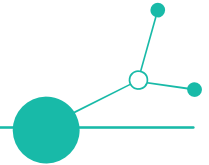


Lessons learnt report to implement diversified  
portfolio of financing schemes in CE regions

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## Disclaimer

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NATURE OF THE DELIVERABLE	R	
Dissemination Level		
PU	Public, fully open, e.g. web	X
CL	Classified, information as referred to in Commission Decision 2001/844/EC	
CO	Confidential to FI4INN project and CE Programme Services	

\* **R:** Document, report (excluding the periodic and final reports)

**DEM:** Demonstrator, pilot, prototype, plan designs

**DEC:** Websites, patents filing, press & media actions, videos, etc.

**OTHER:** Software, technical diagram, etc.



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## 1. About FI4INN Project

Funding schemes for market-driven research and innovation are rare in central Europe. Finance providers and policy makers often shy away from introducing such schemes due to their complexity. The FI4INN project is changing this by supporting the co-design of new financial instruments in regions that want to boost research and innovation. The FI4INN project, aligned with the goals of the Interreg Central Europe program, aims to create a thriving innovation ecosystem across Central Europe emphasizing improved access to finance, support for SMEs and startups, and fostering cross-border collaboration.

### Key Objectives:

**Enhanced Access to Finance:** FI4INN explores new and innovative ways to ease funding of Innovation activities in SMEs and startups. More diversified portfolio of financial instruments and streamlined processes should lead to more effective support ecosystems using synergies to create positive externalities within the development of the CE area.

**Strengthened Support Services:** The project might develop and implement, in form of pilot actions, comprehensive support schemes for SMEs and startups, including various types of innovative types of instruments to increase effectiveness and tailored support. FI4INN is focusing on the following categories, which are reflected in the *Virtual Knowledge Centre* (a repository of inspiring case studies):

1. Loans and guarantees
2. Equity and quasi equity instruments
3. Reward / impact instruments
4. Services and in-kind support
5. Combined instruments
6. Bond / basket bond)

**Cross-border collaboration:** One of the most important FI4INN aspects is an emphasis on fostering international collaboration. By events, networking and contact linking promotes knowledge sharing and encourages cooperation on joint projects within the Central Europe.



## 2. Preface

The FI4INN project addresses the limitations of traditional funding schemes in supporting market-driven innovation in Central Europe, where innovation ecosystems often lack the capacity to manage complex financial vehicles. The project aims to introduce new financing schemes for high-impact innovations, streamlining support for SMEs and startups that prioritize domestic markets. By fostering collaboration between public and private finance providers and policymakers, FI4INN seeks to promote a new mindset focused on co-creation, stakeholder engagement, and impact measurement in designing financial instruments for R&I-driven SMEs and startups.

Regarding the Work Package 1 (WP1) entitled Promoting the adoption of innovative financing schemes for innovation the, which is dedicated among other things to the analytical tasks of the project, this deliverable D.1.2.3 Lessons learnt report to implement diversified portfolio of financing schemes in CE regions represents one of the final outcomes.

This deliverable builds on previous activities within this WP1 and exploits the acquired knowledge and expertise, namely the following deliverables:

- **D.1.1.1: Analysis of SME satisfaction with the current opportunities**
  - A Source of important data regarding perspective (needs, limitations) of both support institutions and SMEs and startups
- **D.1.1.2: Recommendations to simplify FIs access, which involves creation**
  - An outline of recommendations and a list of good practices to ease companies' access of financing
- **D.1.2.1: Virtual knowledge centre for innovative support schemes**
  - Source of best practices regarding innovation support instruments
- **D.1.2.2: 3 transnational knowledge transfer workshops on innovative intervention models**
  - Essential know-how gained from experts on specific types of support instruments regarding technicalities, enabling factors and obstacles, lessons learnt, DOs and DON'Ts and recommendations for transferability of innovative financing schemes.

This deliverable then contributes, or is somehow interconnected, to the following activities, deliverables and outputs within the project:

- **Activity 1.3: Transnational outreach of innovative funding schemes for R&I**
  - This report could serve as a content for articles and future events.
- **Activity 2.1: Enabling financial ecosystems through multi-level dialogue**
  - The outcomes are relevant content both local stakeholders, experts and also as a matter of further discussion within the project during following meetings including Exchange of Experience event (spring 2025).
- **Activity 2.2: Transnational capacity building on co-designing financial instruments with end users**
  - Work on D.1.2.3 and D.2.2.1 has been coordinated. The *Financial Instrument/Support Scheme Design Canvas* represents a tool which logically follows the dynamic tool for the



policy makers created within this deliverable D.1.2.3. The insights, including this Dynamic tool for innovative support instruments, could be used well within the pilot actions.

- **Output 1.1 - Strategy for a more diversified portfolio of financing schemes**
  - This deliverable is directly linked with this output, where it is reflected. The strategy delineates a suitable path for CE policy makers towards the adoption of up-to-date financing schemes that enlarge the portfolio of available instruments.





## A. Part I: Summary of the previous activities

### 3. Methodology & joint development

The progress within of the project is grounded in a thorough understanding of the Central European (CE) innovation landscape. It leverages insights derived from an in-depth analysis of SMEs and startups' satisfaction with current support instruments, their specific needs, and identified gaps within the CE support ecosystem. This analysis, conducted through a combination of questionnaire surveys targeting support institutions and focus groups with business representatives, provides a robust foundation for this report.

To address the challenges faced by SMEs and startups in accessing financial instruments, the strategy incorporates recommendations aimed at simplifying the process. By focusing on four key areas - awareness, assessment, challenging criteria, and predictability - the FI4INN seeks to create a more streamlined and accessible funding environment.

A cornerstone of the project is the establishment of a *Virtual Knowledge Centre*, serving as a repository of inspiring case studies showcasing a diverse range of innovative support schemes. This resource will offer valuable insights into successful models for loans and guarantees, equity and quasi-equity instruments, reward and impact instruments, services and in-kind support, bond and basket bond models, and combined instruments.

Complementing the categories in *Virtual Knowledge Centre* topics, transnational knowledge transfer workshops have brought together experts to delve deeper into these support instruments. These gatherings have facilitated the exchange of best practices, fostered collaboration, and contributed to the understanding of innovative financing solutions.



## 4. Key Findings

### 4.1. State of play

The current landscape of financial instruments (FIs) across Europe, particularly within the framework of the FI4INN project, highlights a mix of progress, innovation, and ongoing challenges. This section explores the state of play from the perspectives of institutions and SMEs/start-ups, identifying gaps, limitations, and areas of success while outlining the needs and expectations of key stakeholders. The insights gained provide a comprehensive view of how financial instruments are functioning today and what improvements are needed to support innovation-driven SMEs across Europe.

#### 4.1.1. Perspective of institutions - gaps, limitations, but also well done parts etc.

**Achievements and Strengths:** Institutions across Europe have made significant strides in developing financial instruments tailored to support SMEs and start-ups. Notable successes include the deployment of equity and quasi-equity schemes, loans, guarantees, and innovative combined financial mechanisms that blend grants with repayable support. These schemes have proven effective in enhancing access to finance, particularly for high-growth potential companies in sectors like digital innovation, green technologies, and advanced manufacturing.

Key examples of successful institutional initiatives, such as the collaboration between the European Investment Fund and regional development banks, which have effectively addressed funding gaps in underserved markets. Programs like the Central Europe Fund of Funds and the Croatian Venture Capital Initiative showcase how targeted approaches can stimulate private investment and provide tailored support to businesses at various growth stages.

**Gaps and Limitations:** Despite these achievements, institutions continue to face significant challenges. The complexity of managing financial instruments remains a major hurdle, with bureaucratic procedures often leading to inefficiencies and delays. Administrative burdens, stringent regulatory requirements, and lengthy approval processes can slow down the delivery of funds, reducing the overall impact of these schemes.

Fragmentation across regions also poses a significant barrier, resulting in unequal access to financial support. Disparities in institutional capacity, varying national policies, and inconsistent application of EU guidelines contribute to a patchy support landscape. SMEs in less developed regions often struggle to access the same level of support available in more advanced areas, highlighting the need for greater harmonization and coordination of financial instruments across Europe.

Additionally, institutions face the challenge of balancing financial risk with accessibility. While financial instruments are designed to support innovative ventures, institutions often prioritize financial security, limiting the availability of funds for high-risk, high-reward projects. There is a clear need for more flexible and adaptive financial instruments that can cater to the unique needs of SMEs and start-ups operating in emerging, high-risk sectors.

**Opportunities for Improvement:** Opportunities for enhancing the effectiveness of financial instruments include simplifying administrative processes, reducing bureaucratic hurdles, and increasing coordination



between regional and national bodies. By streamlining procedures, institutions can improve the accessibility of financial instruments and ensure that SMEs can more easily navigate the funding landscape.

Collaborative approaches offer a valuable opportunity to leverage private sector expertise in the design and management of financial instruments. Successful examples, such as the Alpine Growth Investment Platform, demonstrate how such collaborations can drive innovation and expand the reach of financial support, addressing both the financial and technical needs of SMEs.

#### 4.1.2. Perspective of SMEs/startups - needs, shortcomings of the system, expectations

**Current Experience and Needs:** For SMEs and start-ups, financial instruments are vital enablers of growth, but they are often difficult to navigate. SMEs value the range of available support, including equity financing, loans, and in-kind services like mentorship and training, which provide crucial resources beyond financial capital. However, many businesses report challenges in identifying suitable funding options, understanding eligibility criteria, and managing the application process.

SMEs frequently cite the complexity and opacity of financial instruments as significant barriers. The administrative burden of applying for and managing funding is particularly daunting for smaller companies with limited resources, which often lack the dedicated financial or legal expertise needed to handle these processes. This complexity can discourage participation, especially among early-stage start-ups that could benefit the most from external support.

Moreover, SMEs express a need for financial instruments that are better tailored to their specific circumstances. Standardized support schemes often fail to address the unique needs of businesses in high-innovation sectors such as technology, clean energy, and advanced manufacturing. SMEs are calling for more sector-specific financial instruments that can accommodate the long development cycles, high upfront costs, and uncertain market conditions characteristic of these industries.

**Shortcomings of the Current System:** The most critical shortcomings identified by SMEs include the administrative complexity and lack of transparency in the application processes. Many SMEs struggle with the inflexible nature of traditional financial instruments, which may not align with the unpredictable cash flow and unique challenges faced by early-stage and rapidly growing companies, like the need to experiment with innovative solutions, market testing. Additionally, there is a notable mismatch between the types of support available and the evolving needs of innovative businesses, particularly those seeking non-traditional financing options like impact-based or reward mechanisms.

Furthermore, SMEs often feel that the current system does not sufficiently recognize or support emerging business models focused on social, environmental, and governance impacts. Financial instruments that reward these contributions remain limited, leaving many SMEs without access to the support they need to pursue sustainable and responsible business practices.

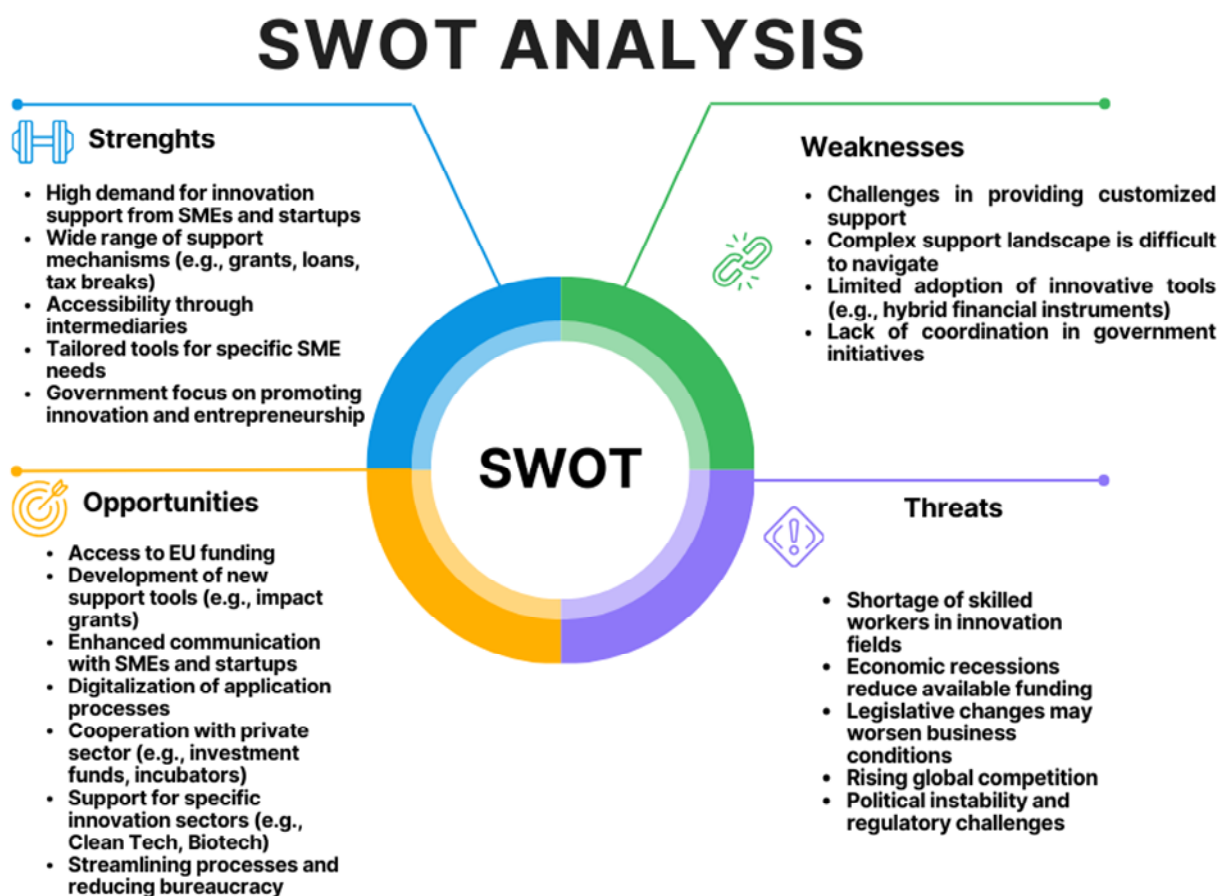
**Expectations for the Future:** Looking ahead, SMEs and start-ups are clear about their expectations for how financial instruments should evolve. Simplification of processes, enhanced transparency, and better advisory support are among their top priorities. SMEs are seeking more user-friendly application processes, with clearer instructions, simplified eligibility criteria, and dedicated support services that help them navigate the funding landscape.



There is also a strong demand for more innovative and flexible financial instruments. Blended finance models that combine grants with loans or equity are seen as particularly valuable, offering the adaptability that many businesses need, especially in high-risk sectors. SMEs also expect financial instruments to evolve in ways that better align with their sustainability goals, including support that rewards social and environmental contributions.

To address these challenges, there is a clear need for continued innovation in the design and administration of financial instruments. In line with the relevant points of the new European competitiveness pact (so-called Budapest Declaration) especially a drastic simplification programme is being launched to reduce barriers to business. Simplifying processes, enhancing regional cooperation, and developing more targeted and adaptive support schemes will be essential to ensure that financial instruments effectively meet the needs of Europe's SMEs and start-ups, driving innovation, growth, and competitiveness across the region. This collaborative approach will ultimately contribute to a more inclusive and dynamic financial support ecosystem that empowers SMEs to thrive in an increasingly competitive global market.

## 5. SWOT Analysis



Picture no.1: SWOT analysis - Scheme



## 5.1. SWOT in detail

**STRENGTHS:** SMEs and startups face a high demand for innovation support, driving the need for new tools. A diverse range of support options, such as grants, loans, tax breaks, and other mechanisms, is available and easily accessible, often through intermediaries. Some tools are particularly well-suited to the specific needs of these businesses, while certain institutions are already leveraging innovative methods like hybrid financial instruments and investment funds. Additionally, government initiatives are increasingly focusing on promoting innovation and entrepreneurship.

**WEAKNESSES:** Despite the wide range of support options available, SMEs and startups still face challenges in accessing tailored innovation support. The tools are often not specifically designed to meet the unique needs of these businesses and navigating the complex landscape of available options can be difficult. Additionally, the innovative support instruments used by some institutions, such as hybrid financial instruments, are not yet widely adopted, limiting their impact. Moreover, while government initiatives are increasingly promoting innovation, they sometimes lack coordination and alignment with the specific requirements of SMEs and startups, hindering the effectiveness of support.

**OPPORTUNITIES:** There are significant opportunities to enhance innovation support for SMEs and startups. Access to EU funds provides substantial financial resources for innovation projects, and there is potential to develop new support tools, such as impact grants and combinations of grants with financial instruments. Improving communication between support providers and entrepreneurs can raise awareness of available tools, while digitalizing application processes can boost efficiency. Increasing cooperation with the private sector, such as through investment funds and business incubators, can further strengthen support efforts. Focusing on specific innovation sectors, like clean technologies or biotechnology, and aligning support tools more precisely with the needs of SMEs and startups can enhance targeting and effectiveness. Streamlining processes, reducing bureaucracy, and offering flexible financing options are key to increasing overall efficiency and satisfaction.

**THREATS:** Several threats pose challenges to the innovation landscape for SMEs and startups. A shortage of skilled workers in innovative fields can hinder the success of projects, while economic recessions can limit the availability of funds for innovation support. Changes in legislation may negatively impact business conditions, and increased global competition, including from emerging markets, can jeopardize the success of innovative ventures. Political instability and fluctuating policies create an unpredictable environment, discouraging investment and entrepreneurship. Additionally, a challenging regulatory environment can stifle innovation, making it difficult for businesses to thrive and compete effectively.

## 5.2. Leveraging strengths, Addressing weaknesses, and Managing risks

### ■ Which strengths create new opportunities?

**High Demand for Innovation Support** → This strength aligns directly with the opportunity to develop new support instruments (e.g., impact grants or combinations of grants with financial instruments). The existing demand can be leveraged to introduce innovative funding mechanisms that are directly relevant and attractive to SMEs and startups, potentially increasing their adoption.



**Diverse Range of Support Mechanisms** → With a variety of support mechanisms available, there is a foundation for enhancing cooperation with the private sector, such as partnerships with investment funds, incubators, and accelerators. This strength also supports digitalizing application processes, making it easier for SMEs and startups to navigate and benefit from these resources.

**Government Focus on Innovation** → The existing governmental push for innovation can be harnessed to advocate for streamlined processes and reduced bureaucracy, which would directly address barriers faced by SMEs and startups. Additionally, aligning government initiatives with specific sectors, like Clean Tech or Biotech, could target and support high-growth areas.

- **Eliminating weaknesses to leverage new opportunities**

**Complex Support Landscape** → Streamlining and simplifying access to support tools (such as applications into a single digital platform or similar solutions) could help SMEs and startups better understand and access the resources available to them. This would also support the opportunity to improve communication with SMEs and startups, making them more aware of these tools.

**Limited Adoption of Innovative Financial Instruments** → To expand the use of innovative support tools like hybrid financial instruments, awareness and education around their benefits could be increased, both for support providers and for startups. This would make these tools more widely accessible, potentially unlocking additional funding opportunities for innovation.

**Lack of Coordination in Government Initiatives** → Increased alignment between government agencies and support organizations could create a more cohesive support ecosystem, improving effectiveness. Focusing these initiatives on specific high-impact areas could also make support tools more targeted and accessible.

- **Which strengths minimize risks?**

**Government Focus on Innovation and Entrepreneurship** → A strong government focus on innovation can help mitigate the risk of regulatory changes that might otherwise negatively impact startups and SMEs. By advocating for favorable policies and aligning support with the specific needs of SMEs, the government can create a more stable environment for innovation, reducing the impact of political and regulatory risks.

**Wide Range of Support Mechanisms** → Having a variety of support tools, including tax breaks, grants, and hybrid funding options, provides flexibility and resilience against economic recessions. When one funding source or type faces limitations, others can serve as alternatives, ensuring a more robust support system for SMEs.

**Accessibility through Intermediaries** → Intermediaries can help SMEs and startups navigate a challenging regulatory environment, minimizing risks associated with regulatory complexity. They act as guides and advocates, making it easier for small businesses to comply with regulations and access resources effectively.

- **Defensive strategy to prevent weaknesses from turning into risks**

**Enhance Navigational Support for Complex Support Landscape** → Establish partnerships with intermediaries and business advisors who can help SMEs and startups navigate available options, reducing the risk that the complex landscape will discourage them from seeking support. This could be supported by digital platforms offering centralized information and guidance.

**Encourage Adoption of Innovative Tools** → To prevent the limited use of hybrid financial instruments from becoming a missed opportunity, efforts should be made to promote these tools through case studies, testimonials, and success stories. Support organizations could also offer workshops or training on these tools to increase awareness and comfort with their use.



**Improve Coordination in Government Initiatives** → To ensure that a lack of coordination doesn't evolve into a significant hindrance, government agencies could collaborate with private sector partners to align their goals and processes. A more coordinated approach would reduce the risk of overlapping, inefficient programs and enhance the overall impact of government-led innovation support.

In summary, by strategically aligning strengths with opportunities, addressing weaknesses to enhance flexibility, and mitigating risks with strengths, the innovation landscape for SMEs and startups can be made more resilient and effective. This approach not only maximizes current resources but also positions SMEs and startups for sustainable growth in a competitive and uncertain environment.



## B. Part II: Dynamic tool for innovative support instruments

This chapter introduces so called *Dynamic tool for innovative support instruments* that was designed to support a range of users, particularly policy makers, financial institutions and providers of financial instruments that focus on fostering the startup ecosystem. This tool's flexibility and scalability ensure it remains relevant and up to date over time, addressing the evolving needs of both grant providers and startups. Unlike a static text-based solution, the tool was developed to allow continuous updates and expansions, enhancing its utility and applicability as innovation support landscapes change.

### 6. Methodology

The tool included within this Deliverable is based on targeted assistance for providers of financial instruments and institutions in general that focus on the development of the startup environment. It builds on the data, findings and expertise that the project has achieved during the first year. In particular, it builds on D.1.1.1 and D.1.1.2 in terms of content and also takes the *Virtual Knowledge Centre* as a resource.

The tool should be able to recommend the most appropriate instrument for a given type of company and type of eligible expenditure required. After defining the parameters of the target group of companies that should be supported, the tool specifies the type of financial instrument recommended, describes the possible options and, above all, links the dynamic tool to the *Virtual Knowledge Centre* and can thus guide the interested party to a suitable type of instrument that has already been implemented in a country or region and serves as an example of good practice. The output of the tool should then guide the user (policy makers, support instrument designers/providers etc.) so that the support offered, in terms of the type of support instrument applied, is properly targeted. Based on the premise, which has been confirmed through the questionnaire survey and through the focus groups conducted, that the innovation support system is highly atomized and there is no unifying framework that can clearly, strategically support innovation in the corporate environment from the idea stage to the mature medium-sized company and beyond, the authors believe that this tool will be of relevance not only to institutions in the Central European area. It may prove to be a workable means for support providers to learn whether there is a gap in supply and demand and whether all stages of companies and all forms of eligible expenditure are adequately covered.

#### 6.1. Description of the tool

The tool is built on the PowerBI platform, which is part of Microsoft Office, and the findings of the D.1.1.1 mapping of support ecosystems in Central Europe have already been analysed on the same platform.

It works on the principle of inputs and outputs. The inputs were chosen to be information about the company or the beneficiary of the financial support. It follows seven areas in two categories. The first category is the requirements/needs of the beneficiary. This category includes:

- eligible expenditure,
- amount requested (€).

The second category is a more detailed description of the applicant. That is, what kind of company it is. The attributes monitored include:

- Stage of the company,





- Number of employees,
- Turnover of the company (€),
- Maturity of the company,
- Technology Readiness Level (TRL) of the product for which it is requesting funding.

Once the parameters of the applicant are known, the second part of the visual shows which of the proposed tools are suitable and which are not. The percentage calculation runs in the background of the data model. Once 100% compliance is reached, it shows "Suitable" label in green. If there is a mismatch in only one category out of seven, it shows orange text "Conditionally suitable". In any lesser degree of compatibility, it shows red text "Not suitable". In order to see which attributes the applicant is compliant with and which are not, the users can look under the question icon for each type of instrument to see whether or not the instrument is compliant in the parameters.

Thus, if it appears that the non-compliance stems from the amount requested, it is possible to reduce or increase it and thus achieve 100% compliance.

The second part of the tool is less dynamic and more descriptive. However, it contains very interesting data that extend the first stage.

Once it is clear what instruments are suitable for a given type of company and their requirements, the user can click through to the appropriate sheet/tab in the PowerBI tool, which will describe in greater detail the principles of the instrument type, what forms it can take and what is the greatest added value, referring them to examples of good practice from within and outside the EU, including contact persons, so that good practice from abroad can be transferred to a new region or country. This not only ensures the correct targeting of the support, but also eliminates the risk that the newly created tool will not work properly, as the institution will have the opportunity to get feedback from a partner from abroad who has already implemented this type of tool in the past and has a lot of experience with its administration.

## 6.2. Target users

The target groups for this tool are primarily policy makers, regional public authorities, as well as national public authorities and business support organizations. All of these can have their own financial instruments for the development of innovations in SUPs and SMEs. Their perspective could be limited, often through no fault of their own, and lack the capacity or opportunity to access information beyond their immediate region or country and thus lack international comparisons and transferable practice. The tool also partially helps to solve this obstacle.

Another target group for the so called "layer II" of the tool, which will be developed in the future, are innovative SMEs themselves, or startups. It would be necessary to modify the tool slightly for proper targeting. The tool can then serve as a signpost of innovative instruments. In this way, the company would describe itself and its development needs, and the tool would refer it to the most suitable solution for it. The second layer of the tool would rather refer to an institution from the given country or region and describe the product it offers in the direction of supporting innovation. Let's say that he would recommend an incubation program for start-up entrepreneurs as an ideal development tool, and if the company was based in Klagenfurt, then he would recommend it as a suitable Build! Gründerzentrum and describe relevant tools available. However, the policy makers and institutional users remains the primary target group, because, at the same time, the "layer II" would be useful for to verify the actual offer of the support instruments on the market, so they can compare the results with the basic layer of the tool to find the gaps in the support ecosystem and the space for improvement.



### 6.3. Data model

The data model is a classic star configuration that works best in the PowerBI environment even with a larger volume of content.

The star model works in such a way that at its centre is a table with unique identifiers that must not be repeated. In our case, this is a list of support instruments that potential applicants can use. This list contains 10 instruments, sorted alphabetically from Acceleration to VC Fund. All seven attributes are linked to this unique list of 10 instruments.

There are M:N possibilities within each attribute. For example, crowdfunding, incubation program, acceleration program and BA fund are possible tools for start-ups in the early stage. In the data model, the early-stage startup is mentioned four times and there are four variants of the tool. This is how it happens in the same way with other stages of the company, in the case of the number of employees or the TRL of the product.

The model then operates on the basis of binary detection. If user selects (filter) "marketing costs" as eligible expenses in the model, only those tools that have this "flag" in the source excel will be selected for him.

Once all the attributes are selected, then it can be achieved the result from 0 out of 7 attributes are in accordance with the given financial instrument (that means there is 0% agreement), up to 7 out of 7 attributes in accordance, therefore there is a 100% agreement.

### 6.4. Future development and use of the tool

During the development of the tool, a multi-stage review process was conducted to ensure its quality and effectiveness. Experts from FINPIEMONTE actively participated, and the logical structure of the model was carefully reviewed and refined in collaboration with various CzechInvest departments, including the Innovation Department, the RIS3 project team, and the Start-up Support Department. Additionally, the tool was presented to the National Stakeholder Group in Prague (20. 11. 2024), where valuable feedback for future development of the tool was gathered, particularly on potential simplification of the input data, importance of interlinkage with best practice cases, sustainability after the end of the project, need of creating a "user guide", importance of the focus of policy makers etc.

Given the extensive effort invested in the development of this tool, it is designed with a long-term perspective, aiming for usability well beyond the specific deliverable and the FI4INN project framework. The robustness and adaptability of its architecture are intended to support sustained use without requiring frequent updates.

Furthermore, as mentioned, there is an option to adapt the tool from serving as a resource for grant providers to becoming a navigator through (innovative) support instruments existing on particular market. While the tool's core functionality would remain as a directional guide based on input-output mechanisms, this proposed "Layer II" transformation would entail substantial work to accurately tailor the tool to existing national and regional funding programs. It is important to note, that this adaptation is voluntary, leaving it to each partner to determine whether they wish to engage in this additional phase. However, it is desirable that the partners working on the implementation of the pilot actions develop this second layer of the tool in parallel to help reveal more precisely the areas with potential for improvement. By adding more specific support instruments, the basic layer of the tool will be tested also in reverse. Any significant mismatch of results between the tool recommendations and existing support instruments may be caused by two reasons:

- An incorrectly set up tool data model - this provides an impulse for additional fine-tuning of the tool.



- Non-existent support instrument for a given target group, or insufficiently targeted existing support instruments - a suggestion for improvement in this area.

With proper implementation of both layers of the tool within the regional/national environment, it should open an opportunity to be able to identify the main gaps within given the support ecosystem in terms of the specific support instruments available for a relevant target group of potential applicants. Combined with the *Financial Instrument/Support Scheme Design Canvas*, they hope to be useful guides in navigating towards the selection of an appropriate type of support instrument and the subsequent design of a new instrument or improvement of an existing one.

## 7. Preview & link

The images presented below show a preview of the tool in the PowerBI environment at the time of publication of this document. The tool is designed as a live platform, so it is possible that both the individual functionalities and the visual appearance of the user interface will be improved in the future. The most important point of the chapter, perhaps of the whole document, is the live link to the tool itself that follows.

**ROADMAP OF SUITABLE FINANCIAL INSTRUMENTS**

**WHAT COMPANIES NEED?**

- ELIGIBLE EXPENSES: Fixed assets
- REQUIRED AMOUNT (€): less than 50 k

**WHO ARE THEY?**

- STAGE: 2. Early stage (seed)
- NO. OF EMPLOYEES: 1 to 10
- TURNOVER: under 1 mil €
- MATURITY LEVEL: Less than 1 year
- TECHNOLOGY READINESS LEVEL: TRL 3

**WHAT INSTRUMENTS CAN BE USED?**

Not suitable Acceleration	Suitable BA Fund	Not suitable Bond	Suitable Crowdfunding
Not suitable Hybrid Tool	Not suitable Grant	Conditionally suitable Incubation	Not suitable Loans & Guara...
Not suitable Tax deduction	Not suitable VC Fund		

Picture no.2: Overview of home page of the tool



**LOAN & GUARANTEE**

Interreg CENTRAL EUROPE Co-funded by the European Union

FI4INN

**HOW IT WORKS:**

**Loans** provide businesses with borrowed capital that must be repaid over time, typically with interest, allowing firms to finance growth or operations without diluting ownership.

**Guarantees** reduce the lender's risk by offering a third-party assurance (often from a government or financial institution) to cover part of the loan in case of default, making it easier for businesses to access financing.

Compared to equity financing, loans and guarantees enable companies to retain full control

**TYPES OF LOANS & GUARANTEES**

**Soft Loan:** A soft loan is a type of loan offered with more favorable terms than market conditions, such as lower interest rates or extended repayment periods. These loans are often provided by governments or development banks to support small businesses or start-ups.

**Microloan:** A microloan is a small, short-term loan designed to help start-ups or small businesses with limited access to traditional financing. It usually has less stringent credit requirements and is aimed at funding basic operational or initial investment needs.

**Guarantee Scheme:** A guarantee scheme provides a partial guarantee for a loan, reducing the lender's risk and enabling businesses to access financing that would otherwise be unavailable. It is typically supported by governments or public institutions to foster lending to high-risk or underfunded sectors.

**Tranched Cover:** Tranched cover is a structured risk-sharing tool where a loan portfolio is divided into several tranches, each with different levels of risk and return. Lower-risk tranches are protected by higher-risk tranches, often with guarantees from government or financial institutions, allowing banks to lend more easily.

**BEST PRACTISE CASES FROM EU AND BEYOND** RETURN

**Subordinated loan (CZ):**

The Subordinated Loan is a financial tool designed to support freelancers and small-to-medium enterprises (SMEs) in the Czech Republic by facilitating investment projects that contribute to climate goals and the green transformation. Funded initially by the National Recovery Plan (NRP), the loan offers simplified administrative processes and efficient cash flow management compared to traditional grants. Covering up to 45% of eligible expenses, applicants must also secure a senior loan from a commercial entity and provide at least 10% of the total funding from their own resources. The loan includes benefits such as deferred repayments and interest-free terms during the senior loan repayment.

The loan is available for projects focused on acquiring fixed assets such as machinery, building renovation, or land acquisition, with preferential terms for projects with high environmental impact. Eligible projects are assigned a "climate coefficient," with higher coefficients offering more advantageous loan conditions. Applicants must meet a minimum level of financial health, and the loan amount can range from 1 to 100 million CZK. The program runs until 2026, with potential for extension beyond this period.

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**Tranched cover (IT):**

The "Tranched Cover Piemonte" initiative aims to improve access to credit for SMEs in the Piemonte region through a synthetic securitization mechanism. By providing risk coverage via cash collateral on selected portfolios of bank loans, the program allows banks to issue loans to SMEs with medium-low credit ratings without negatively impacting the overall portfolio rating. The program is structured into junior and mezzanine tranches, where the public entity covers first losses, and mutual guarantee institutions cover additional risk. Finpiemonte S.p.A. manages the program, which supported over 500 SMEs with more than €250 million in loans

Picture no.3: Example of detailed description of particular instrument type and best cases

Link to PowerBI report, that is public, can be found here:

<https://app.powerbi.com/view?r=eyJrljoiY2M5M2QxM2ItYTAYYS00MzE4LWE3ZTEtZjc3YmY1YTQxZGE2IiwidCI6ImZhMGJjOGFiLWl0YzctNDNiMS1hZjZlZTE4MDJkMTk1MDE5Ni1mMi0j>



## C. Part III: Finding suitable path to improve innovation ecosystems

This chapter outlines the collaborative design process of a strategy to find a suitable way to support SMEs and startups in Central Europe. It reflects the ideas presented in Output 1.1, titled "Strategy for a more diversified portfolio of financing schemes."

The strategy has been developing through a collaborative approach involving all project partners. This approach ensures alignment, ownership, and a deep understanding of the project's objectives.

### 8. Collaborative Approach to Design Process

The strategy design process emphasizes a strong collaborative approach, involving project partners throughout following development steps. This ensures alignment, ownership, and a deep understanding of the objectives.

#### Step 1: Common Vision

**Online Survey:** A structured survey has been distributed to gather input from project partners on the key characteristic of PPs' strategy, vision and goals. A combination of open and closed questions allows for both quantitative and qualitative data collection. This phase aimed to establish a common ground and identify areas of consensus and divergence among partners.

#### Step 2: Co-Design Workshop

**Workshop Facilitation:** A dedicated workshop was organized within partners meeting Exchange of experience 3 in Klagenfurt to delve deeper into the shared vision, mission, and goals. Through discussion, partners have collaborated to refine and validate the core elements. This phase fostered open dialogue, helped to build consensus, and ensured that the shared perception of common strategy reflects the collective expertise and perspectives of the partners. Partners also had the opportunity to comment on the actual form of the text of the strategy (Output 1.1) in writing after the workshop.

#### Step 3: Local Contextualization

**Information Gathering:** Partners have contributed to this document outlining local specificities, including relevant stakeholders, existing initiatives, and challenges. This information is important to tailor the next steps in the project to regional needs and to identify potential synergies.

#### Step 4: Stakeholder Engagement

**Dissemination:** Once finalized, the main ideas will be disseminated to relevant stakeholders through the partners' channels. This phase aims to create awareness, gather feedback, and build support for the roadmap implementation.

#### Key Benefits of the Collaborative Approach:



**Shared Ownership:** By involving partners throughout the process, a sense of ownership and commitment to the strategy is fostered.

**Leveraging Local Expertise:** Incorporating local knowledge ensures that the vision is grounded in real-world challenges and opportunities.

**Building Consensus:** Collaborative decision-making promotes consensus and minimizes conflicts among partners.

**Strengthening Partnerships:** The shared experience strengthens relationships between partners.

**Enhanced Implementation:** A well-communicated and supported ideas are more likely to be successfully implemented.

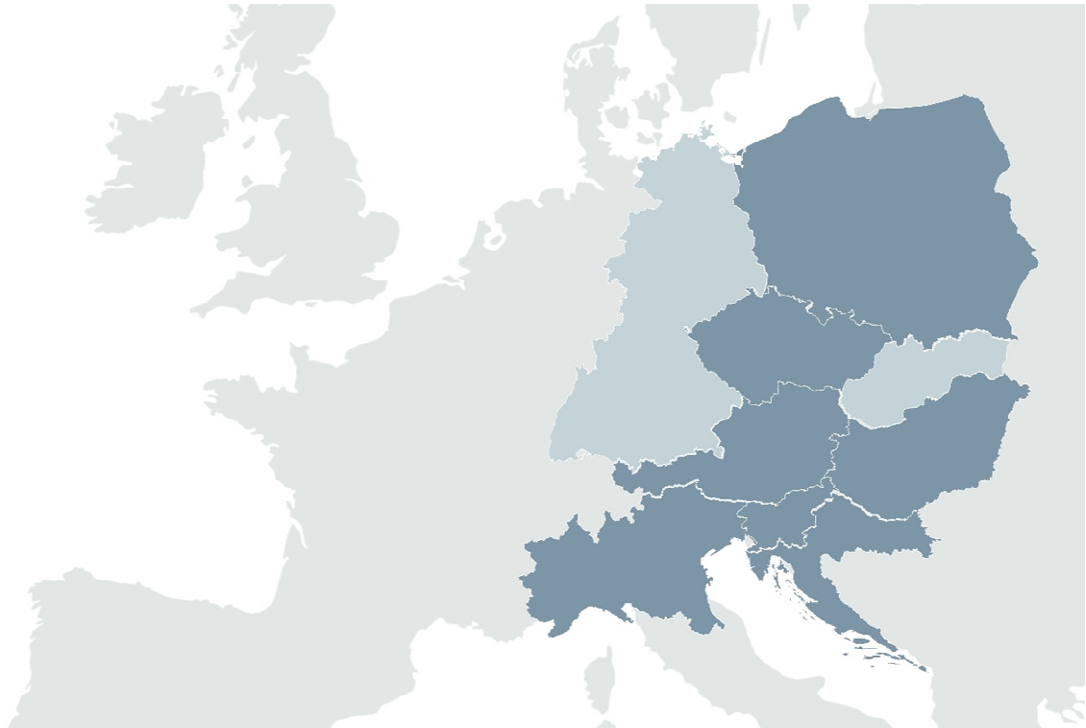
## 9. Description of the CE area + regional specificities

### 9.1. Definition of the Central European Area

Regarding the efforts of the FI4INN consortium to find a suitable way to improve innovation ecosystems, it is relevant to comment on the territorial context. As it is defined by Interreg Central Europe programme, the Central European area contains regions within following countries:

- Austria
- Croatia
- Czech Republic
- Germany
- Hungary
- Italy
- Poland
- Slovakia
- Slovenia

While most countries are represented here at the level of the whole country, within some countries only parts of them are included in the Central European area (e.g. Italy - North, Germany - East).



Picture no.4: Map of the CE countries represented within the FI4INN consortium

Regarding the FI4INN project, not all territories are represented and therefore the focus is mainly on those countries and regions that are directly represented in the project. Although the project also includes a partner from Belgium, this territory is deliberately omitted as it is not part of the Central European area and the project partner covers mainly the field of communication.

## 9.2. The Character of the CE Area and its Specifics

Territories within this geographical scope share similar economic characteristics and similar challenges and opportunities in fostering innovation and entrepreneurship.

### Selected similarities:

**Transition economies:** Having undergone significant economic transformations in recent decades, these countries are still catching up to Western European standards.

**EU membership:** All countries are members of the European Union, providing access to EU funds and policies.

**Rapid technological adoption:** The region has shown a strong appetite for digital technologies and innovation. Digital innovation opens up new ways for start-ups to compete in areas where knowledge and human capital are key.

**Talent pool:** A relatively young and educated workforce presents a significant potential for innovation.

**Infrastructure development:** While progress has been made, infrastructure, particularly in digital and transportation sectors, still presents challenges.



## 9.3. Specificities of Individual Countries/Regions in the CE Area

The individual countries and regions of the Central European area share many things in common, but they are also unique in terms of their economic development, innovation ecosystem maturity, policy frameworks and different levels of government support for innovation and entrepreneurship. The following paragraphs address the local specificities in the context of supporting innovation in SMEs and start-ups. The descriptions of the individual areas are based on the perception of the current economic situation from the perspective of the project partners.<sup>1</sup>

### 9.3.1. Austria - Carinthia

Carinthia's ecosystem is characterized by a strong focus on innovation, especially in microelectronics, information and communication technologies (ICT), and the Internet of Things (IoT). The region's economic structure is built around a well-integrated value chain that supports the transformation of research into market-ready products, making it a hub for high-tech industries and startups. With over 2,200 technology companies employing more than 60,000 people, Carinthia is a significant player in Europe's tech landscape, fueled by an annual R&D investment of over €150 million.

Carinthia's innovation ecosystem is highly developed, with a strong emphasis on supporting SMEs and startups. Key institutions like the build! Gründerzentrum play a pivotal role in aligning regional economic strategies with innovation goals, providing comprehensive support for technology-driven business models. The region is known for its Smart Specialization Strategy, fostering a collaborative environment between major corporations (e.g., Infineon, Lam Research), research institutions (e.g., Fraunhofer KI4Life, Lakeside Labs), and startups. This collaborative ecosystem is further strengthened by Carinthia's state-of-the-art infrastructure, including facilities like the €4 million drone testing hall and Europe's exclusive 5G Playground.

Support instruments for startups and SMEs in Carinthia include a range of incubation and acceleration programs that guide entrepreneurs from ideation to market entry. Programs such as *build!Up*, *move*, and *run* offer tailored coaching, funding, and access to advanced testing facilities, enhancing the region's ability to support high-growth ventures. These resources are complemented by a robust network of over 300 mentors and experts, as well as financial support schemes that provide up to €33,000 per project for external services, ensuring that startups have the necessary resources to scale.

Carinthia's ecosystem fosters rapid innovation, particularly through initiatives like the *Startup-in-Residence* program, which attracts international startups to leverage local infrastructure and expertise. Cross-border collaborations with neighboring countries like Italy and Slovenia expand market access and knowledge transfer opportunities, making Carinthia not just a local, but a European innovation leader. This unique combination of high-tech research, targeted support, and strong community integration positions Carinthia as a leading region for startup development and SME innovation.

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<sup>1</sup> Spatial pattern of start-ups and scale-ups: It is considered a new dimension of geographical context, generated mainly by digital innovations, including the location of scale-up cities. Except for Austria and Northern Italy, Central Europe is lagging behind in this respect, with scaleups in Prague, Warsaw and Zagreb alone raising a remarkable €1 billion each. But in Budapest only half of that, while in the other cities of the region only between €100-400 million of venture capital was raised. (Source: Cséfalvay, Zoltan (2024). Pages 364-369.)





### 9.3.2. Croatia

Croatia is small, tourism and service-oriented economy. About 25% of the GDP comes from the sector of tourism which is insufficiently integrated in local value chains meaning that it is highly extractive. One prosperous industrial base (shipbuilding, metal industry, electric components industry) is in shatters and only small remnants of it exist. Agricultural production do not use land potential and once food export nation, Croatia has become food importer. Government policies are focused on supporting large companies and start-ups from IT and hi-tech sector, not supporting other sectors of the economy. Collaboration between businesses and universities exists in some narrow areas (IT, telecommunication sector, energy sector) but is insufficient and could be improved. There is no clear innovation strategy. Policies are introduced and changed randomly in accordance with short-term political goals.

### 9.3.3. Czech Republic

The Czech Republic is a medium-sized country whose GDP is largely dependent on industry. Yet most companies do not offer complete solutions, but rather focus on Tier 1 and 2 deliveries. This unfortunately results in a relatively low level of R&D in Czech companies, which often serve as suppliers to parent companies, mostly from Germany. Support for start-ups and innovation development is the responsibility of a number of institutions, namely, the CzechInvest agency, the Technology Agency of the Czech Republic, regional development agencies and start-up incubators and accelerators, technology transfer centres, science and technology parks, etc. Unfortunately, at present the level of newly established companies with innovative products is concentrated only in Prague and to a lesser extent in Brno, despite wide regional networks. Other Czech regions are lagging behind compared to these cities. With long-term low unemployment and relatively broad employee benefits, most companies are reluctant to take the risk of their own business and the entrepreneurial spirit of the 1990s is rather a thing of the past. One of the factors may be the relatively excessive bureaucracy, not only at national but also at European level, which does not contribute to national efforts to support small entrepreneurs, start-ups and spin-offs.

### 9.3.4. Hungary

In Hungary, the innovation ecosystem is being revitalized through strategic national initiatives aimed at bolstering innovative enterprises. The concept mapping of Financial Instruments (FIs) within Hungary's Research, Development, and Innovation (RDI) panorama highlights the important role of targeted incentives and market-based venture capital. The primary objective of Hungary's innovation policy is to enhance the international competitiveness of Hungarian-owned enterprises. Key strategies include the introduction of an innovation voucher scheme to provide businesses access to top-tier advisory services, expanding tax policy support to boost RDI activities, and developing a comprehensive funding portfolio that includes loan leasing, venture capital programs, and guarantee products to replace non-reimbursable grants. Hungarian-owned firms now account for 58 percent of Hungary's GDP, with multinationals producing 42 percent. Multinationals account for around 80 percent of our exports as a share of GDP. Hungary's innovative business rate is 32.7 percent, significantly below the EU average, falling further behind in business process innovation. It is therefore no coincidence that small and medium-sized enterprises are clearly at the forefront of the domestic RDI support system, especially in the GINOP Plus programme. The biggest challenge remains sales&growth, fundraising is coming up. Increase the availability of seed funding and grants for early-stage innovators and start-ups, particularly those focusing on deep-tech and high-impact sectors. This could be managed through a government-funded agency dedicated to innovation management as a smart financing or through collaborations with private investors and international funds. The Hungarian Innovation Agency (HIA) established in 2021, plays a crucial role in this ecosystem by supporting start-ups and innovative enterprises from youth education to international market entry. The HIA also develops talent



through programs like the Hungarian Startup University Programme and facilitates international collaborations via Horizon Interreg and other global initiatives. HIA encourages start-ups and more mature innovative enterprises to reach international contacts and preparation for European funds, thus becoming an information and active support hub playing of the significant role in supporting startups and scaleups. To this end the HIA intends to develop and maintain strong relations with the Hungarian RDI policy stakeholders allowing to canalize directed services provided by different actors.

### 9.3.5. (Northern) Italy

Italy has a diversified economic structure, with a strong presence in the manufacturing sector (mechanical, automotive, textile and food) and tourism. The industry is based on numerous small and medium enterprises (SMEs) forming the backbone of the economy. However, large multinational corporations also play a significant role, especially in energy, ICT and financial services. Italy is one of Europe's leading economies, though it shows slower economic growth compared to other EU countries. There are significant disparities between the industrialized North and the South, which suffers from higher unemployment and lower economic development. Italy has an evolving innovation ecosystem that is not yet fully mature. In recent years, the country has made progress, with increasing attention to technological innovation, startups, and digitalization. However, access to innovation funding remains a challenge for many SMEs. The country is working to improve this through programs like the "National Recovery and Resilience Plan" (PNRR), which aims to strengthen digitalization, R&D and innovation. Italy offers various support instruments for innovation targeting SUPs and SMEs, such as tax incentives for R&D, subsidized financing, and grants managed at the regional level. Additionally, specific programs like the National Innovation Fund and Venture Capital initiatives have been created to foster the SUPs ecosystem and innovation.

Friuli Venezia Giulia (FVG), located in northeastern Italy, is a (strong innovator - EU definition) region with a diverse economic structure, characterized by a strong manufacturing sector, particularly in metalworking, shipbuilding, and furniture production, alongside growing service industries such as logistics, tourism, and ICT. The region has a high level of development, with a GDP per capita above the national average, reflecting its industrial strength and strategic location as a gateway to Central and Eastern Europe. FVG's innovation ecosystem is maturing steadily, supported by a network of universities (e.g., University of Udine, Trieste, SISSA), research centers, and innovation hubs such as TEC4IFVG, Area Science Park. The region is also part of the national cluster for high-tech sectors, including aerospace, life sciences, and digital technologies. Specific support for innovation in SMEs and start-ups is available through various instruments, such as the regional agency for economic development (FRIULIA), which provides venture capital and financing, FVG PLUS <https://fvgplus.it/> and startup accelerators ie Startup Academy (TEC4IFVG) . Additionally, EU funding programs, including Horizon Europe and regional ERDF funds, play a significant role in fostering entrepreneurship. The region promotes collaboration between research institutions and SMEs, facilitating the transfer of knowledge and innovation to boost competitiveness and sustainability.

With a GDP of approximately € 140 billion (8% of the national total), 430,000 companies (7% of the national total), and an export of about € 50 billion (10% of the national total), Piemonte ranks among the top 5 regional economies in Italy. The population is around 4.4 million in the entire region (7% of the national total), of which 2.3 million in the Torino metropolitan area. Italy is Europe's 2nd largest manufacturer and in the last 30 years it has always ranked as one of the world's top 10 manufacturers. Piemonte has strongly contributed to this success, demonstrating to be one of the manufacturing engines of Europe. Around 40% of regional added value is generated by the manufacturing sector and its suppliers. Piemonte is the national reference point for the automotive and transportation sector, accounting for about 45% of the national automotive sector's total revenue and proving to be the leader in terms of automotive and transportation component companies. Piemonte's aerospace sector records a turnover of € 7 bn and 20,000 employees. The regional aerospace scenario is further enriched by the presence of the European Space Agency Business Incubation Centre Turin (ESA BIC) and by the heart of Italy's Space industry hosting players, such as Thales



Alenia Space and ALTEC. The region boasts other leading European and international sectors, including: agrifood, cleantech and green building, design, digital technologies & solutions, fashion & jewelry, health & wellness, mechatronics, textile.

### 9.3.6. Poland - Silesia

Poland is a high-income country with a diverse economy, driven by manufacturing, services, and agriculture. Its industrial base includes automotive, electronics, and chemicals, while services like finance and IT are growing rapidly. Poland's GDP is around \$780 billion, and it ranks high in human development. Although it faces challenges like regional disparities and an aging population, it remains one of the largest economies in Central Europe. The country's innovation ecosystem is evolving, with R&D investment growing but still below the EU average (around 1.3% of GDP). Key sectors include IT, gaming, green tech, and pharmaceuticals, with Warsaw, Kraków, and Wrocław emerging as tech hubs. Poland benefits from EU programs like Horizon Europe, which provide significant funding for innovation. Support for SMEs and start-ups is robust. The Polish Development Fund (PFR) offers equity, grants, and loans, while the National Centre for Research and Development (NCBR) funds R&D through programs like "Fast Track." EU funding programs, such as COSME and the European Structural and Investment Funds, are also vital. Additionally, Poland hosts accelerators like Google for Startups and international investors are increasingly interested in the tech sector. With tax incentives, regional innovation programs, and a focus on green technologies, Poland is fostering a dynamic environment for start-ups and innovation growth.

Silesia, located in southern Poland, is a key economic region known for its industrial legacy. Historically reliant on coal mining and heavy industries, it is now transitioning towards a diversified economy. Key sectors include automotive manufacturing, heavy industry, and growing IT services. Katowice, the regional capital, is becoming a tech hub. Silesia benefits from EU funds for regional development, focusing on modernizing its infrastructure and promoting innovation. The Podbeskidzie subregion, particularly the Bielsko-Biała area, is an important part of Silesia. Known for its automotive and machinery industries, it has a tradition in mechanical production, including automotive parts. The region is also focusing on innovation in SMEs, particularly in the IT and renewable energy sectors. Podbeskidzie's proximity to the Beskid Mountains makes tourism and outdoor activities a key economic contributor, complementing its industrial base. Both Silesia and Podbeskidzie benefit from EU Structural Funds and national programs like the Polish Development Fund (PFR) and National Centre for Research and Development (NCBR), supporting innovation in SMEs and start-ups. Local ecosystems, including incubators and business accelerators, are helping to foster entrepreneurship in areas like IT, tourism, and manufacturing. Podbeskidzie is actively diversifying its economy with a focus on high-tech, green industries, and tourism, positioning itself as an innovation-friendly region within Poland and Central Europe.

### 9.3.7. Slovenia

Slovenia faces several challenges and shortcomings in the areas of economic development and its innovation ecosystem. Despite a diverse economic structure and relatively high level of economic development, Slovenia still lags behind the most developed EU countries, particularly in the field of innovation. The innovation ecosystem is often fragmented, making it difficult for collaboration among various actors, such as businesses, research institutions, and the government. There are also shortcomings in the limited access to financing for small and medium-sized enterprises (SMEs) and startups. Support structures such as subsidies, favorable loans, and tax incentives are often insufficient or difficult to access, which restricts the potential for growth and development of innovation. Additionally, businesses face bureaucratic obstacles that hinder the speed and efficiency of innovation processes. Slovenia also struggles with the challenge of brain drain, as many talented individuals and innovative companies seek better opportunities abroad,



further weakening the local innovation potential. The lack of a long-term strategy for promoting innovation and entrepreneurship, along with insufficient investment in research and development, further limits the competitiveness of the Slovenian economy on a global scale. Despite these challenges, Slovenia remains committed to improving its innovation environment, but more coordinated efforts will be needed to overcome these barriers and promote sustainable growth for SMEs and startups.

## 10. Vision, mission

### 10.1. Strategy Vision and Mission Statement

The vision is to make the Central Europe a thriving innovation hub where SMEs and startups have seamless access to a diverse range of funding and support, empowering them to transform groundbreaking ideas into global market leaders, driving economic growth and societal progress.

Our mission is to create a supportive, robust and dynamic innovation ecosystem in Central Europe by enhancing access to finance and expanding support instruments for innovative SMEs and startups. By fostering a culture of entrepreneurship and innovation, as a way out of both the middle-technology and middle-income traps, allowing innovation ecosystems reach a critical mass regionally that is significantly more likely to generate unicorns in the CE.

The key elements of the mission are:

**Improved access to finance:** Breaking down financial and administrative barriers for SMEs and startups through a variety of funding options, including early-stage investments, growth capital, and debt financing.

**Diversified support ecosystem:** Continuously building a comprehensive network of support services, such as mentoring, coaching, incubation, or acceleration programs, to innovation and entrepreneurship at every stage, and raising awareness of available instrument while facilitating the navigation through the robust ecosystem.

**Innovative support schemes:** Developing new market-driven funding and support mechanisms that address the specific needs of SMEs and startups.

By achieving this mission, we will create a fertile ground for innovation to flourish, enabling Central Europe to compete on a global stage and contribute meaningfully to addressing global challenges.

### 10.2. Implementation and follow-up activities

The efforts within the project represents more of a strategic framework than an enforceable policy. More detailed implementation plans on regional/national level and follow-up activities would be necessary for successful achievement of the vision. Following text is about to outline the direction for future activities during and after the project and to identify key areas to focus on.

The most important follow-up activities include the pilot action focused on new or upgraded innovative support instruments. This will allow to test new or innovated approaches to the support schemes and to evaluate their effectiveness or to identify potential areas for improvement.



Successful implementation requires the cooperation of a wide range of stakeholders. Key stakeholders include policymakers, business support institutions, innovation and technology centers, local, regional, and national authorities, financial institutions, venture capital funds, innovative SMEs, technology-based startups, business associations, chambers of commerce, academia and others.

Maintaining intensive cooperation and knowledge sharing among all stakeholders is crucial for long-term success. Building a strong network of partnerships will enable more efficient transnational knowledge sharing, cooperation in relation to common challenges in Central Europe and identification of new opportunities.



## 11. Conclusion

The FI4INN project takes a comprehensive and strategic approach to improving access to financial instruments for small and medium enterprises (SMEs) and startups in Central Europe. Through a detailed analysis of existing support systems as well as the needs and challenges of SMEs, key gaps have been identified, and targeted recommendations have been developed to enhance the effectiveness and accessibility of financial instruments.

The introduction of the *Virtual Knowledge Centre*, which presents best practices and innovative financing models, along with transnational workshops to promote knowledge and experience exchange, have founded a solid basis for follow-up activities regarding the objectives of the FI4INN project.

Despite the progress made, challenges remain in harmonizing access to financial instruments in less developed regions and reducing administrative burdens. The FI4INN project envisions creating a dynamic and inclusive innovation landscape that supports SMEs and startups in transforming their ideas into market-ready solutions. Partnerships of key stakeholders play a key role in leveraging synergies and expanding the reach of financial support s mentioned. Collaboration among institutions from different regions to jointly develop solutions, which will support access to funding for innovative startups and SMEs, is crucial.

The *Dynamic tool for innovative support instruments* helps in decision making, because it enables a targeted selection of appropriate financial instruments based on the specific requirements of applicants. Within further development in combination with complementary FI4INN tools (*Virtual Knowledge Centre*, *Financial Instrument/Support Scheme Design Canvas*) should offer a user-friendly solution for regional and national authorities as well as business support organizations in identification and design process contributing to a more transparent, efficient, and targeted funding landscape.

Overall, the FI4INN project provides a solid foundation for building a more sustainable and effective innovation ecosystem in Central Europe. The recommendations for simplifying procedures, strengthening partnerships among key stakeholder, and developing flexible and well-targeted financial instruments are crucial steps in supporting SMEs and startups in overcoming the challenges of the global market. Implementing this vision should strengthen the region's innovation capacity and contribute to sustainable economic development.



## 12. Sources

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