervention consists of grants awarded to innovative enterprises for RDI and transfer of research results into production and the market. Three grant schemes were designed for the different categories of beneficiaries. The start-ups and the spin-offs benefit of grants (under the “de minimis aid” regulations) up to € 200 000, with 10% co-financing; the innovative enterprises under the RDI state aid scheme can access funds up to € 5 M, but the co-financing varies between 30% and 75% of the eligible costs, depending on the type of costs. The newly created innovative enterprises<sup>3</sup> can access up to € 1.5 M, without any co-financing.

The eligible actions at project level include:

- Investments in R&D, production equipment, know-how, facilities and buildings;
- Research and development, technology transfer, production-related costs;
- Consultancy and specific services related to research development and innovation.

<sup>2</sup> Represents 8% from the total of the national allocation.

<sup>3</sup> Defined according to the EU Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

## Expected outputs

- Existing and new enterprises supported for research and development, for the introduction of new products on the market;
- Cooperation and partnerships between research organisations and enterprises;
- Private investments matching public funds.

## Expected results (defined at the sector level)

- Increased innovation in SMEs and increased R&D activity in the private sector.

## 2.3 Results achieved in the region

Only a very small part of the funding available is accessed and attracted in the stakeholder territory.

The intervention, limited to three projects funded in the stakeholder territory, can produce effects only at the level of the respective projects, without a wider echo, e.g., at county or stakeholder territory levels. Although Iași county is among the beneficiary counties attracting funds in Romania, it is still behind counties such as Timiș and Cluj with 6 and 5 contracted projects, respectively (Figure 1).

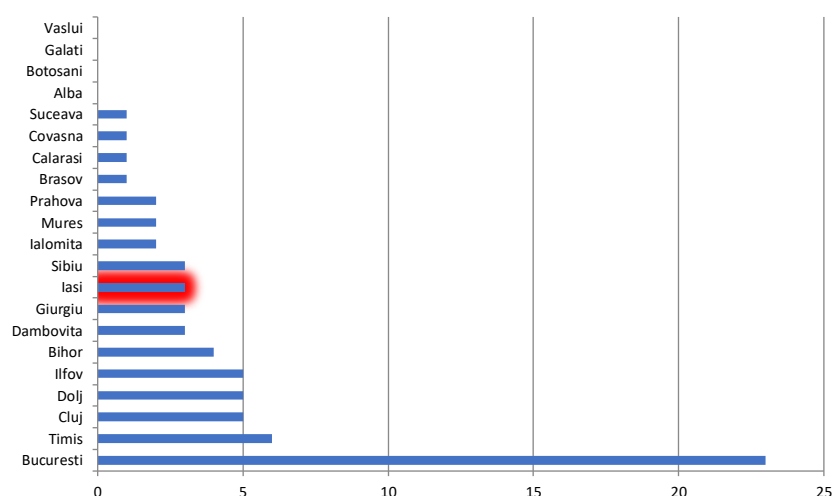
At the programme level, the contracted projects (data at 31.01.2020) ensured only partial achievement of the indicator “Number of enterprises receiving support”, i.e., 50 % of the target.

Table 2: Project outputs reported at national level

N.o	Programme indicators	National Target value (2023)	Achieved at 31.12.2018 at the national level		Achieved in the territory and % in the national level	
			No	%	No	%
1	Number of enterprises receiving support	274	137	50	3	2.1
2	Number of new enterprises	74	70	94.6	n/a	n/a

Source : <http://mfe.gov.ro/programe/autoritati-de-management/am-poc/>, 31.01.2020

Figure 2: Number of contracted projects (national level)



Source : <http://mfe.gov.ro/programe/autoritati-de-management/am-poc/>, 31.01.2020

## 2.4 The programme result indicators

The programme result indicators are defined at the national level and are not calculated at NUTS3 level. Therefore, an assessment of the programme outcomes at the stakeholder territory level based on the programme result indicators is not possible. However, a further assessment of the outcomes of the projects implemented in the stakeholder territory could be performed at a later stage after the projects' implementation phase is completed.

Based on partial data, we can highlight that, at national level, the programme already appears to be close to the final target set for 2023. The net contribution of the programme to this target can be assessed using specific evaluation methods.

*Table 2: Programme results indicators, targets, and achievements (at the national level)*

Programme result indicator	Baseline 2011	Target 2023	2016
Private Business expenditure on R&D (BERD)	62.29	80	77.6

Source : <http://mfe.gov.ro/programe/autoritati-de-management/am-poc/>, 31.01.2020