INNOGROW
Interreg Europe

European Union
European Regional
Development Fund

ACTION PLAN

STARA ZAGORA REGIONAL ECONOMIC DEVELOPMENT AGENCY

*** The content of this document is based on collected useful experience and good practices from Stara Zagora Regional Economic Development Agency (SZREDA) as project partner in the INNOGROW project co-funded by INTERREG Europe. The proposals have been identified as good practices from other partner countries and regions in the project and based on the needs of SMEs in Bulgaria, with focus on SMEs in rural areas.**

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I. General Information

Regional policies for innovation driven competitiveness and growth of rural SMEs – INNOGROW

Rural economy SMEs face challenges in adopting innovation to increase their competitiveness. Regional policies need to correspondingly support the diffusion of innovative solutions and new business models that will lead to increases in productivity and access to new markets. INNOGROW regions are called to play an important role in supporting the modernization of their existing rural SMEs and the proliferation of innovative start-ups. INNOGROW brings together 9 partners from 8 countries, involving the managing authorities & regional bodies influencing regional and national policy instruments, to exchange experiences & practices, and to improve their capacity on implementing policies that promote the adoption of technology and business model innovations by rural economy SMEs, to boost their competitiveness.

Stara Zagora Regional Economic Development Agency (SZREDA) is an NGO, established 24 years ago by the Municipality of Stara Zagora in partnership with other municipalities and organizations from the region. Over this period SZREDA has successfully implemented more than 75 projects in favor of sustainable regional development.

From 2016, SZREDA is partner in the project "Regional policies for innovation driven competitiveness and growth of rural SMEs – INNOGROW", co-funded under the INTERREG EUROPE Program. The lead partner of the project is Region of Thessaly (Greece). The Project Consortium also partners are: Lombardy Foundation for the Environment, FLA (Italy), Zemgele Planning Region (Latvia), University of Newcastle (UK), Regional Development Agency of Pardubice Region (Czech Republic); Chamber of Commerce of Molise (Italy), Regional Development Agency of Gorenjska, BSC Business Support Centre L.t.d., Kranj (Slovenia), Pannon Novum West-Transdanubian Regional Innovation Non-Profit Ltd. (Hungary).

The main objective of the project is to provide support for enhancing the competitiveness of small and medium - sized enterprises (SMEs) in rural areas through the implementation of technologies and innovative business models, by encouraging the development and implementation of relevant policies at the regional level.

Policy context

In Bulgaria, regional development is tackled by national operational programmes. Bulgarian Operational Programme "Innovations and Competitiveness" 2014-2020 (OPIC). OPIC aims at improving SMEs competitiveness of all sectors at local, regional and national level. OPIC's priority axis 2 focuses on Entrepreneurship & capacity for growth of SMEs. As acknowledged by the beneficiaries of OPIC, the impact of OPIC measures on strengthening productivity and export potential of rural economy SMEs is limited compared to other sectors. It is important to be stated that the Action plan addresses the needs of rural economy SMEs, but the measures that are included would also be beneficial to SMEs in Bulgaria in general, since they face common challenges.

About the Action Plan

This document provides guidance on how the best practices from the interregional cooperation will be used as development tool that will influence and improve the topic addressed by the project. It defines the nature of the actions to be performed, their timeframe, the participants, the costs (if any).

SMEs in rural areas have great difficulty in adopting and implementing innovations in order to increase their competitiveness. Regional policies should be targeted and accordingly support the dissemination

of innovative solutions and new business models that would lead to productivity gains and provide access to new markets. Regions that are part of INNOGROW play an important role in the so-called support for the modernization of existing small and medium-sized enterprises in rural areas and the distribution among new start-ups.

The Action Plan aims to impact (choose one): ✓ **Investment for Growth and Jobs programme** ○ **European Territorial Cooperation Programme** ○ **Other regional development policy instrument**	
Name of the Policy Instrument addressed:	Bulgarian Operational Programme "Innovations and Competitiveness" 2014-2020 (OPIC)

Summary

SZREDA presents in this Action Plan a package of measures to promote innovation in SMEs, with a focus on rural SMEs.

Recommendations in this action plan are based on the following project activities performed between 01.04.2016 and 31.03.2019:

1) Four reports in different areas related to innovation in rural SMEs made by project partners from the international consortium of the INNOGROW project, following research activities:

- Report on the Impact of the Implementation of Innovative Technologies in SMEs in Rural Areas;
- Good Practice Report on the Implementation of Innovative Business Models in SMEs in Rural Areas;
- Report on factors that encourage or hinder rural SMEs from investing in innovative technology solutions or introducing new business models;
- A good practice report on policies in partner country consortium countries that stimulate innovation in rural SMEs.

2) Six regular meetings with local stakeholders from Bulgaria with representatives of business, local authorities, national institutions, representatives of private and public financial institutions (commercial banks, Bulgarian Development Bank, Fund of Funds), representatives of the scientific and academic circles and experts from the non-governmental sector.

3) Two international workshops in Brussels (Belgium) and Milan (Italy) to discuss and exchange useful experience in similar projects to promote innovation in SMEs.

4) Workshop in Newcastle (England) to discuss the adoption and changes to the Strategic Document of Industrial Strategy of the UK to study and study UK good practices that can be implemented in Bulgaria.

5) Four interregional workshops for exchange of experience in Italy, Bulgaria, Hungary and Slovenia) on rural innovation following the topics of the above mentioned reports and two meetings thematic focusing on the exchange of useful experience in the field of innovative business models and the

deployment of innovative technologies in SMEs in rural areas in Lombardy Region (Italy) and Region of Thessaly (Greece).

Based on the findings of these activities SZREDA has prepared this action plan with measures aimed at increasing the promotion of innovation in SMEs in Bulgaria, with a focus on SMEs in rural areas.

Project	**Regional policies for innovation driven competitiveness and growth of rural SMEs – INNOGROW**
Partner organization	**Stara Zagora Economic Development Agency**
Other Partners' organizations involved /if relevant/	**n/a**
Country	**Bulgaria**
NUTS2 Region	**BG34 Yugoiztochen Region /South-East Region/**
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II. Policy context[1]

Name of the policy instruments addressed in the action plan	**Operational Programme "Innovations and Competitiveness" 2014-2020 (OPIC)**

III. Details of the key actions envisaged

Key Action 1: Funding for SMEs with Seal of Excellence.	**Creation of specific financial instrument for companies registered in Bulgaria that have applied for funding under the Horizon 2020 SME Instrument and have been awarded with Seal of Excellence.**
Context of the proposal	The so-called Seal of Excellence is given to companies that have applied with innovative ideas under the SME Instrument in Horizon 2020 project with Phase 1 or Phase 2 project proposals. These are companies that have approved projects but are not funded by the program due to shortage of funds. It is the decision to issue the Seal of Excellence, which serves as a guarantee that the submitted project proposal represents an excellent opportunity for private / public investment and is recognized by the evaluating experts of Horizon 2020 as a project with significant potential to be successful. The aim is thus to encourage public institutions and/or private investors to provide targeted funding, leading to the realization of ideas highly appreciated by international experts. In many countries and regions of Europe, there is a specific funding that

[1] a set of ideas or an action plan followed by a business, government, political party, or group of people (Cambridge English Dictionary)

	is closely targeted to project proposals from the country / region concerned, specifically for projects with Seal of Excellence. The targeted funding for the two Phases, of course, is different. Owners of the Seal of Excellence are projects with high added value ranked for grant funding rather than the "failures" of the Horizon 2020 Program. Under the same strict criteria, evaluated by international panel of experts, in a transparent and competitive evaluation process these projects have received Seal of Excellence,. The achieved effects will be: time saved, prudent use of public resources and increasing the impact and effectiveness of national funding in innovation.
Why is this Key action needed?	It should be noted that the support of the Bulgarian SMEs, which received the Seal of Excellence in the Horizon 2020 program, has also found its place in the work of the Ministry of Economy but currently there is no specific financial instrument intended to finance projects bearing such a quality label, unlike other EU countries. One of the main challenges identified by SMEs in Bulgaria in the framework of the INNOGROW research program co-funded by INTERREG Europe is the serious shortage of specific targeted funding to meet the needs of innovative enterprises in the country.
Key action proposal	The proposal of SZREDA is to be created a new instrument with targeted funding for Bulgarian projects that have applied under the SME instrument of the Horizon 2020 Program and have been awarded with Seal of Excellence. The budget can be redirected from remaining funding within the budget of OPIC 2014-2020 or financial instruments to the Fund of Funds. The proposed measure is influenced on the basis of good practice and experience within the INNOGROW project in Lombardy Region (Italy) and the UK. The specific proposal is to be created a pilot procedure with target financing with unutilized financial resources from OPIC 2014-2020 for the financing of the projects of Bulgarian companies that have been awarded with Seal of Excellence for Phase 1 of the SME Instrument under the Horizon 2020 Framework Program. Based on statistics provided by the EC for the total amount needed for all projects of Bulgarian companies that have the Seal of Excellence for Phase 1, it is 1,450,000 euros as of April 2018.
Stakeholders involved	Ministry of Economy
Timeframe	2019 – 2020 (with option to be transferred in the new programme period 2021 – 2027)
Costs	The budget for the proposed key action is estimated to be 1 450 000 EUR.
Funding	Operational Programme "Innovations and Competitiveness" 2014-2020 (OPIC) / 2021-2027
Expected Impact	Increasing the innovation activity of Bulgarian SMEs
Next steps	1) Initiate meetings with responsible institutions and stakeholders on the target funding framework. 2) Defining a specific framework, conditions for application and conditions of implementation of the targeted financing measure. 3) Preparation of a pilot issue of the targeted funding measure. 4) Conducting a call for proposals under the pilot project of the

	targeted funding measure.
KPI's	Number of project proposals funded by Bulgarian companies that have been awarded with „Seal of Excellence"

Key Action 2: Voucher scheme for SMEs for Horizon 2020 and Horizon Europe (after 2020).	**Encourage more SMEs from Bulgaria to participate in project proposals under the Horizon 2020 Framework Program by creating a voucher scheme similar to that in Wales to finance the preparation of project proposals for companies wishing to apply under the Framework Program Horizon 2020 *.**
Context of the proposal	This proposal has been developed on the basis of useful experience from the UK as a result of the work of SZREDA and the University of Newcastle as INNOGROW projects. In particular, a voucher scheme from Wales has been identified as the most appropriate practice. The objective of the proposal is to provide financial support through a voucher scheme to organizations based in Bulgaria that want to develop a project proposal for innovation and R & D investment programs such as the Horizon 2020 Framework Program. Funding can be done by reallocating an uncommitted budget from the OPIC 2014-2020 or directly from the budget of the Ministry of Economy. In the EU budget for the period 2021-2027 is foreseen for Bulgaria to receive more funding through the Cohesion Policy. The new programming period will be characterized by an Individual Approach to Regions, more investment for innovation, support for small businesses and digital technologies, simplified rules and a single regulatory framework are the new moments in the EC's proposal to modernize the Cohesion Policy. The bulk of investments under the European Regional Development Fund and the Cohesion Fund will be for innovation, support for small businesses, digital technologies and the modernization of industry. Cohesion policy is proposed for all regions and a more individualized approach to regional development. Regions that are still lagging behind in terms of growth or income are predominantly in southern and eastern Europe and will therefore continue to receive significant EU assistance. An increase in the budget of the Horizon Europe Program 2021-2027, which will succeed the Horizon 2020 Framework Program, is also foreseen. The Horizon Europe Program, proposed by the Commission in June 2018 as part of the EU's long-term budget for the period 2021-2027, is the most ambitious research and innovation program ever existed and with its help the EU will remain leading global research and innovation. Horizon Europe was created on the basis of the achievements and successes of the current Research and Innovation Program (Horizon 2020). It will continue to be a leader in excellence with the help of the European Research Council and Scholarships and Scholarships from the Marie Sklodowska-Curie Program and will benefit from the Joint Research Center (JRC) scientific advice, technical support and specialized research, - the Commission's Science and Knowledge Commission. It will introduce new aspects, including the European Council on Innovation (ECI). The ECI, which is already in the pilot phase, will be a central service unit with the help of breakthroughs and "disruptive" innovations that will find their way into the

	marketplace, and start-ups and SMEs will expand the scale of their ideas. It will offer direct support for innovation through two main funding instruments: one for the early stages and one for the development and deployment of innovation in the market. Horizon Europe is a key part of the implementation of the Communication 'Renewed European Agenda for Research and Innovation - Europe's Chance to Define its Future'. This action plan, discussed by EU leaders at their summit in Sofia in May 2018, identified the steps needed to ensure European competitiveness at world level.
Why is Key action 2 needed?	A large number of Bulgarian companies are applying successfully under the current Horizon 2020 Framework Program, but more can be done to encourage other small and medium-sized enterprises in the country to participate in project proposals under the Horizon 2020 Framework Program and the forthcoming launch of a new program Horizon Europe. Bulgaria can transfer the useful experience from other EU countries that have been implementing such measures for years now.
Key action Proposal	The objective of the proposal is to provide financial support through a voucher scheme to organizations based in Bulgaria that want to develop a project proposal for innovation and R & D investment programs such as the Horizon 2020 Framework Program. Funding can be done by reallocating an uncommitted budget from the OPIC 2014-2020 or directly from the budget of the Ministry of Economy. The main costs to be covered under this voucher scheme are: • Travel costs that are connected to partner identification and consortium building and contract negotiations. • Expenditures for the preparation of a project proposal that are for external services and are related to the preparation of a project proposal and collection / creation of evidence supporting the financing of the project proposal and negotiation and conclusion of agreements and contracts with / in a consortium. Financial support should include: • Travel costs related to meeting potential or existing partners and attending key events (up to a certain amount of travel - the amount and terms are discussed) • Costs for preparing a project proposal, including preparation of offers, specific legal, technical advice and analyzes, which are related to market research and the cost-effectiveness of the idea. (the amount is a discussion) IMPORTANT NOTICE! The voucher scheme should be available to all organizations based in Bulgaria interested in applying for the Horizon 2020 Framework Program but to focus on SMEs. It is an advantage to give applicants from the priority sectors for the regions listed in ISIS but to evaluate in detail each proposal in terms of return on investment. The amount should have a certain pilot budget, which is allocated on a competitive basis. Priority sectors (comply with ISIS) IMPORTANT! If it is financed through an unused budget of an operational program, the de minimis rule should be respected.
Stakeholders involved	Ministry of Economy, SME's
Timeframe	2019 – 2020 (with option to be transferred in the new programme period 2021 – 2027)
Costs	N/A

Funding	Operational Programme "Innovations and Competitiveness" 2014-2020 (OPIC)
Expected Impact	Increasing the innovation activity of Bulgarian SMEs
Next steps	1) Initiate meetings with responsible institutions and stakeholders on the voucher scheme framework. 2) Determining sources of funding for the budget of the voucher scheme. 3) Defining a specific framework, conditions for application and conditions of implementation of the voucher scheme. 4) Preparation of the Pilot Edition of the voucher scheme measure. 5) Conducting a competitive scheduling session for the pilot project of the voucher scheme.
KPI's	Number of voucher schemes; Number of companies benefiting from the voucher scheme who submitted a project proposal under the Horizon 2020 Framework Program

Key Action 3: Technology Transfer Development	**Measures for the development of technology transfer in Bulgaria by assessing the existing capacity of the technology transfer offices and clearly regulating the creation of spin-off and spin-off companies.**
Context of the proposal	Technological transfer is the first step ahead of entrepreneurship and startups. In Bulgaria, technology transfer is still something more talked about rather than achieving real results despite the efforts of individuals and institutions. This is reflected in the quality of entrepreneurs and the reality is that talented people who can develop a business worldwide often work on low-end ideas and projects. At the same time, there are developments in the Bulgarian Academy of Sciences and Universities, including patented ones, which can lead to breakthrough in some global industries, but they have not reached business development and commercialization. The development of technology transfer is a necessary basis for entrepreneurs to have access to the scientific community and together they can build businesses on real products and services that exploit the full potential of people in the country. TTOs, also known as "Tech Transfer" or "TechXfer", are internal to universities or corporations, organizations that are responsible for identifying technological research with potential and finding a way for their dissemination and commercialization. In universities, these organizations exist to support the spin-out process of companies established in the university environment and to regulate the process of licensing intellectual property, especially important in the field of SMEs. These organizations work on different models. Some mainly or only with a parent university from which they originate, and others serve startup companies that are not created at the particular university they are housed in. Technology Transfer Fund from the financial instruments of the Fund of Funds will be launched, which will finance projects that focus on technology transfer. It is implemented in line with the objectives of the Operational Program "Innovation and Competitiveness" 2014-2020 (OPIC) co-funded by the European Structural and Investment Funds for the Cohesion of Science, Innovation and Business. It is envisaged to set up one or several funds in the form of a closed-ended investment fund, with the Fund of Funds acting as the standard function of a limited liability partner. The resources provided by the Fund will amount to BGN 58.7 million, and additional co-financing from

	private investors is expected to be attracted. The FTT will provide equity and quasi-equity funding to the final recipients and will finance projects whose benefits would remain or would be directed to Bulgaria. Fundraising Technology Transfer (FTT) investments will be tailored to the objectives of the National Innovation Strategy for Smart Specialization focusing on ICT, pharmaceuticals and biotechnology, mechatronics, nano and clean technologies, creative and recreational industries. Eligible end-beneficiaries include start-ups, SMEs and large companies, their subsidiaries and joint ventures.
Why is Key action 3 needed?	At present, some of the Bulgarian universities have a technology transfer office. Their results show that there is a need for improvement. An assessment needs to be made to show what the inability to achieve the desired results of this model is due to. On the other hand, the option to create spin-off and spin-out companies with the participation of universities and research institutes in Bulgaria is not quite regulated. A legislative decision was adopted in 2016 that governs the possibility of creating societies between educational institutions and scholars / students. Currently, however, the results of this policy are not satisfactory and few companies have been created. Consider the reasons and seek feedback from people who would be directly affected by such a decision - investors, representatives of universities, lecturers, scientists, PhD students and students, startup organizations and intellectual property specialists to comment and recommendations for a possible change in legislation. This is of strategic importance to the economy of the country, because without a good channel for subtracting the development of the research units there is no first step from which to build a successful entrepreneurial ecosystem. The opening of a new fund for technology transfer from the Fund of Funds is about to open, but there is no established and this measure will help to build capacity that will then also support the operation of such funds and the ability to achieve good success with subsequent investments.
Key action proposal	The proposal of SZREDA is to be created measures that target the successful development of technology transfer in Bulgaria, thus increasing the level of innovation in existing SMEs and the creation of new innovative enterprises. The proposal includes: A) Assessment of existing technology transfer offices in Bulgarian universities and reorganization of their activities (if needed). SZREDA has explored useful experience from the INNOGROW partner consortium from all partner countries, but mostly from the University of Newcastle. The proposal of SZREDA is to be developed at each University a Tech Transfer Team - specific people with experience in various fields within the profile of the given university (medicine, ICT, etc.) who, apart from to be part of the university to be a participant in the local business ecosystem, with a clear system of control and a way of checking the effectiveness of the staff in question. The world practice shows that the team of people should have the following profile: • Have skills to build partnerships and relationships (to build a relationship between business and university)

	• Understand strategic planning with which to assess the potential for commercialization of developments • Commercial and communication skills to be able to promote new technologies • Regulatory expertise to be able to organize licensing and intellectual property issues • Entrepreneurial way of thinking and opportunity to organize spin-off companies and companies from the university In general, this is a team of people who need to be able to discover the market potential in the scientist's research and organize their achievement to the market, being a bridge between the research institute / university and the industry. In addition, this team must have the abilities and skills listed above. B) Recommendation to regulate the creation of spin-out companies and ordinary companies in partnerships between universities / research institutes and scientists / students. SZREDA has explored useful experience from the partner project consortium and especially from the University of Newcastle. This proposal is essential given the forthcoming launch of the Technology Transfer Fund. The introduction of such a practice would help to increase innovation and increase investment in development by companies. This is a natural way to create cooperation between businesses with innovation potential and universities / research institutes - a good source of funds for Bulgarian universities. The recommendation of SZREDA is to create a legislative solution similar to other EU countries that regulates the creation of spin-off and spin-off companies and ordinary companies and has a responsible institution that actively promotes this process. The specific role of institution support would be through counseling and expert assistance in finding finance, company management and investor relationships whose long-term interests may be different from those of the firm itself. As not all potential research innovation can have good market relevance, the institution itself can assist in advising scientists on the potential for commercialization of their ideas, the protection of intellectual property, and so on. In the long run, the institution itself, through partnerships with public and private funds, may have funds to invest in such companies. The first step is to set up a working group to analyze where the gaps are and to make further efforts to achieve this goal. It may be necessary to provide additional funding for universities wishing to upgrade their technology transfer offices. An additional good opportunity would be to allow the participation of universities and research institutions in companies that are not classic spin-outs or spin-offs.
Stakeholders involved	Ministry of Education, Ministry of Economy, Universities, Fund of Funds.
Timeframe	By the end of 2020
Costs	N/A
Funding	Operational Programme "Innovations and Competitiveness" 2014-2020 (OPIC)
Expected Impact	Improvement of the technology transfer environment in Bulgaria.
Next steps	1) Establish a working group to assess the effectiveness of existing technology transfer offices in the country and prepare a

	report on their work, including recommendations for improvement of their activity and effectiveness. 2) Establish a working group to analyze existing legislation regulating the creation of spin-out companies and to prepare a report including recommendations for a clear regulation of the spin-off and spin-off process.
KPI's	A report with recommendations on the effectiveness of existing technology transfer offices in Bulgaria; A report with recommendations for clear regulation of the spin-off and spin-off process.

Key Action 4: Yearly survey for the needs of SMEs	**Easier decision-making capabilities through a better understanding of the needs of SMEs in the country.**
Context of the proposal	The new programming period 2021-2027 will combine the EU's vision of a more individual approach to the regions. Cohesion policy is proposed with a more individualized approach to regional development. Regions that are still lagging behind in terms of growth or income are predominantly in southern and eastern Europe and will therefore continue to receive significant EU assistance. At the same time, Cohesion Policy will continue to invest in all regions, as many of them across Europe, including the richer Member States, have difficulties in making an industrial transition, fighting unemployment and asserting their position in the globalized economy. It is also proposed that local, urban and territorial authorities participate more actively in the management of EU funds. The work on the preparation of the new operational programs in Bulgaria through discussion with all stakeholders, especially business representatives, would facilitate the work of the institutions not only to plan appropriate measures and targets for future operational programs but also for future strategic documents from national meaning.
Why is Key 4 action needed?	The Ministry of Economy has an established mechanism for meetings with local stakeholders in the different regions, where there is a need for an opinion on new financing measures (the Regional Innovation Centres funding scheme under the 2014-2020 OPIC) or the updating of strategic documents (regional meetings for the evaluation and updating of the smart specialization strategy 2014-2020). It would be useful to apply an additional mechanism to identify business needs in different regions. The availability of such useful data would greatly facilitate decision makers on the specific needs that need to be addressed. The analytical data base will be generated by the business. During the workshop in Newcastle (England) in March 2019 to discuss the adoption and changes in the strategic document Industrial Strategy of the UK, one of the key proposals was the need for decision-making on the basis of specific data.
Key action proposal	Based on shared experience from the UK, in particular at the University of Newcastle, SZREDA proposes to be studied and introduced as a good practice a yearly survey to identify business needs, similar to the Longitudinal Small Business Survey in the UK. The purpose of the study in the United Kingdom is: A) Improving understanding of what moves and restricts business performance and growth by addressing gaps in evidence of lagging between many business activities and related productivity outcomes.

	B) Provide improved data on the business's current performance and the factors that affect it. The larger the amount of the survey provides more reliable conclusions for key business sub-groups and for activities such as search for funding that are only relevant for part of the sample. The existence of such an annual survey would clearly outline the needs of businesses and make it easier for lawmakers and institutions to develop and adopt future measures that have a direct positive impact on small and medium-sized enterprises in Bulgaria. The existence of such a periodic long-term study would be useful in making strategic decisions for the Bulgarian economy.
Stakeholders involved	Ministry of Economy
Timeframe	By the end of 2020
Costs	N/A
Funding	Operational Programme "Innovations and Competitiveness" 2014-2020 (OPIC)
Expected Impact	Create a database of information that would more clearly outline the needs of businesses and facilitate the creation and updating of strategic documents, financial instruments and other relevant decisions of lawmakers in the long run.
Next steps	1) Initiate workshops with responsible institutions and stakeholders on the research framework 2) Identify sources of funding for the survey budget. 4) Preparation of a pilot survey. 5) Conduct a pilot survey.
KPI's	Number of surveys conducted

Key Action 5: Supporting SMEs for Exports	**Supporting SMEs for Exports of Goods**
Context of the proposal	Within the INNOGROW project activities, one of the clearly expressed areas in needs of supporting the implementation and promotion of innovation in SMEs is to support the export of good and services to new markets in other countries. The main outlined needs based on the INNOGROW research activities and the experience exchange meetings outline the following recommendations and trends: A) There is a need to improve the promotion and support for SMEs that want to export goods and services. B) Export promotion actions should be expanded to provide information on priority sectors and targeted markets for SMEs. INNOGROW partners could also support SMEs to develop a cluster approach with regional and industrial business partners to help them meet the quality and quantity requirements of international markets. Coordination at certain stages of the value chain can help SMEs achieve better deals with suppliers, share the costs of promotion, engage in joint marketing activities, and share their knowledge of exports. C) There is a need to provide targeted support for the SMEs they export (such a procedure under the OP 2014-2020 was available but it could be developed further). (D) Provide specific financial support to help exporting SMEs overcome the financial barriers and risks that are typically encountered in international trade. (E) Applying a mixed approach in supporting the exports of good and services by SMEs.

	F) A mixed approach can also be adopted combining financial support and technical assistance for exporting SMEs. This, for example, will not only provide SMEs with liquidity to finance export activities but will also provide the technical skills needed to adequately assess the risks and challenges of trade with foreign partners and increase the likelihood of a successful outcome. While trade-related financial and technical support for SMEs should be linked, they should be provided by separate structures with relevant expertise. There is currently a National Export Portal, but its role should be evaluated and updated, and it is possible to add new functions, services and technical assistance to exporting SMEs.
Whys is Key action 5 needed?	In order for a product to be sold on the international market, a large number of certification fees must be paid to the relevant certification bodies. It is often a barrier for start-ups and SMEs because they still have no revenue but are required to invest significant amounts of money just for the right to try to sell their products on the international market. This proposal is important because the country has a great advantage in supporting the activity related to the export of Bulgarian products. Good business logic implies that the process of reaching international markets is maximally facilitated. The measure should comply with State aid requirements. The National Export Portal is currently morally and technically outdated and can be further adapted to the needs of SMEs to export to the EU internal market and to third countries outside the EU.
Key action proposal	The proposal of SZREDA is based on identified needs as a consequence of the work of the INNOGROW project consortium, but the concrete proposal is the result of regular working meetings with local stakeholders that form one of the key project activities. The proposal of SZREDA for Key Activity 5 can be divided into two separate points as follows: A) Financing measure for the certification of production with export potential focusing on SMEs in priority sectors of ISIS and / or validation of development of Bulgarian entrepreneurs and / or partnerships with the participation of Bulgarian entrepreneurs in consortia in accredited prestigious university laboratories or other accredited such in Member States or Associated with Horizon 2020. The measure may be a voucher scheme or a specific financial mechanism to operate under the 2014-2020 OPEC and / or the 2014-2020 OPINR and the programs that should assume their role in the new programming period. In many cases, in order to start to export, accreditation of a product / service from a local / external laboratory is necessary in order to receive permission to sell on a foreign market. On the other hand, there is insufficient capacity in Bulgaria in all areas where innovation is created to provide recognizable world-class certification or other expertise. Generally speaking, there are some world-class laboratories that are universally recognizable, and the availability of certification or expertise from them, opens the door of a product / service to the market and makes it recognizable to customers. In general, Bulgarian SMEs can not afford such an investment, especially in the initial phase of market penetration, when revenues are not enough to cover the high costs. The measure could also cover the cost of

	extending the scope of patent protection to new markets, including patent maintenance. There will be a need to establish the parameters of the measure and an authority to coordinate and create a database of all foreign organizations that can be involved and consulted. This database should be made after consultation with the potential beneficiaries of this measure. This may be seen as a completely new measure under an operational program. B) The National Export Portal is supported by the Small and Medium-sized Enterprises Promotion Agency, focusing on export support by digital and digitally-driven SMEs by improving access to the necessary expertise to comply with the regulatory requirements of international trade , up-to-date information on foreign markets, potential partnerships and contacts, financial mechanisms to support SME activities and opportunities to guarantee payments from abroad through different insurance instruments. The proposal of SZREDA is to be analyzed the usability of the current, but morally and technically outdated "National Export Portal" (http://export.government.bg), created in 2011. The upgrading of the portal can be focussed on export support by SMEs focusing on SMEs in rural areas, providing access to the necessary expertise to comply with international trade regulatory requirements, up-to-date information on foreign markets, potential partnerships and contacts, financial mechanisms to support the activity of SMEs and possibilities to guarantee payments from abroad through different insurance instruments.
Stakeholders involved	Ministry of Economy
Timeframe	If there is remaining budget - by 2020. If necessary, it can be included in the new programming period 2021-2027
Costs	N/A
Funding	Operational Programme "Innovations and Competitiveness" 2014-2020 (OPIC)
Expected Impact	Increased opportunity for Bulgarian SMEs to export to other EU and third countries.
Next steps	For the financial scheme: 1) Initiate meetings with responsible institutions and stakeholders on the target funding framework. 2) Identify sources of funding. 3) Defining a specific framework, conditions for application and conditions of implementation of the targeted financing measure. 4) Preparation of a pilot issue of the targeted funding measure. 5) Conducting a call for proposals under the pilot project of the targeted funding measure. For the National Export Portal: 1) Initiate meetings with responsible institutions and stakeholders on the functionality and updating of the National Export Portal. 2) Identify sources of funding. 3) Defining a specific framework and implementation task. 4) Update of the National Export Portal 5) Promoting the opportunity for Bulgarian SMEs to benefit from the National Export Portal.
KPI's	Number of SMEs that were beneficiaries of the target funding; Updated National Export Portal; number of companies using

	the National Export Portal;

IV. Monitoring the implementation of the Action Plan.

Subsequent monitoring of the activities under the Action Plan will be done periodically, monitoring the implementation steps and the set KPIs for each key action foreseen in this document.

Dashboard for monitoring the Action Plan of SZREDA for the INNOGROW project.

Key actions	Method	KPIs to be reached
Key Action 1: Funding for SMEs with Seal of Excellence	Records of funded SMEs that have been awarded with Seal of Excellence	Number of project proposals funded by Bulgarian companies that have been awarded with „Seal of Excellence" under the Horizon 2020 Framework Program
Key Action 2: Voucher scheme for SMEs for Horizon 2020 and Horizon Europe (after 2020).	Records of funded SMEs that have applied for the voucher scheme.	Number of voucher schemes; Number of companies benefiting from the voucher scheme who submitted a project proposal under the Horizon 2020 Framework Program
Key Action 3: Technology Transfer Development A) Assessment of existing technology transfer offices in Bulgarian universities and reorganization of their activities (if needed). B) Recommendation to regulate the creation of spin-out companies and ordinary companies in partnerships between universities / research institutes and scientists / students.	Follow up on responsible institution and stakeholders that are responsible for implementation of the proposed measures	For proposal A): A report with recommendations on the effectiveness of existing technology transfer offices in Bulgaria; For proposal B): A report with recommendations for clear regulation of the spin-off and spin-off process.
Key Action 4: Yearly survey for the needs of SMEs	Records of SMEs that have participated in the survey	Number of surveys conducted
Key Action 5: Supporting SMEs for Exports A) Financing measure for the certification of production with export potential focusing on SMEs in priority sectors of ISIS and / or validation of development of Bulgarian entrepreneurs and / or partnerships with the participation of Bulgarian entrepreneurs in consortia in accredited prestigious university laboratories or other accredited such in Member States or Associated with Horizon 2020.	Records of funded SMEs that have applied for the voucher scheme; Follow up on responsible institution and stakeholders that are responsible for implementation of the proposed measures;	For proposal A): Number of SMEs that were beneficiaries of the target funding; For proposal B): Updated National Export Portal; number of companies using the National Export Portal;

B) The National Export Portal is supported by the Small and Medium-sized Enterprises Promotion Agency, focusing on export support by digital and digitally-driven SMEs by improving access to the necessary expertise to comply with the regulatory requirements of international trade , up-to-date information on foreign markets, potential partnerships and contacts, financial mechanisms to support SME activities and opportunities to guarantee payments from abroad through different insurance instruments.		

V. **Signature of the project partner and signature of the responsible institution.**

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