



Innovation capacity of SMEs

How can regions support SMEs to boost their innovation capacity?

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POLICY PAPER

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Thematic capitalisation

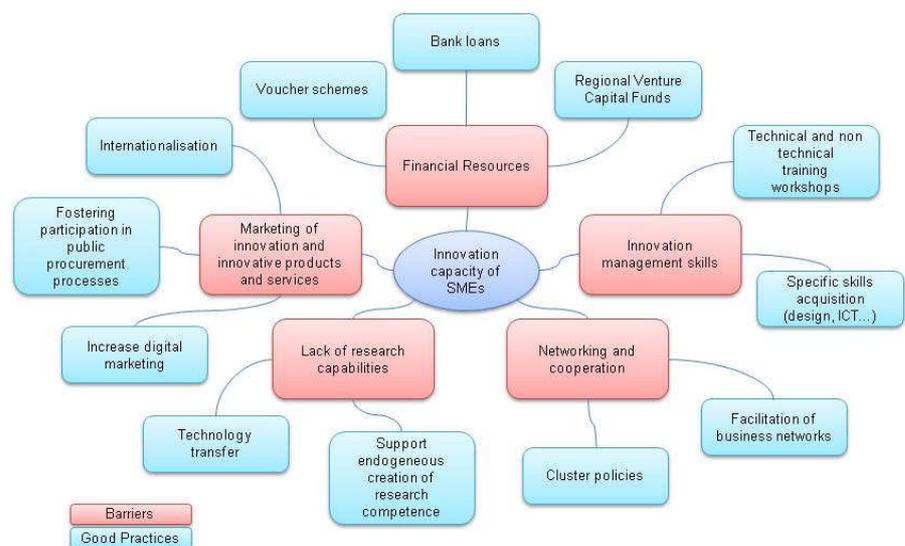
Over the last seven years the INTERREG IVC programme has been enabling public institutions all over Europe – over 2000 in total – to ‘learn through cooperation’ across 204 different interregional projects aimed at improving regional policies.

In June 2012, the programme commissioned a team of thematic experts to analyse, benchmark, and capitalise on the wealth of knowledge generated by projects working on similar regional development issues. Altogether, 12 policy themes, ranging from innovation to the environment, have been covered. 12 reports are now available detailing the insights and lessons from this capitalisation process for the benefit of all regions across Europe.

This policy paper distils the essential findings of the report into a ‘ready-to-use’ tool to convince policymakers of not only the need for change, but exactly what change is required.

Innovation is key to increase SMEs competitiveness, growth and employment capabilities; however, they usually face innovation barriers that slow their development. Therefore, it is important for European, national and regional policymakers to support SMEs’ innovation capacities by correctly understanding these barriers and by adapting policies to their local context.

It takes time for policymakers to analyse barriers and to design effective policies, especially in the field of innovation support as it is still fairly new. The seven INTERREG IVC projects within the Innovation Capacity of SMEs theme identified and characterised close to a hundred good practices to help SMEs overcome innovation main barriers:



This Good Practices inventory is ready to be tapped by policymakers and transferred to their local innovation system with one major precaution: adaptation!

Regional policy actors should build on the INTERREG IVC programme and its capitalisation process to shorten the cycles of their policy learning and sharing process



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Indeed the **implementation process of external Good Practices is critical** and has its own set of requirements that should be addressed.

- Only Good Practices that have been evaluated for **transferability, effectiveness, impacts and sustainability** should be considered:
 - *Implementation of formal programme evaluation or review mechanisms*
 - *Adoption of an evaluation culture for innovation support*
- **Balancing innovative versus easy-to-transfer:**
 - *A truly innovative Good Practice, usually attractive, most likely difficult to transfer and therefore rarely attainable, would have the most important impacts*
 - *An easy-to-transfer Good Practice is more likely to be successfully transferred but would have a lower impact*
- **Stakeholders** wishing to implement an external Good Practice **need to have the political and financial independence** necessary to do so:
 - *Involvement of the Managing Authority from the very beginning and continuously during the project*
 - *Identification of several sources of funding*
- **Getting to know the unknown:**
 - *Effective benchmarking and watch mechanisms to identify successful approaches at a global scale and means to disseminate to other parties*
 - *Access to support and assistance for the implementation of external Good Practices*
 - *Bilateral meeting or partnering fora / platforms*

Regional policy actors can jump stages by building on the results of the benchmarking of Good Practices and focus directly on the activities of evaluation and adaptation

Implementing a full external Good Practice can be, in some cases, improbable, due to the sheer differences in regional contexts; however, policy influence is probably a more realistic impact as it leaves room for adaptation.

Regional policy actors should take advantage of every opportunity to learn from others, to benefit from sharing strengths and weaknesses and to implement pilots and trials through interregional cooperation

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