

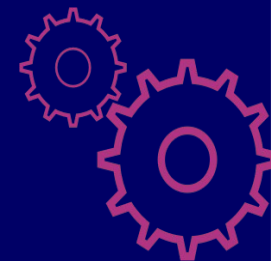
***„Financing Innovative Enterprises
Poland : case study of country in
transition”***

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Ministry of Science and Higher Education

Warsaw, Poland



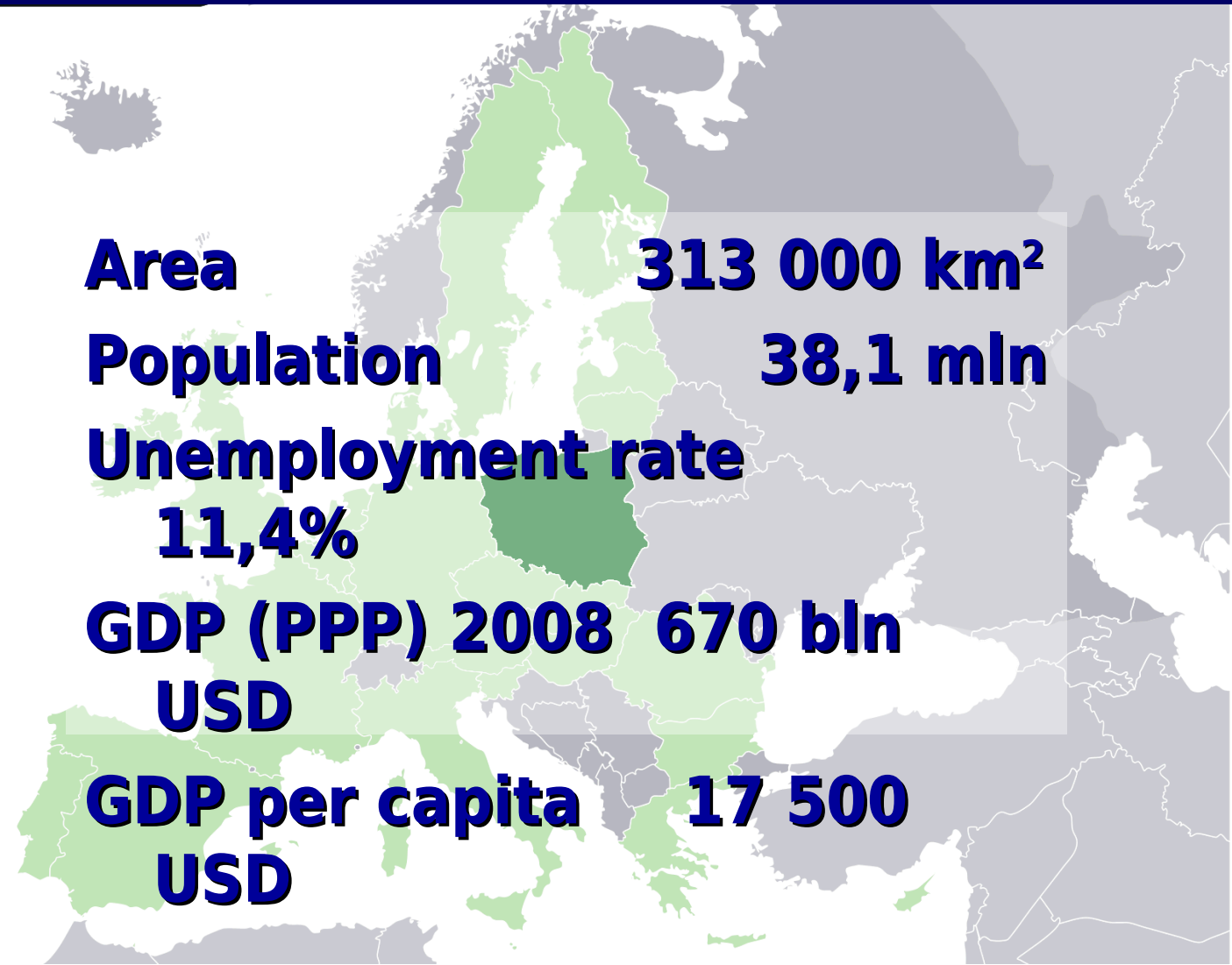
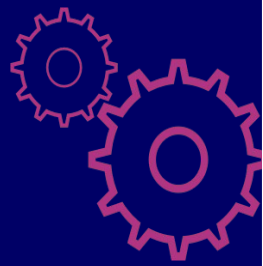
Presentation Plan

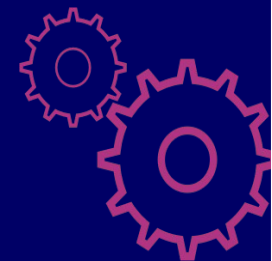
- **Poland – brief introduction**
- **Polish innovation policy**
- **Innovation support instruments**
- **Lessons learnt**



POLAND

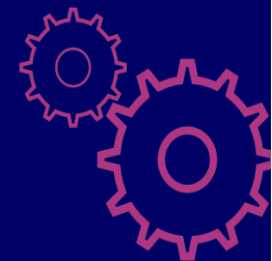
basic statistics



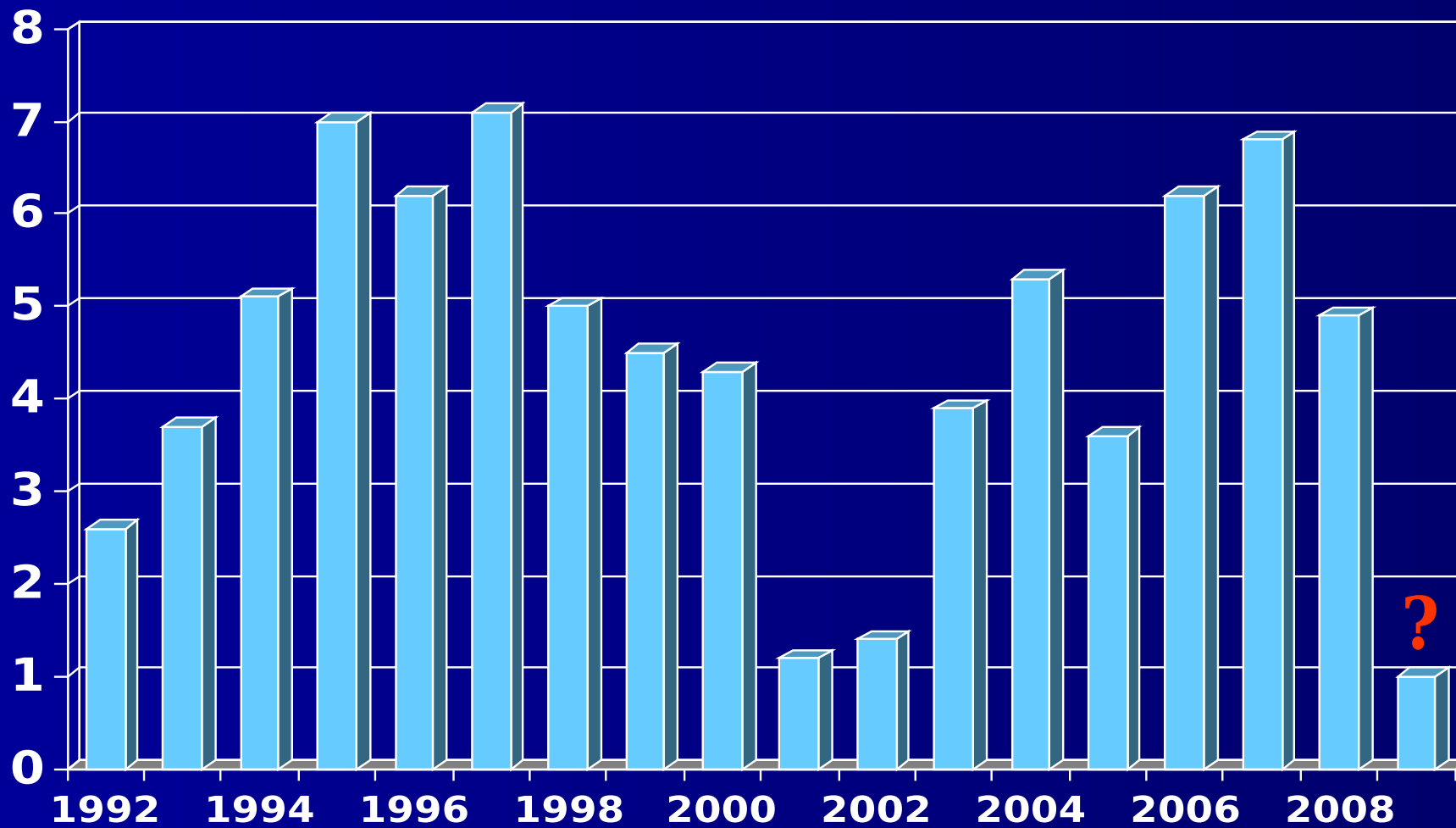


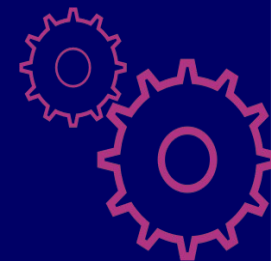
Key dates for Poland

- **Christianisation** 966
- **First Republic** July 1, 1569
- **Second Republic** November 11, 1918
- **People's Republic** July 21, 1944
- **Trade Union „Solidarity”** August, 1980
- **Third Republic** July 19, 1989
- **NATO membership** March 12, 1999
- **EU membership** May 1, 2004

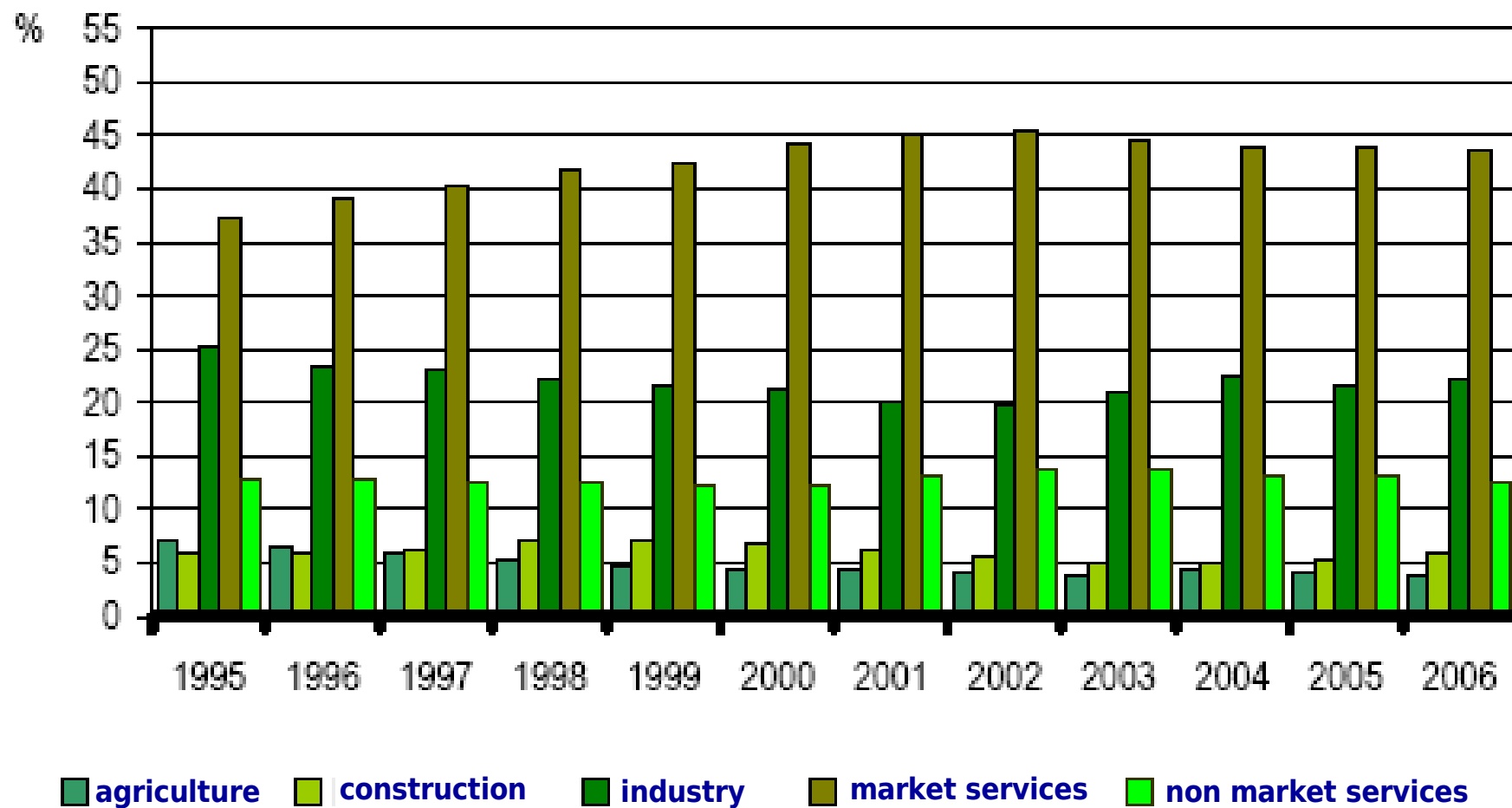


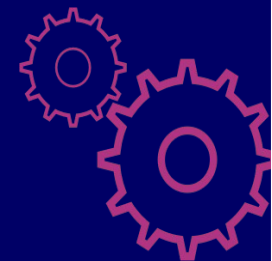
GDP growth in %



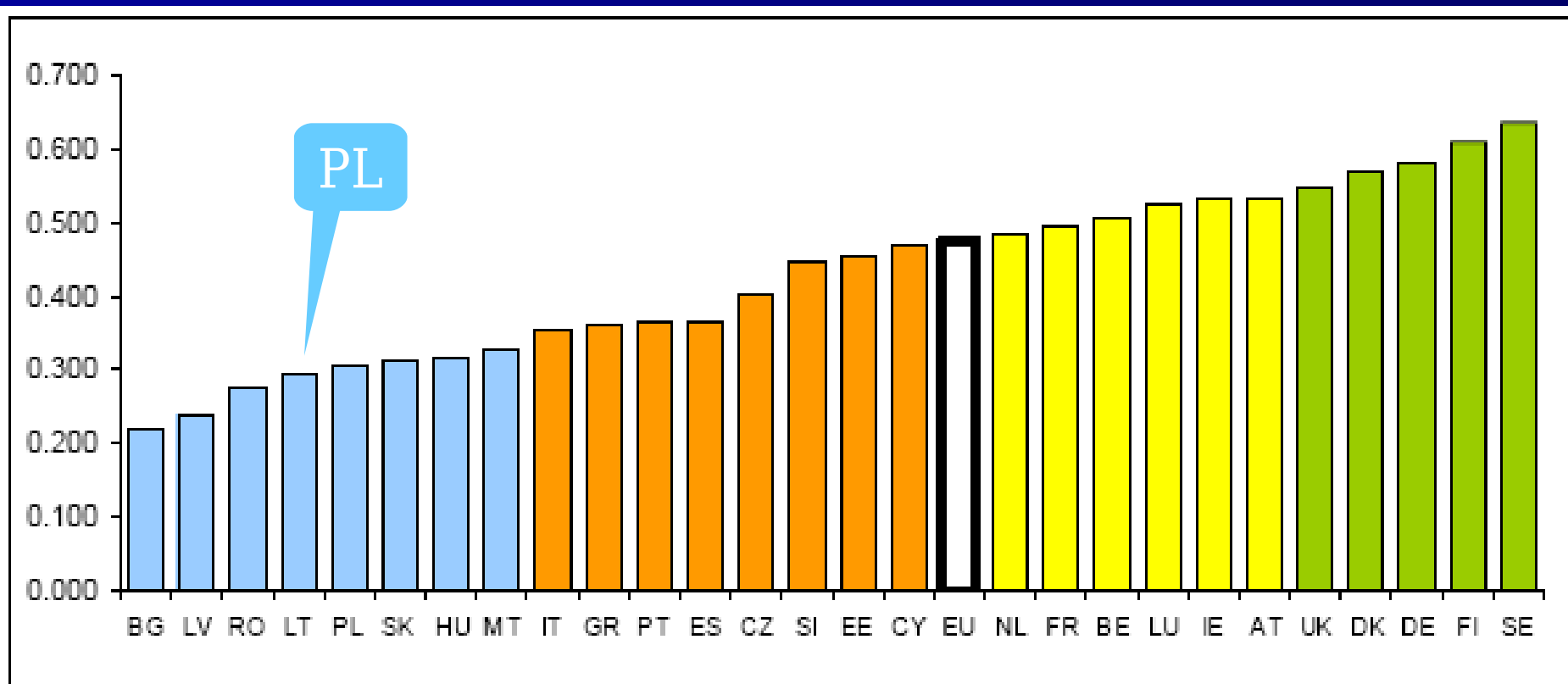


Breakdown of GDP by sectors

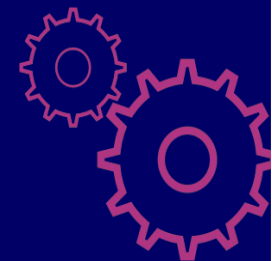




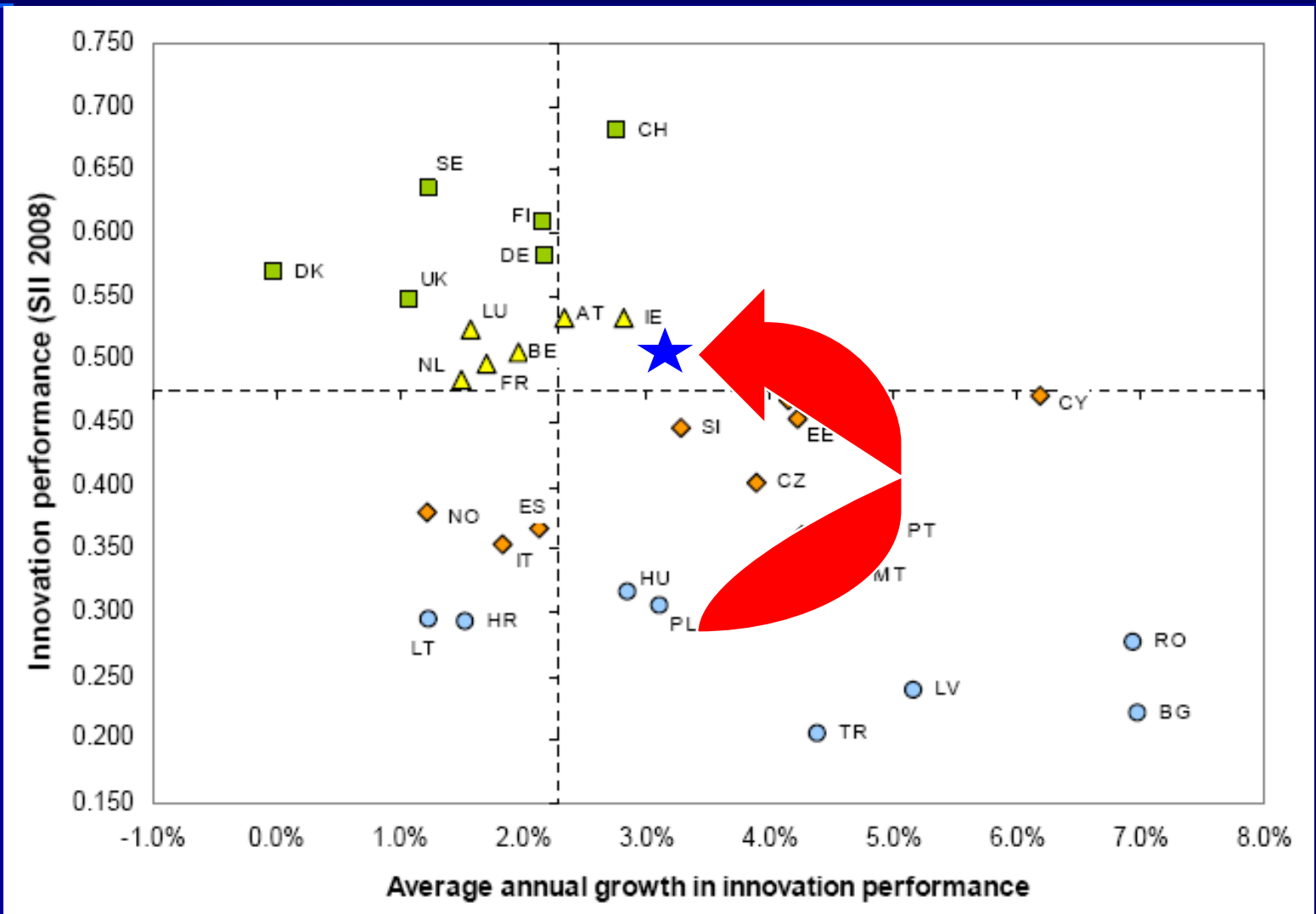
2008 Summary Innovation Index (SII)

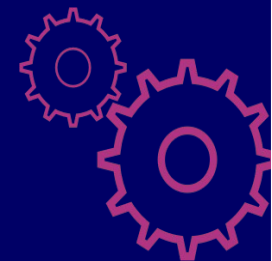


Note: The Summary Innovation Index (SII) is a composite of 29 indicators going from a lowest possible performance of 0 to a maximum possible performance of 1. The 2008 SII reflects performance in 2006/2007 due to a lag in data availability.



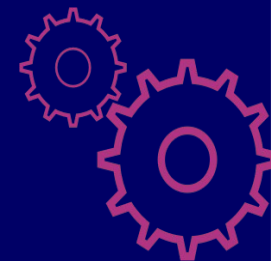
Convergence in innovation performance





National Innovation System in Poland

- **Parliament (policy making & budget creation level)**
- **Government (executive level)**
 - **Ministry of Economy**
 - **Ministry of Science and Higher Education**
- **Regional level (Regional Innovation Strategies)**
- **Public R&D sector (universities, government research Institutions, Polish Academy of Sciences)**
- **Non-governmental institutions (S&T parks, incubators, technology transfer centres, networks)**
- **Privet sector (investment funds, R&D centers)**



Innovation Policy Framework

Strategic level:

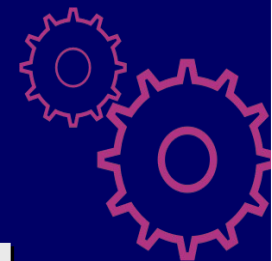
- Strategy for increasing the innovativeness of the economy for 2007-2013
- Strategy for science development (to be adopted)
- Regional Innovation Strategies

Legal framework:

- Law on some forms of supporting innovation activities
- Law on National Capital Fund
- Law on the creation of Polish Agency for Enterprise Development
- Law on the rules of financing the science sector
- Law on National Centre for R&D
- Law on government research institutes

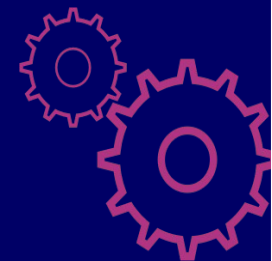
Operational level:

- Operational Programme Innovative Economy
- Operational Programme Human Resources
- 16 Regional Operational Programmes



Development of Innovation Policy in Poland

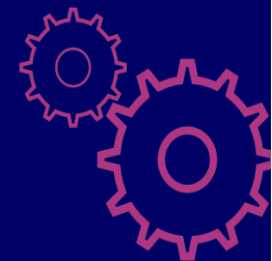
- **2000 – Strategy „Increasing the innovativeness of the Polish economy until the year 2006”**
- **2004 – Sectoral Operational Programme „Improvement of the Competitiveness of Enterprises for 2004-2006”**
- **2005 – adoption of the *Law on some forms of support for innovative activity (Innovation Act)***
- **2006 – adoption of *Strategy for increasing the innovativeness of the economy in 2007-2013***
- **2007 – Innovative Economy Operational Programme for 2007-2013**



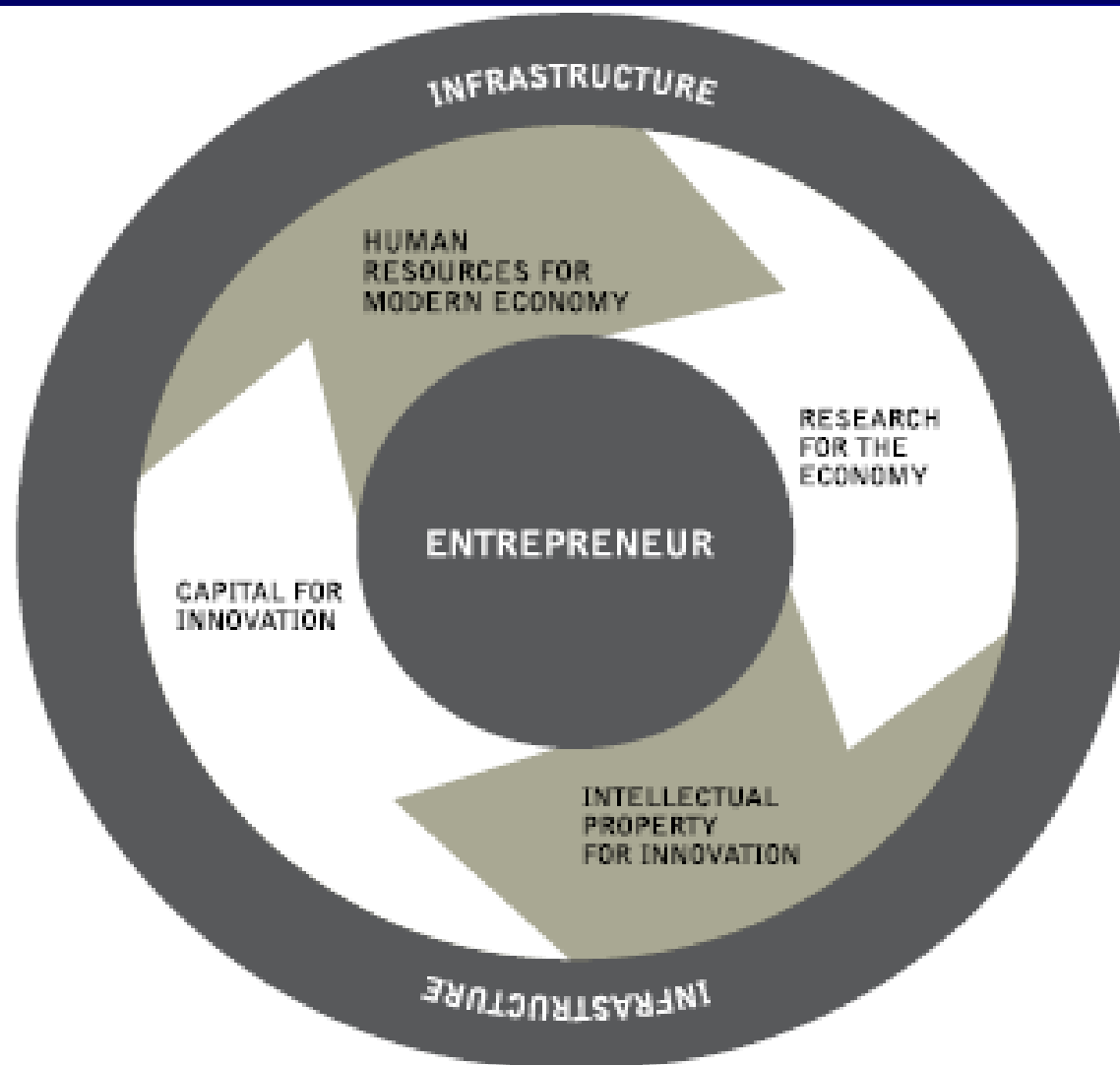
Strategy for increasing the innovativeness of the economy in 2007-2013

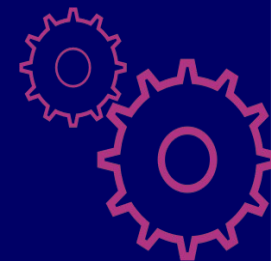
Strategic goal:

„Increase the innovativeness of enterprises in order to maintain the economy on the path of fast growth and to create new and better jobs.“



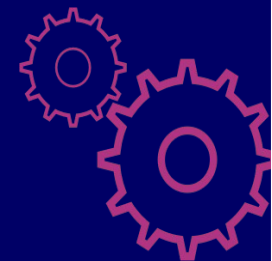
Strategic areas of public interventions



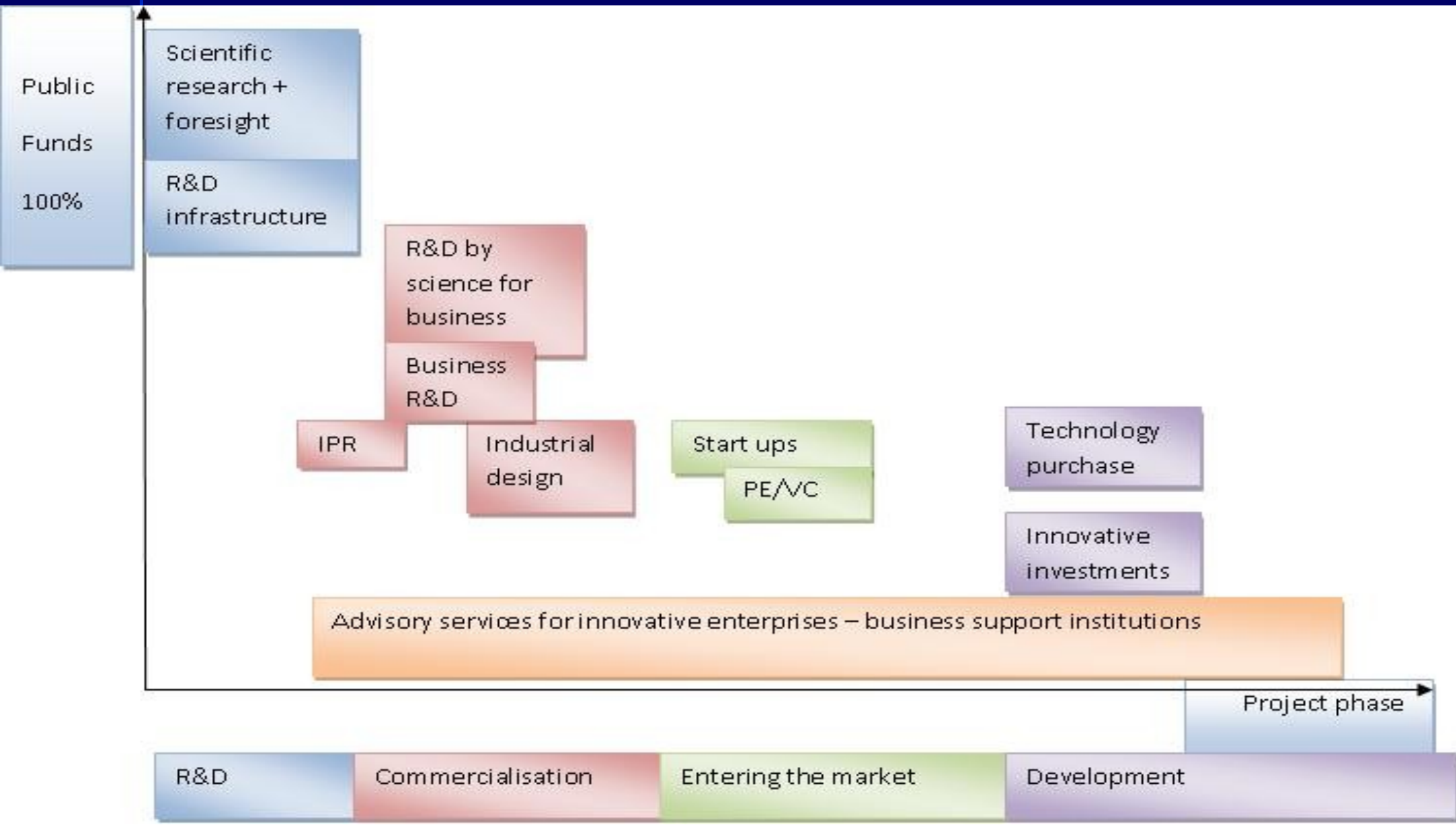


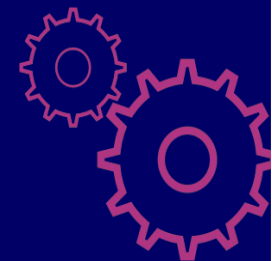
Main challenges

- **create entrepreneur-friendly environment**
- **strengthen the science and technology base**
- **foster industry-science linkages**
- **strengthen human resources for science and technology**
- **improve use of intellectual property rights**
- **introduce fiscal incentives for private R&D**
- **improve the governance of the innovation system on the national level**



Innovation support schemes

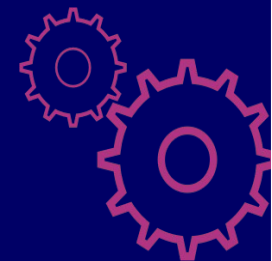




Instruments

Research and development of new technologies

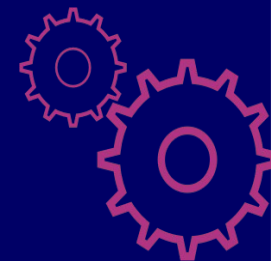
- **Support for scientific research (+foresight)**
- **Strengthening the human resources of science**
- **Support for R&D projects done by science for business**
- **Support for industry driven projects**
- **Technology Initiative**
- **Creator of Innovativeness**



Industry driven projects: applicants and criteria

Individual entrepreneurs or consortia lead by

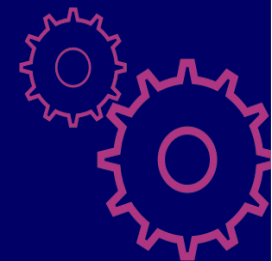
- **Innovation of research and their outputs**
- **Competitiveness of projects' outputs in the worldwide context**
- **Importance for regional development**
- **Influence on labour market**
- ***Ex ante* cost effectiveness**
- **The chances of implementation of outputs**
- **The previous experience and honesty to public support**



Industry driven projects: output and outcomes

Evaluation of projects completed in 2002-2004:

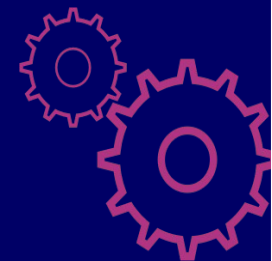
- number of finished successfully vs unfinished – **593** vs **617**
- Total spendings – **1,3 bln USD** (research and implementation) with **100 mln USD** public contribution (research)
- Major outputs:
 - **New products** – **277**
 - **New technology** – **79**
 - **New appliance** – **56**
 - **Modernization of technology** – **43**



Industry driven projects: output and outcomes

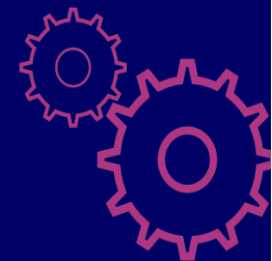
Evaluation of some projects in 2008: (% of responses from companies)

- The increase of sales – **60,90 %**
- The increase of productivity – **21,70 %**
- The increase of export sales – **17,40 %**
- The replacement of imported goods – **13,00 %**
- The increase of interests of firms' offer – **4,30 %**
- The increase of brand value of firm – **4,30 %**



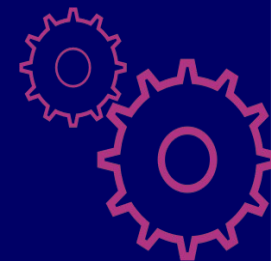
Instruments R&D infrastructure

- **Development of institutes with high research potential**
- **Support for creation of joint research infrastructure**
- **ICT infrastructure of science**



Instruments Capital for innovation

- **Starting up of innovative business activities**
- **Support for high risk capital funds**
- **Creation of the system facilitating investments of private capital in SMEs**
- **R&D Tax incentives**
 - **Status of Research & Development Centre**
- **National Capital Fund**

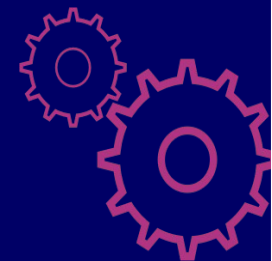


National Capital Fund

NCF is a fund of funds that invests in venture capital funds operating in Poland with the aim to minimize the size of the equity gap that prevails on the Polish SME market.

NCF's investment into a VC fund is a form of a public support:

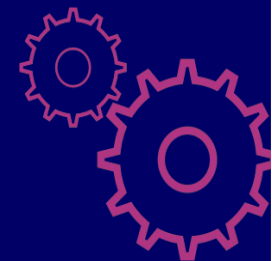
- **can invest up to 50% of fund's total capitalisation**
- **investment per company is max. 1.5 mln EUR**
- **focus on innovative, R&D and high-growth projects**



Instruments

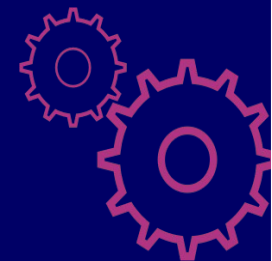
Investments in innovative projects

- **Support for implementation of results of R&D works**
- **Stimulation of R&D activities in enterprises and support for industrial design**
- **New investments of high innovative potential**
- **Support for investments of high importance to the economy**
- **Technological credit**



Technological Credit

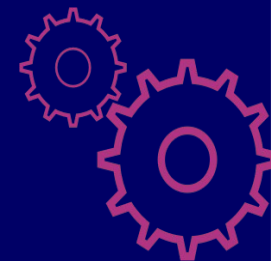
- **Financing investment based on purchasing and implementing of new or owned technology with the possibility of 50% remittance of credit liabilities (max. for 2 mln EUR)**
- **Every private bank would be involved**
- **Remittance paid by national bank**



Instruments

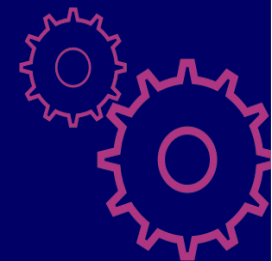
Diffusion of innovation /cooperation/clustering/IPR

- **Support for cooperative relations on a supra-regional scale - clusters**
- **Support for business support institutions rendering proinnovative services and their networks on a supra-regional scale**
- **Support for innovation centres**
- **Management of intellectual property**
 - **Patent Plus**



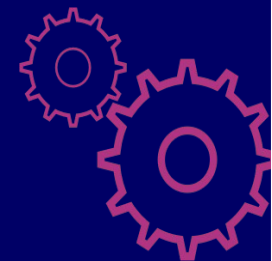
Lessons learnt / bad story

- **Innovation culture**
 - everybody can innovate everywhere
- **Business environment**
 - innovations flourish on the market
- **Favorable business conditions**
 - innovation is not isolated policy area
- **Public money but market instruments**
 - from grants to financial instrument
- **Not too much legislation and public institution**
 - do not crowd out private initiatives
- **Broader concept of innovation:**
 - education – creativity - entrepreneurship
- **Innovation it IS NOT high tech**
 - think on productivity and job places
- **Inno in products, services, organizations etc.**



Useful links

- **Ministry of Economy**
www.mg.gov.pl
- **Ministry of Regional Development**
www.mrr.gov.pl
- **Ministry of Science and Higher Education**
www.mnisw.gov.pl
- **Polish Agency for Enterprise Development**
www.parp.gov.pl , www.pi.gov.pl



Thank you for your attention!

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