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**SME Policy Index**

**Western Balkans and Turkey 2022**

**ASSESSING THE IMPLEMENTATION OF THE SMALL BUSINESS ACT FOR EUROPE**

**DIMENSION 8b - Innovation for SMEs**

**Qualitative indicators government questionnaire**

# Innovation for SMEs assessment framework

**Innovation policy for SMEs** assesses the policies in the Western Balkans and Turkey that support SMEs’ access to innovation financing.

This dimension is structured around 4 sub-dimensions:

* Sub-dimension 1: **Policy framework for innovation**, which looks at the strategic approach for supporting innovation as well as implementation and coordination of the innovation policy;
* Sub-dimension 2: **Government institutional support services for innovative SMEs**, focusing on the support to SMEs from incubators, accelerator and technology extension services;
* Sub-dimension 3: **Government financial support services for innovative SMEs**, focusing on direct and indirect financial support to SMEs;
* Sub-dimension 4: **SME and research institution collaboration and technology transfer**, focusing on support to SMEs from innovation voucher schemes and co-operative grants, examining institutional infrastructure for business-academia co-operation and intellectual property rights.

Figure 1. Innovation for SMEs assessment framework

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| **Dimension 8b: Innovation for SMEs** |
| **Outcome indicators**  SMEs introducing product, process, marketing or organizational innovations  SMEs introducing product or process innovations  SMEs introducing marketing or organisational innovations  SMEs innovating online  % of innovative SMEs collaborating with each other  Gross domestic expenditure on R&D, as a percentage of GDP  Direct government funding of business R&D, as a percentage of GDP  Tax incentives for business R&D expenditures, as a percentage of GDP  % of SMEs giving employees some time to develop or try out a new approach or new idea about products or services, business process, firm management, or marketing  % of (product and/or process) innovating SMEs receiving public support for innovation 20195-2117  Number of patents and utility models registered |

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| **Sub-dimension 8.1:**  **Policy framework for innovation** | | | **Sub-dimension 8.2:**  **Government institutional support services for innovative SMEs** | | **Sub-dimension 8.3:**  **Government financial support services for innovative SMEs** | | **Sub-dimension 8.4: SME and research institution collaboration and technology transfer** | | |
| **Thematic block 1:**  Strategic approach | **Thematic block 2:** Implementation of innovation policy | **Thematic block 3:**  Co-ordination of innovation policy | **Thematic block 1:**  Incubators and accelerators | **Thematic block 2:**  Technology extension services for established SMEs | **Thematic block 1:**  Direct financial support | **Thematic block 2:**  Indirect financial support (fiscal support and demand side policies) | **Thematic block 1:**  Innovation voucher schemes and co-operative grants | **Thematic block 2:**  Institutional infrastructure for business-academia co-operation | **Thematic block 3:**  Intellectual property rights |
| **Quantitative indicators**  Gross domestic expenditure on R&D (%)  Number of actions implemented in the innovation strategies or related policy documents | | | **Quantitative indicators**  Number of incubators and accelerators  Amount of public financial support allocated to incubators and accelerators, and technology extension services | | **Quantitative indicators**  Direct government funding of business R&D (%)  Tax incentives for business R&D expenditures (%) | | **Quantitative indicators**  Number of science and technology parks, technology centres and technology transfer offices  Amount of public financial support allocated to vouchers and co-operative schemes | | |

## Sub-dimension 1: Policy framework for innovation

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|  | **Question** | | | **Response *[expand box as necessary]*** | **Source** |
| **Thematic block 1. Strategic approach** | | | | | |
| 1.1.1 | **Is there a science, technology and innovation (STI) strategy currently in place?** | | | No [ ]  No, but it is included in other government strategy documents [ ]  No, but a proposal has been made [ ]  Yes, a strategy has been officially adopted, but implementation has not started yet [ ]  Yes, a strategy has been officially adopted and it is operational [ ] |  |
|  | If yes | What is the current legal status of the strategy (e.g. proposed, seeking approval, officially established/adopted)? | |  |  |
| What is the operational status of the strategy (e.g. in development, initiating activities, fully operational)? | |  |
| 1.1.2 | **If there is NOT an STI strategy in place, is STI policy included in another government strategy?** | | | Yes [ ]  No [ ] |  |
|  | a) | SME Strategy | | Yes [ ]  No [ ] |  |
|  | b) | Research & Development Strategy | | Yes [ ]  No [ ] |  |
|  | c) | Other (please specify) | |  |  |
| 1.1.3 | **Since the last assessment (January 2019), have there been any updates in the overall strategy and/or policy framework that covers STI?** | | | Yes [ ]  No [ ] |  |
|  | If yes | Please describe these developments | |  |  |
| 1.1.4 | **Within the strategy (or innovation policy) is there a particular section or focus on SME innovation?** | | | Yes [ ]  No [ ] |  |
|  | If yes | Please describe | |  |  |
| 1.1.5 | **Within the strategy (or innovation policy) is there a particular section or focus on green?** | | | Yes [ ]  No [ ] |  |
|  | If yes | Please describe | |  |  |
| 1.1.6 | **Within the strategy (or innovation policy) is there a particular section or focus on digital?** | | | Yes [ ]  No [ ] |  |
|  | If yes | Please describe | |  |  |
| 1.1.7 | **Within the strategy (or innovation policy) is there a particular section or focus on inclusion?** | | | Yes [ ]  No [ ] |  |
|  | If yes | Please describe | |  |  |
| 1.1.8 | **Does the scope of the strategy (or innovation policy) include the following areas:** | | |  |  |
|  | a) | Technological innovation | | Yes [ ]  No [ ] |  |
|  | b) | Non-technological innovation | | Yes [ ]  No [ ] |  |
| 1.1.9 | **Has a wide range of private sector stakeholders been consulted prior to setting up the strategy?** | | | An informal consultation process with took place [ ]  A formal consultation process took place [ ]  Both formal and informal consultations took place [ ]  The private sector was not consulted [ ] |  |
| 1.1.10 | **Has effective input been provided by the private sector (including SMEs) and if so, have their inputs been taken into consideration while preparing the strategy?** | | | Yes, effective input has been provided and there are formal records (reports) on it [ ]  Yes, some input has been provided, but there is no evidence that the input has been taken into consideration [ ]  No effective input has been provided [ ] |  |
| 1.1.11 | **Does the strategy include the following elements:** | | |  |  |
|  | a) | Measurable targets | | Yes [ ]  No [ ] |  |
|  | b) | Action plan | | Yes [ ]  No [ ] |  |
|  | c) | Clearly defined responsibilities for the measures under action plan | | Yes [ ]  No [ ] |  |
|  | d) | Monitoring and evaluation of the strategy and action plan | | Yes [ ]  No [ ] |  |
| 1.1.12 | **Have national key performance indicators to monitor the performance of the SME innovation policies been set up?** | | | Yes [ ]  No [ ] |  |
| 1.1.13 | **Does a regular monitoring of innovation indicators take place?** | | | Yes [ ]  No [ ] |  |
| 1.1.14 | **Have any adjustments been made based on the results of the monitoring and evaluation? If so, please illustrate with one (few) examples(s).** | | |  |  |
| 1.1.15 | **Is there independent evaluation or review of the innovation strategy? If so, please specify how this is done.** | | |  |  |
| 1.1.16 | **Since the last assessment (January 2019), has the mapping of the research and innovation infrastructure of the Western Balkan economies and Turkey been done?** | | | Yes [ ]  No [ ] |  |
| **Thematic block 2. Implementation of innovation policy** | | | | | |
| 1.2.1 | **List key government bodies (central ministries / agencies, sub-national bodies) and specify their primary responsibilities in STI policy.** | | |  |  |
| 1.2.2 | **Is there a dedicated innovation agency[[1]](#footnote-2) or equivalent?** | | | Yes [ ]  No [ ] |  |
|  | If yes | Title | |  |  |
|  | Funding source | | From government budget only [ ]  With some donor support [ ]  Mainly with donor contributions [ ]  Funds are balanced between government and donor [ ]  From government budget with partial funding by the private sector [ ]  With majority/full funding from private sector [ ]  Budget has not been mobilised [ ] |  |
|  | Funding status (e.g. planned, approved, ongoing). Please specify amount, duration and source of funding | |  |  |
|  | Staffing status | | Fully operational and well-staffed/funded [ ]  Staffed and funded but not yet operational [ ]  Limited staff and funds [ ] |  |
|  | Please specify optimal staffing goals and the number of staff currently employed. | |  |  |
|  | Operational status (e.g. planning phase, initiating activities, fully operational). | |  |  |
|  | Primary mission / specific obligations and deliverables | |  |  |
|  | Dedicated SME focus. Please specify. | |  |  |
| 1.2.3 | **Does the selection process include the following:** | | | International peer-review [ ]  Independent investment committee [ ]  Two phase evaluation – international peer-review and independent investment committee [ ]  Other (please specify) [ ] |  |
| 1.2.4 | **Since the last assessment (January 2019), have any new government bodies (central ministries / agencies, sub-national bodies) in STI policy been created? If so, specify their primary responsibilities.** | | |  |  |
| 1.2.5 | **Is there a specific allocation of funding for the promotion of SME innovation?** | | | Yes [ ]  No [ ] |  |
| 1.2.6 | **Is the private sector represented in the governance board of the innovation agency or equivalent?** | | | Yes [ ]  No [ ] |  |
| 1.2.7 | **Are the innovation agency's operations (or equivalent) regularly monitored and evaluated? If so, have any adjustments been made based on the evaluation results (please illustrate with one (few) examples(s))?** | | | Yes [ ]  No [ ] |  |
| 1.2.8 | **Are impact assessments for innovation policies and/or of the innovation agency operations conducted?** | | | Yes [ ]  No [ ] |  |
| 1.2.9 | **Is a systematic data collection or systematic collection of innovation-related statistics taking place? If so, through what mechanisms?** | | |  |  |
| **Thematic block 3. Co-ordination of innovation policy** | | | | | |
| 1.3.1 | **If multiple ministries and/or agencies oversee the design and implementation of STI policies, is there a formal inter-ministerial co-ordination mechanism between institutions?** | | | Yes, a formal mechanism exists [ ]  Yes, an informal mechanism exists [ ]  No [ ] |  |
|  | If yes | | Please provide the name of the co-ordination body or institution. |  |  |
|  | Please provide more information on the co-ordination body. For example, which institutions are represented (SME Agency, Ministry of Economy)? How does the co-ordination body function? How often are the meetings organised? |  |  |
|  | How influential is the co-ordination body on actual policy decisions in line ministries? |  |  |
|  | Are the private stakeholders, including SMEs, represented in the innovation policy co-ordination body? If yes, how are they represented? | Yes [ ]  No [ ] |  |
| *Optional - Please provide any further information on the* ***Policy framework for innovation*** *in your economy that you deem relevant for the assessment:* | | | |  |  |

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| --- | --- |
| **Question** | **Response** |
| Self-assessed level  (1 through 5, whole and half numbers) |  |
| Brief justification |  |
| Assessor name and institution |  |

## Sub-dimension 2: Government institutional support-services for innovative SMEs

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Question** | | **Response *[expand box as necessary]*** | **Source** |
| **Thematic block 1. Incubators and accelerators** | | | | |
| 2.1.1. | **Do incubators and accelerators exist in your economy?** | | Yes both incubators and accelerators exist, [ ]  Yes, but only incubators exist. [ ]  Yes, but only accelerators exist. [ ]  No [ ] |  |
|  | If yes | Is there a public financial support/grant scheme in place to support incubators and accelerators? | Yes [ ]  No [ ] |  |
|  | Do the incubators and accelerators have a wide regional coverage? | Yes [ ]  No [ ] |  |
|  | Are services (such as training, consulting) offered by these incubators and accelerators? | Yes [ ]  No [ ] |  |
|  | Beyond office space, do the incubators and accelerators offer access to specialised equipment? | Yes [ ]  No [ ] |  |
|  | Are the activities of public incubators and accelerators and/or public financial support measures for them regularly monitored and evaluated? | Yes [ ]  No [ ] |  |
|  | Are any impact assessments for public incubators and accelerators and/or public financial support for them conducted? | Yes [ ]  No [ ] |  |
|  | How many incubators and accelerators exist in your economy, and where? How many of them are outside the capital? |  |  |
|  | How many of the incubators and accelerators are owned by the public, private sector or civil society? |  |  |
|  | What is the amount of financial support provided to incubators and accelerators? |  |  |
|  |  | Since the last assessment (January 2019), have there been any new incubators and accelerators created? If so, please specify. |  |  |
| **Thematic block 2. Technology extension services for established SMEs** | | | | |
| 2.1.2 | **Do any technology extension services (technology centers or any specialised support programs) exist for established SMEs?** | | Yes [ ]  No [ ] |  |
|  | If yes | Is there a public financial support/grant scheme in place to support technology extension services? | Yes [ ]  No [ ] |  |
|  | Do the technology extension services have a wide regional coverage? | Yes [ ]  No [ ] |  |
|  | Are there any subsidies/financial support provided to SMEs that want to benefit from technology extension services? | Yes [ ]  No [ ] |  |
|  | Are the public technology extension services and/or public support to them regularly monitored and evaluated? | Yes [ ]  No [ ] |  |
|  | Are any impact assessment for public technology extension services and/or public financial support for them conducted? |  |  |
|  | What kind of technology extension services exist in your economy, and where? |  |  |
|  | Are these technology extension services offered by the public, private or civil society actors? |  |  |
|  | What is the amount of financial support provided to technology extension services? |  |  |
|  | Since the last assessment (January 2019), have there been any new technology extension services (technology centers or any specialised support programs) created? If so, please specify. |  |  |
| *Optional - Please provide any further information on the* ***Government institutional support-services for innovative SMEs*** *in your economy that you deem relevant for the assessment:* | | |  |  |

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| --- | --- |
| **Question** | **Response** |
| Self-assessed level  (1 through 5, whole and half numbers) |  |
| Brief justification |  |
| Assessor name and institution |  |

## Sub-dimension 3: Government financial support-services for innovative SMEs

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| --- | --- | --- | --- | --- | --- |
|  | **Question** | | | **Response *[expand box as necessary]*** | **Source** |
| **Thematic block 1. Direct financial support** | | | | | |
| 3.1.1. | **Are financial support services for innovative SMEs emphasized in the national innovation strategy or defined by relevant laws?** | | | Yes, specific policy measures to support innovative SMEs are defined [ ]  Yes, supportive services for innovative SMEs are mentioned but no specific policy measures are defined [ ]  No [ ] |  |
| 3.1.2 | **Does the government have financial support schemes or grants for innovative projects of SMEs?** | | | Yes, funded by the government [ ]    Yes, donor funded [ ]    No [ ] |  |
|  |  | Please list the financial support schemes or grants for innovative projects of SMEs, and source of funding. | |  |  |
|  | If yes | Since the last assessment (January 2019), how much budget has been mobilised by the government for financial support schemes or grants for innovative projects of SMEs? | |  |  |
| 3.1.3 | **Since the last assessment (January 2019), what is the annual amount of direct financial support provided to SMEs to promote innovation?** | | |  |  |
| 3.1.3 | **Do the selection criteria for financial support/public grants contain the following elements:** | | |  |  |
|  |  | | Quality of the project (innovative content) | Yes [ ]  No [ ] |  |
|  | Potential impact (commercialisation of the innovation) | Yes [ ]  No [ ] |  |
|  | Quality of the project team (capacity to implement) | Yes [ ]  No [ ] |  |
|  | Size of the company | Yes [ ]  No [ ] |  |
| 3.1.4 | **Is there a competitive selection process for this financial support/public grants?** | | | Yes [ ]  No [ ] |  |
| 3.1.5 | **Does this financial support/public grants require a co-financing (matching) component?** | | | Yes [ ]  No [ ] |  |
| 3.1.6 | **Is special funding provided for women and/or young entrepreneurs in SMEs? If so, please specify.** | | |  |  |
| 3.1.7 | **Is special funding provided to enhance green practices in SMEs? If so, please specify.** | | |  |  |
| 3.1.8 | **Is special funding provided to enhance digital practices in SMEs? If so, please specify.** | | |  |  |
| 3.1.9 | **Is special funding provided to SMEs as a result of COVID-19 pandemic? If so, please specify.** | | |  |  |
| 3.1.10 | **Is information on financial support made publicly available for SMEs - are there any special promotional campaigns? If so, please specify.** | | |  |  |
| 3.1.11 | **Does the government provide tailored services to link SMEs with various sources of financing? If so, please specify.** | | |  |  |
| 3.1.12 | **Are the financial support measures regularly monitored?** | | | Yes [ ]  No [ ] |  |
| 3.1.13 | **Does an independent evaluation of the innovation financial support policy tools take place? If so, have any adjustments been made based on the evaluation results (please illustrate with one (few) examples(s))?** | | |  |  |
| **Thematic block 2. Indirect financial support (fiscal support and demand side policies)** | | | | | |
| 3.2.1 | **Does the government have fiscal measures such as R&D tax incentives and/or VAT exemptions to foster innovation activities?** | | | Yes both R&D tax incentives and VAT exemptions exist [ ]  Yes, but only R&D tax incentives exist [ ]  Yes, but only certain VAT exemptions exist [ ]  No [ ] |  |
|  | If yes | | Do these measures favour SMEs? | Yes [ ]  No [ ] |  |
|  | If R&D tax incentives exist, has there been any significant uptake of them by SMEs? If yes, please specify. |  |  |
|  | Are the fiscal support measures restricted to any particular group of firms (by region, sector etc.)? If yes, please specify. |  |  |
|  | How are the eligibility criteria defined for tax exemptions? |  |  |
|  | If VAT exemptions exist, can you provide more information on their coverage? |  |  |
|  | Has the government introduced fiscal measures such as R&D tax incentives and/or VAT exemptions specifically to address the impact of the COVID-19 pandemic? |  |  |
| 3.2.2 | **Are there any demand-side innovation policies in place (such as public procurement of innovation)? If so, please specify.** | | |  |  |
| 3.2.3 | **Are the fiscal measures regularly monitored and evaluated? If so, have any adjustments been made based on the evaluation results (please illustrate with one (few) examples(s))?** | | |  |  |
| 3.2.4 | **Does an independent impact assessment of the fiscal support measures take place?** | | | Yes [ ]  No [ ] |  |
| *Optional - Please provide any further information on the* ***Government financial support-services for innovative SMEs*** *in your economy that you deem relevant for the assessment:* | | | |  |  |

|  |  |
| --- | --- |
| **Question** | **Response** |
| Self-assessed level  (1 through 5, whole and half numbers) |  |
| Brief justification |  |
| Assessor name and institution |  |

## Sub-dimension 4: SME and research institution collaboration and technology transfer

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Question** | | | **Response *[expand box as necessary]*** | **Source** |
| **Thematic block 1. Innovation voucher schemes and co-operative grants** | | | | | |
| 4.1.1 | **Are there any innovation voucher schemes offered by public institutions for SMEs?** | | | Yes [ ]  No [ ] |  |
|  | If yes | | Which government bodies are responsible for the implementation and monitoring of voucher schemes? |  |  |
|  | What is the budget allocated for these schemes and how many SMEs make use of them annually? |  |  |
|  | What are the main areas of innovation covered by innovation voucher schemes? |  |  |
|  | What are the main criteria for the attribution of innovation vouchers? |  |  |
| 4.1.2 | **If innovation voucher schemes have been designed and implemented since the last assessment (January 2019), please list their characteristics.** | | |  |  |
| 4.1.3 | **Are there any competitive co-operative grants offered by public institutions for SMEs?** | | | Yes [ ]  No [ ] |  |
|  | If yes | | Which government bodies are responsible for the implementation and monitoring of co-operative grants? |  |  |
|  | What is the budget allocated for these schemes and how many SMEs make use of them annually? |  |  |
|  | List characteristics of competitive co-operative grants. |  |  |
|  | What are the main criteria for the attribution of competitive co-operative grants? |  |  |
| 4.1.4 | **If competitive co-operative grants have been designed and implemented since the last assessment (January 2019), please list their characteristics.** | | |  |  |
| 4.1.5 | **Are innovation voucher schemes and co-operative grants regularly monitored and evaluated? If so, have any adjustments been made based on the evaluation results(please illustrate with one (few) examples(s))?** | | |  |  |
| 4.1.6 | **Are any impact assessment for innovation voucher schemes and co-operative grants conducted?** | | |  |  |
| **Thematic block 2. Institutional infrastructure for business-academia co-operation** | | | | | |
| 4.2.1 | **Does the government provide any of the following types of institutional support to link universities or research centers with innovative SMEs in place, and what is the scope and amount of public support available for these institutions?** | | |  |  |
|  | a) | | Science and Technology Parks |  |  |
|  | b) | | Technology Institutes |  |  |
|  | c) | | Technology Transfer Offices |  |  |
|  | d) | | Competence Centres |  |  |
|  | e) | | Others (please describe) |  |  |
| 4.2.2 | **Has the overall approach or strategic priorities related to providing institutional support for business-academia collaboration changed since the previous assessment cycle (January 2019)?** | | |  |  |
| 4.2.3 | **Since the last assessment (January 2019), have any science and technology parks, competence centres, technology institutes or technology transfer offices been constructed, approved or proposed? If so, please specify.** | | |  |  |
| 4.2.4 | **Do the institutions for business-academia co-operation have a wide regional coverage?** | | | Yes [ ]  No [ ] |  |
| 4.2.5 | **Does the government offer any kind of cluster-specific support aiming to foster the business-academia co-operation?** | | | Yes [ ]  No [ ] |  |
|  | If yes | | What is the scope and amount of the public cluster support? |  |  |
| 4.2.6 | **How many technology transfer offices exist?** | | |  |  |
|  | If yes | | What is their annual budget? |  |  |
|  |  | | Where are these offices located? |  |  |
| 4.2.7 | **Are the existing institutional support for business-academia co-operation between SMEs, research institutes and universities regularly monitored and evaluated? If so, have any adjustments been made based on the evaluation results(please illustrate with one (few) examples(s))?** | | |  |  |
| 4.2.8 | **Are any impact assessment for institutional support for business-academia co-operation conducted?** | | | Yes [ ]  No [ ] |  |
| **Thematic block 3. Intellectual property rights** | | | | | |
| 4.3.1 | **Is there legislation that regulates the intellectual property rights (IPR) ownership and royalties split for publicly funded research?** | | | Yes, regulated by special IPR legislation [ ]  Yes, regulated by innovation or science law [ ]  Yes, regulated by individual public research organisations [ ]  No, only general labour laws apply [ ] |  |
|  | If yes | In exactly which legislation is this covered? | |  |  |
|  | What key elements are prescribed (e.g. what is the royalty split and who owns the IP)? | |  |  |
| 4.3.2 | **Are there any advisory services for SMEs on intellectual asset management?** | | | Yes [ ]  No [ ] |  |
| 4.3.3 | **Are there links between IP specialist support (National IP Offices) and general innovation support for businesses?** | | | Yes [ ]  No [ ] |  |
| 4.3.4 | **What support is available for patenting and commercialisation favouring business-academia collaboration?** | | |  |  |
| 4.3.5 | **Since the last assessment (January 2019), please provide data on the number of patents and utility models registered and approved annually from 2019 to 2021. Are these patents mainly registered by individuals, companies or research organisations?** | | |  |  |
| *Optional - Please provide any further information on the* ***SME and research institution collaboration and technology transfer*** *in your economy that you deem relevant for the assessment:* | | | |  |  |

|  |  |
| --- | --- |
| **Question** | **Response** |
| Self-assessed level  (1 through 5, whole and half numbers) |  |
| Brief justification |  |
| Assessor name and institution |  |

|  |  |
| --- | --- |
| **Self-assessed level (1 through 5, whole and half numbers) for the overall dimension – Innovation policy for SMEs:** |  |

1. Primary purpose of an innovation agency is to deploy instruments in support of business innovation. [↑](#footnote-ref-2)