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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 41,71% (2006, TURKSTAT)  SMEs introducing marketing or organisational innovations 50,39 % (2006, TURKSTAT)  SMEs innovating online  % of innovative SMEs collaborating with each other  Gross domestic expenditure on R&D, as a percentage of GDP 1,06% (2019, TURKSTAT)  Direct government funding of business R&D, as a percentage of GDP 0,08 % (2019, TURKSTAT)  Tax incentives for business R&D expenditures, as a percentage of GDP 0,11 % (2020 , TURKSTAT)  % 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 [X] | 2023 Industry and Technology Strategy  <https://www.sanayi.gov.tr/2023-sanayi-ve-teknoloji-stratejisi>  Ministry of Industry and Technology Strategic Plan 2020-2024: <https://www.sanayi.gov.tr/plan-program-raporlar-ve-yayinlar/stratejik-planlar/mu2112012102>  Ministry of Industry and Technology Strategic Plan 2019-2023: <https://www.sanayi.gov.tr/plan-program-raporlar-ve-yayinlar/stratejik-planlar/mu1303012101>  Ministry of Science, Industry and Technology Strategic Plan 2018-2022: <https://www.sanayi.gov.tr/plan-program-raporlar-ve-yayinlar/stratejik-planlar/mu1303012102> | |
|  | If yes | What is the current legal status of the strategy (e.g. proposed, seeking approval, officially established/adopted)? | The strategy is officially established. | The national strategy on research and innovation policy is being coordinated at the Presidential level. In the Presidential Government System, there is Science, Technology and Innovation Policy Council (STIPC). STIPC is the highest-ranking advisory body on developments in science, technology and innovation (STI) policy and the monitoring of the national STI ecosystem. Formulating policy to encourage and support R&D activities; making recommendations on science, technology and innovation policy; identifying strategic technology areas; preparing medium and long-term STI policies; developing strategies on research infrastructures are among the major responsibilities of STIPC. In September 2019, STIPC prepared a “National Science, Technology and Innovation Strategy and Action Plan” which was presented to the Ministers, Vice Ministers and senior representatives of NGOs during a high-level consultation meeting.  In July 2019, the Grand National Assembly of Turkey accepted the 11th Development Plan of Turkey, covering 2019-2023 period.  The Plan lays down the main pillars of STI policies. A special emphasis is given to R&D and innovation activities that support high value-added production, particularly through an efficient R&D and innovation ecosystem. For an efficient implementation of the Plan, medium term programmes (MTP) and annual programmes will be prepared accordingly.  Furthermore, Turkey’s Industrial Strategy Document for 2023, which was prepared by the Ministry of Industry and Technology comprises the roadmap for industrial and technological development in the period (2019-2023) and was published on 18 September 2019. It aims to create “National Technology - Robust Industry” which is also known as “National Technology Move”. The Strategy consists of 5 pillars, which are “High Technology and Innovation”, “Digital Transformation and Industry”, “Entrepreneurship”, “Human Resources” and “Infrastructure”.  The "Economic Reforms" announced by Turkish President, was also published by the Ministry of Treasury and Finance on 12th March 2021.  The announced economic reforms includes concrete policy steps in the prioritized R&D areas; mainly in block chain technologies (block chain applications in Fintech), food safety and sustainable agricultural technologies, big data and data analytics, cloud computing, biotechnological pharmaceutical technologies, biomedical equipment technologies, advanced material technologies (biomaterials), artificial intelligence and machine learning. Corresponding action plan is also prepared and relevant public bodies will align their RTD funding and other activities accordingly, in order to accelerate the technological advancement in these areas. | | |
| What is the operational status of the strategy (e.g. in development, initiating activities, fully operational)? | The strategy is fully in operation. |
| 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 | The national strategy on research and innovation policy is being coordinated at the Presidential level. In the Presidential Government System, there is Science, Technology and Innovation Policy Council (STIPC). STIPC is the highest-ranking advisory body on developments in science, technology and innovation (STI) policy and the monitoring of the national STI ecosystem. Formulating policy to encourage and support R&D activities; making recommendations on science, technology and innovation policy; identifying strategic technology areas; preparing medium and long-term STI policies; developing strategies on research infrastructures are among the major responsibilities of STIPC. In September 2019, STIPC prepared a “National Science, Technology and Innovation Strategy and Action Plan” which was presented to the Ministers, Vice Ministers and senior representatives of NGOs during a high-level consultation meeting.  In July 2019, the Grand National Assembly of Turkey accepted the 11th Development Plan of Turkey, covering 2019-2023 period.  The Plan lays down the main pillars of STI policies. A special emphasis is given to R&D and innovation activities that support high value-added production, particularly through an efficient R&D and innovation ecosystem. For an efficient implementation of the Plan, medium term programmes (MTP) and annual programmes will be prepared accordingly.  Furthermore, Turkey’s Industrial Strategy Document for 2023, which was prepared by the Ministry of Industry and Technology comprises the roadmap for industrial and technological development in the period (2019-2023) and was published on 18 September 2019. It aims to create “National Technology - Robust Industry” which is also known as “National Technology Move”. The Strategy consists of 5 pillars, which are “High Technology and Innovation”, “Digital Transformation and Industry”, “Entrepreneurship”, “Human Resources” and “Infrastructure”.  The "Economic Reforms" announced by Turkish President, was also published by the Ministry of Treasury and Finance on 12th March 2021.  The announced economic reforms includes concrete policy steps in the prioritized R&D areas; mainly in block chain technologies (block chain applications in Fintech), food safety and sustainable agricultural technologies, big data and data analytics, cloud computing, biotechnological pharmaceutical technologies, biomedical equipment technologies, advanced material technologies (biomaterials), artificial intelligence and machine learning. Corresponding action plan is also prepared and relevant public bodies will align their RTD funding and other activities accordingly, in order to accelerate the technological advancement in these areas. |  | | |
| 1.1.4 | **Within the strategy (or innovation policy) is there a particular section or focus on SME innovation?** | | Yes [ X ]  No [ ] | <https://www.sanayi.gov.tr/2023-sanayi-ve-teknoloji-stratejisi> | |
|  | If yes | Please describe | The first dimension of the strategy is “High Technology and Innovation”. And under this title, there is a great range of policies and actions covering whole manufacturing frame as well as SMEs. |  | | |
| 1.1.5 | **Within the strategy (or innovation policy) is there a particular section or focus on green?** | | Yes [ X ]  No [ ] | <https://www.sanayi.gov.tr/2023-sanayi-ve-teknoloji-stratejisi> | |
|  | If yes | Please describe | There are many issues focusing on green production in many policy areas. And there are some directly related projects like “Development of Green Industrial Zone Framework for Turkey”.  The New Economic Reform Package  The new economic reform package was unveiled on March 2021, which aims to boost investment, production, jobs, and exports. There are many references made to the green financing and green transformation of the economy throughout the strategy.  The application of new low-carbon technologies to the existing sectors is to make non-carbon based growth a possibility. Yet this requires large fixed capital investments by governments and companies. Thus, the government will diversify financing opportunities for investments that are environmentally sensitive projects. The issuance of green bonds will be encouraged to finance investments such as renewable energy, clean drinking water, and electric or hybrid vehicles that lower carbon emissions. The government will form a Bonds Guarantee Fund to encourage companies in the real sector to issue bonds at a lower cost, thus spurring investment demand.  There is a dedicated section for “Green Transformation of the Industry” in this package.  This section includes the establishment of Green Organized Industrial Zones that have the capacity of being self-sufficient for meeting its energy demand and embrace resource efficiency in all of its activities. This action item will benefit from the outcomes of the project titled as “Green OIZ Framework Development for Turkey” which was customized to identify a comprehensive Green OIZ criterion, supported by Ministry of Technology and Industry and assisted by the World Bank Group (WBG). This project evaluated the existing regulatory framework to create a roadmap for Green OIZs in Turkey.  There is also a dedicated action item for preparation of a “National Circular Economy Action Plan” like in the EU. Moreover, the Government is determined to strengthen green financing ecosystem in Turkey and to extend the utilization rate of benefiting from the international green finance. The development of an environmentally sensitive, sustainable and smart transportation infrastructure is another important point mentioned. Electrical vehicle charging infrastructure is to be developed. Usage of electrical vehicles to transform mass transportation will be encouraged and supported in Turkey.  This section also includes specific action item namely “Research and development type of activities will be supported for the development and exploitation of technologies required for green production.” Together with the targets for enhancement of the green financing, this will enable Turkey to develop green technologies that have the potential to minimize negative impacts on the environment and the use of energy and natural resources in an efficient and sustainable way.  Industry and Technology Strategy 2023  Turkey’s 2023 Industry and Technology Strategy announced on the date of 18.09.2019 includes prominent policies with regard to EU Green Deal. The Strategy focuses on development and commercial applications of breakthrough technologies in key industrial sectors that are also vital for battling with the climate change and supporting the transition to green economy in Turkey by 2030. Protecting the environment and natural resources and preventing the environmental pollution has become an important issue throughout the Strategy. Priorities areas include alternative fuels, energy storage, energy efficiency, agriculture technologies, biotechnology, artificial intelligence, nanotechnology, 5G and beyond, additive manufacturing, robotics and autonomy within the context of “National Technology Move”. Research and innovation in these technologies will drive, navigate and accelerate the Green Deal Transformation, by enabling green and digital transitions.  In line with EU, green production and industry policies reducing the impact of industrial production on environment are highlighted. New investments dedicated for cleaner production and technological modernization of firms is targeted and continued to be supported especially in organized industrial zones. Furthermore, in line with the Circular Economy approach, industrial registry information system is targeted to be enhanced in order to establish of a monitoring system for wastes that also have a meaning for economic value.  The strategy also points out the importance of establishment and widening of an industrial symbiosis “ecosystem” in Turkey together with the Ministry of Environment and Urbanisation. The engagement of traditionally separate industries in a collective approach for industrial symbiosis are indicated to be carried within the context of “Turkey’s Green Organized Industrial Zones Framework Project”.  11th Development Plan  11th Development Plan has a specific subchapter on “Protection of Environment”. It is stated that international climate change negotiations will be conducted within the framework of the Intended National Contribution with the principles of common but differentiated responsibilities and respective capabilities, and within the scope of national conditions, climate change will be tackled in sectors causing greenhouse gas emissions and the resilience of the economy and society to climate risks will be increased by capacity building for adaptation to climate change. Within the framework of Intended National Contribution, activities for emission control is targeted to be carried out in greenhouse gas emitting buildings, energy, industry, transportation, waste, agriculture and forestry sectors. Within this framework of sustainable cities, priority is given to the prevention of environmental pollution, to the conservation and sustainable use of biodiversity and natural resources. Moreover, the national inventory on biological diversity will be regularly updated through research and monitoring studies, and traditional information based on biological diversity will be registered and made available for R&D purposes.  Research and innovation is one of the main drivers for transition to green growth. In order to achieve National Technology Act, road maps are decided to be prepared for artificial intelligence, internet of things, augmented reality, big data, cybersecurity, energy storage, advanced material, robotics, micro/nano/optoelectronics, biotechnology, quantum, sensor technologies and additive manufacturing technologies and the necessary infrastructures to be established, the qualified human resources in need will be trained and the social orientation will be ensured to focus on these areas.  Turkey’s Compliance for the European Green Deal  Moreover, in the context of the “Turkey’s Compliance for the European Green Deal”, green transformation of Turkey's economy and industry and establishing an inclusive and sustainable growth, are essential for maintaining and strengthening the competitiveness of our country as well as trade relations with the EU ad third countries. The steps to be taken in this area are critically significant in terms of improving the integration of our country into global value chains. To this end, Turkey has communicated to the EU Commission the “Views of The Government of Turkey on The Carbon Border Adjustment Mechanism within the Framework of The Inception Impact Assessment” on 6th April 2020. |  | | |
| 1.1.6 | **Within the strategy (or innovation policy) is there a particular section or focus on digital?** | | Yes [ X ]  No [ ] |  | |
|  | If yes | Please describe | The second dimension of the strategy is “Digital Transformation and Industry Move”. Under this title, there is a great range of policies and actions in the scope of digitalization of the Turkey’s industry.  Turkey’s Industrial Strategy Document for 2023, which was prepared by the Ministry of Industry and Technology comprises the roadmap for industrial and technological development in the upcoming period (2019-2023) and was published on 18 September 2019. It aims to create “National Technology - Robust Industry” which is also known as “National Technology Move”.  The Strategy consists of 5 pillars, which are: “High Technology and Innovation”, “Digital Transformation and Industry”, “Entrepreneurship”, “Human Resources” and “Infrastructure”. In order to realize the National Technology Move, 11 main objectives have been determined in the field of Industry and Technology, which consist of the production of at least 23 smart products with a world leader in market share or brand value in at least one of the breakthrough technology area of digital transformation.  Furthermore, Strategy documents are being prepared by the Ministry of Science and Technology focusing on improvements steps for the good functioning of the value chain of critical technologies for Turkey. They are “Digital Transformation of Industry”, “Mobility and Vehicle Technologies”, “Smart Health”, “Digital Transformation of Finance and Trade”, Technologies for Transformation to Green and Sustainable Economy, “5G and Beyond” and “Artificial Intelligence”. | <https://www.sanayi.gov.tr/2023-sanayi-ve-teknoloji-stratejisi> | | |
| 1.1.7 | **Within the strategy (or innovation policy) is there a particular section or focus on inclusion?** | | Yes [ X ]  No [ ] | <https://www.sanayi.gov.tr/2023-sanayi-ve-teknoloji-stratejisi> | |
|  | If yes | Please describe | There is not a particular section focusing on inclusion. But there are many policy proposals to widen the manufacturing ecosystem, to improve the governance mechanisms and to establish some cooperation programs. |  | | |
| 1.1.8 | **Does the scope of the strategy (or innovation policy) include the following areas:** | |  |  | |
|  | a) | Technological innovation | Yes [ X ]  No [ ] |  | | |
|  | b) | Non-technological innovation | Yes [ X ]  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 [ X ]  The private sector was not consulted [ ] | Within the scope of strategy preparations, one-on-one meetings and focus group meetings were held with the private sector. With the effect of the pandemic, face-to-face interviews were moved to online environments. Working groups and communication groups were formed, as a result of the interviews. The suggestions and outputs produced by the groups were carried to the report. The evaluations of the experts from Turkey and abroad were taken. In addition, through surveys and workshops, a broader participation is enabled.  The national strategy on research and innovation policy efforts have been made in collaboration with private sector. Additionally, in the Presidential Government System, there is Science, Technology and Innovation Policy Council (STIPC) which consults NGOs, and related business representatives, in it its operations. | |
| 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 [ X ]  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 [ ] | Opinions and evaluations of the private sector have provided input to the situation analysis regarding both country-level and global developments. Disruptions, problems or developing areas in the actual situation have been synthesized and identified in the light of global developments and stakeholder discussions. Solutions were produced for the identified problems and / or developing areas.  The national strategy on research and innovation policy efforts have been made in collaboration with private sector. Additionally, in the Presidential Government System, there is Science, Technology and Innovation Policy Council (STIPC) which consults NGOs, and related business representatives, in it its operations. | |
| 1.1.11 | **Does the strategy include the following elements:** | |  | <https://www.sanayi.gov.tr/2023-sanayi-ve-teknoloji-stratejisi>  For targets, please see page 25-30 and on.  For specific sectors, and steps, please see 34-52 | |
|  | a) | Measurable targets | Yes [ X ]  No [ ] |  | | |
|  | b) | Action plan | Yes [ X ]  No [ ] |  | | |
|  | c) | Clearly defined responsibilities for the measures under action plan | Yes [ X ]  No [ ] |  | | |
|  | d) | Monitoring and evaluation of the strategy and action plan | Yes [ X ]  No [ ] |  | | |
| 1.1.12 | **Have national key performance indicators to monitor the performance of the SME innovation policies been set up?** | | Yes [ \*]  No [ ] | Under the Industry and Technology Strategy, six sub-strategies are formed for the following titles: Mobility Technologies, Artificial Intelligence, Smart Health, Digitalization of the Manufacturing Industry, Digitalization of the Trade and Finance Sectors and 5G Technologies and beyond.  For each document, there are two levels of indicators: “Main objectives” for the whole document and “objective sets” for the strategic goals. Main objectives are monitored by using the official statistics provided by several institutions, and these results are shared with the senior management via an online-synchronized dashboard. Strategic-goal-based objectives are monitored by auditing the activities and their results, for each goal. | |
| 1.1.13 | **Does a regular monitoring of innovation indicators take place?** | | Yes [ X ]  No [ ] | Under the Industry and Technology Strategy, six sub-strategies are formed for the following titles: Mobility Technologies, Artificial Intelligence, Smart Health, Digitalization of the Manufacturing Industry, Digitalization of the Trade and Finance Sectors and 5G Technologies and beyond.  For each document, there are two levels of indicators: “Main objectives” for the whole document and “objective sets” for the strategic goals. Main objectives are monitored by using the official statistics provided by several institutions, and these results are shared with the senior management via an online-synchronized dashboard. Strategic-goal-based objectives are monitored by auditing the activities and their results, for each goal. | |
| 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 [ X ] |  | |
| **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.** | | MoIT: Main Ministry to produce policies, implementing actions with its own branches and several affiliated institutions such as KOSGEB, Turkish Patent, TUBİTAK.  KOSGEB: SME Development Organization of Turkey serving only to SME scaled enterprises thanks to several innovation themed support models.  TUBİTAK: TÜBİTAK is responsible for promoting, developing, organizing, conducting and coordinating research and development in line with national targets and priorities, with its vision as to be an innovative, guiding, participating and cooperating institution in the fields of science and technology.  Turkish Patent: The Turkish Patent Institute provides effective protection and widespread usage of industrial property rights ensuring that Turkish industry and technology plays a leading role in global competition. It contributes to the development of Turkish economy and technology by encouraging creativity and innovation.  Universities: They are the main and nature actors of the innovation ecosystem with their high academic potentials, technoparks, as other countries in the world.  And line ministries responsible for energy, environment, and tourism are interested in innovation focused services and actions as it is the main component of digital, smart, and green transition in daily and industrial life.  The national strategy on research and innovation policy is being coordinated at the Presidential level. In the Presidential Government System, there is Science, Technology and Innovation Policy Council (STIPC). The President of Turkey chairs the STIPC and appoints council members among the top prominent academicians and leading private sector representatives from umbrella NGOs of industry, which has the capacity to represent major sectors. The council convenes once a week on a regular basis and reports to the President on a regular basis. The STIPC is the highest ranking advisory body on developments in STI policy, the monitoring of the national STI ecosystem and the introduction of STI policy strategies and recommendations.  The Ministry of Industry and Technology is a government ministry office of the Republic of Turkey, responsible for industrial and commercial affairs in Turkey.  The Scientific and Technological Research Council of Turkey (TUBITAK) is the leading agency for the funding and conduct of research in Turkey. TÜBİTAK-Technology and Innovation Funding Programmes Department (TEYDEB) runs support programmes, which focus on allocating resources to private sector R&D. They also support cooperation between firms, between firms and universities or research institutions, and the development of scientific and technological know-how, which is considered to be the most important source of transforming economic development into social benefits. Through its 13 support programmes, TUBITAK maintains its position as the centre of R&D, innovation and entrepreneurship funding requirements of the private sector, from the individual entrepreneurs to SMEs and to major Turkish companies. Some of these programmes support technological projects while some of them support the entrepreneurial ecosystem of Turkey. |  | |
| 1.2.2 | **Is there a dedicated innovation agency[[1]](#footnote-2) or equivalent?** | | Yes [ \*] TUBİTAK  No  Aside from TUBİTAK, there are public organizations dealing with innovation policies, actions and supports in favour of Turkish business ecosystem. MoIT, KOSGEB, Turkish Patent can be counted. Brief information on them is given within the previous question. They are fully operational with well skilled staff, and funded by government budget. |  | |
|  | 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). | Fully operational |  | | |
|  | Primary mission / specific obligations and deliverables | TÜBİTAK-Technology and Innovation Funding Programmes Department (TEYDEB) runs support programmes, which focus on allocating resources to private sector R&D. They also support cooperation between firms and universities or research institutions, and the development of scientific and technological know-how, which is considered to be the most important source of transforming economic development into social benefits. The allocation of resources to innovation based on R&D is promoted through incentives. Through its 13 support programmes, TÜBİTAK maintains its position as the centre of R&D, innovation and entrepreneurship funding requirements of the private sector, from the individual entrepreneurs to SMEs and to major Turkish companies. Some of these programmes support technological projects while some of them support the entrepreneurial ecosystem of Turkey. |  | | |
|  | Dedicated SME focus. Please specify. | TUBITAK 1501 "Industrial R&D Projects Grant Programme " is the major industrial RDI support program of TUBITAK to support project-based research-technology development and innovation activities of Small and Medium-Sized Enterprises (SMEs). TUBITAK 1501 Industrial R&D Projects Grant Programme is carried out with budget-based calls to be opened twice a year, starting from January 2020, in order to ensure more efficient use of public resources for country needs and national targets. Program Implementation Principles were revised by the TÜBİTAK Executive Board meeting held on March 14, 2019, and it was stipulated that only SMEs could apply to the program.  Moreover, Since 2020, TUBITAK has been giving priority to RDI project proposals and providing some privileges (such as additional support etc.) to the RDI project proposals within her evaluation phases if the proposal is concerned at least one of these determined RDI Priority Areas within the evaluation phases of TÜBİTAK 1501 - Industry R&D Projects Support Program if the proposal is concerned at least one of these determined RDI Priority Areas.  Within the scope of TUBITAK’s R&D Programme Calls, which were opened on 15 February 2021, the project proposals that are directly related to "TUBITAK Priority R&D and Innovation Topics within the Scope of Green Agreement Compliance" within the framework of the "Green Deal", in the first period of 2021 are announced to be provided with additional points within the evaluation processes.  Maximum Project duration is 36 months. There is no budget limit. |  | | |
| 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) [ \*] Preliminary Evaluation  Evaluation by referees |  | |
| 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.** | | The Turkish Space Agency was established in order to expand and develop space and aerospace industry, and provide with the necessary human resources.  In order to determine the policies and roadmaps to be followed by the Agency in line with its establishment purposes, The "National Space Program" is being prepared.  Turkish Space Agency, in line with the determined short and medium-term goals, will make project calls to work with international organizations, the private sector, universities on  space applications, launch technologies, material technologies.  Turkish Exporters Assembly – TIM runs a program named InovaLig. InovaLig is the first innovation development program of Türkiye which has been created by Turkish Exporters Assembly (TIM) in 2014. With 1236 companies applying to İnovaLİG 2019, Turkey was able to become one of the countries with the highest participation in the IMP3rove program and the champions received the awards at Turkey Innovation and Entrepreneur Week. With İnovaLIG, companies are able to measure innovation competencies and to develop their innovation cultures on an interactive platform. As a result of the first phase, a 100-page comprehensive innovation assessment and benchmark analysis report is being prepared for each participating company. This report, worth 350€, is sent free of charge to all participating companies.  By the regulations made within the scope of the new Presidential Government System, Science, Technology and Innovation Policy Council (STIPC) has been established by Presidential Decree No.1 and dated 10 July 2018, as the highest advisory body on STI. The members of the Board have been appointed in November 2018. The Board is within the Presidential structure which places it at the top of the decision making process on STI strategies, and is able to put its decisions into immediate action. By the establishment of the Board, strategy and policy making is expected to be more effective and centralized. | <https://www.sanayi.gov.tr/assets/pdf/SanayiStratejiBelgesi2023.pdf>  [www.inovalig.com](http://www.inovalig.com)  <https://tua.gov.tr/en/national-space-program> | |
| 1.2.5 | **Is there a specific allocation of funding for the promotion of SME innovation?** | | Yes [\* ]  KOSGEB, TUBİTAK, MoIT provides with supports to SMEs with their National budget funded sources.  No [ ] | https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mali%20Tablolar/Kurumsal%20Mali%20Durum%20ve%20Beklentiler%20Raporlar%C4%B1/2021\_Yili\_Kurumsal\_Mali\_Durum\_ve\_Beklentiler\_Raporu.pdf | |
| 1.2.6 | **Is the private sector represented in the governance board of the innovation agency or equivalent?** | | Yes [\* ]  No [ ] | The private sector is widely represented in KOSGEB's general assembly and executive committee (<https://www.kosgeb.gov.tr/site/tr/genel/detay/335/genel-kurul>).  **General Assembly**   * Union of Chambers and Commodity Exchanges of Turkey * Turkish Confederation of Tradesmen and Craftsmen * Central Union of Turkish Tradesmen and Craftsmen Bail Cooperatives Unions * Association of Chambers of Certified Public Accountants and Certified Public Accountants of Turkey * Banks Association of Turkey * Association of Participation Banks of Turkey * Halk Bank of Turkey * Development and Investment Bank of Turkey * Other banks deemed appropriate by the Minister * Chamber of Industry, Chamber of Commerce and Chambers of Commerce and Industry to be elected by the General Assembly of the Union of Chambers and Commodity Exchanges of Turkey * Organized Industrial Zones Supreme Organization * Two Unions to be determined by the General Assembly of the Confederation of Turkish Tradesmen and Craftsmen * Turkish Hardware Craftsmen Federation * Federation of Turkish Electric-Electronics and Similar Technicians, Tradesmen and Craftsmen * President of Turkish Woodworking Tradesmen and Craftsmen Federation * Association of Turkish Travel Agencies * Turkish Small and Medium Enterprises Self Employed and Executives Foundation   **Executive Committee**   * Union of Chambers and Commodity Exchanges of Turkey * Confederation of Turkish Tradesmen and Craftsmen * Turkey Exporters Assembly * Development and Investment Bank of Turkey | |
| 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 [\* ]  KOSGEB Annual Activity Reports with quantitative data are produced and publicized. Recent one is for year 2020.  Each organization in Turkey carries out its own evaluation studies of support programmes. As the main body for executing SME policies in Turkey, KOSGEB also has its own support programme monitoring and evaluation system. This system was established in 2019. During the establishing phase, national and international organizations’ evaluation systems were deeply analyzed and compatible M&E system was designed for KOSGEB. The legal infrastructure of the system has comprised of:  **Support Program Design Directive and Guideline**  With the aim of defining the stages of the support program design process, describing the basic characteristics of the support programs and identifying the procedures and activities to be performed within the design stages “Support Program Design Directive” was prepared. Basically it sets out the principles on how a support program should be designed.  **Support Program Monitoring and Evaluation Directive and Guideline**  With these documents it was aimed at how the evaluation activities will be carried out and what are the roles and responsibilities of the departments.  **Data Collection Instruments Guidelines**  Interview  Focus Group  Survey  Case Study  Storytelling  No [ ] | <https://www.kosgeb.gov.tr/site/tr/genel/detay/349/rapor-ve-istatistikler>  <https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mali%20Tablolar/Faaliyet%20Raporlar%C4%B1/KOSGEB_2020_Y%C4%B1l%C4%B1_Faaliyet_Raporu.pdf> | |
| 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?** | | KOSGEB Annual Activity Reports with quantitative data on innovation themed supports are produced and publicized. Recent one is for year 2020.  MoIT and TUBİTAK produce annual reports on its activities. | <https://www.kosgeb.gov.tr/site/tr/genel/detay/349/rapor-ve-istatistikler>  <https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mali%20Tablolar/Faaliyet%20Raporlar%C4%B1/KOSGEB_2020_Y%C4%B1l%C4%B1_Faaliyet_Raporu.pdf>  <https://www.sanayi.gov.tr/plan-program-raporlar-ve-yayinlar/faaliyet-raporlari>  <https://www.tubitak.gov.tr/tr/icerik-faaliyet-raporlari> | |
| **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 [ ] | Additionally, when necessary, MoIT invites stakeholders, and line ministries to take an action on policy development, implementation, and follow-up steps. | |
|  | If yes | Please provide the name of the co-ordination body or institution. |  | Science, Technology and Innovation Policy Council (STIPC)  Ministry of Industry and Technology. |
|  | 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? | STIPC is the highest-ranking advisory body on developments in science, technology and innovation (STI) policy and the monitoring of the national STI ecosystem. Formulating policy to encourage and support R&D activities; making recommendations on science, technology and innovation policy; identifying strategic technology areas; preparing medium and long-term STI policies; developing strategies on research infrastructures are among the major responsibilities of STIPC. Evaluating the STI ecosystem as a whole, the Board is expected to consider STI issues by holding inter-governmental meetings, coordination meetings with other policy boards and meetings with the stakeholders. It does so in accordance with national goals for economic and social development and national security. It also makes further analysis and relevant advanced studies on the recommendations and actions approved by the President. |  |
|  | How influential is the co-ordination body on actual policy decisions in line ministries? | STIPC is the highest ranking advisory body on developments in science, technology and innovation (STI) policy and the monitoring of the national STI ecosystem. |  |
|  | Are the private stakeholders, including SMEs, represented in the innovation policy co-ordination body? If yes, how are they represented? | Yes [\* ]  No [ ] | STIPC consults with TOBB, TESK, and other private sector and SME representatives in Turkey. Additionally, some of the members are business, and academic people who are very much interested in SME ecosystem in Turkey. |
| *Optional - Please provide any further information on the* ***Policy framework for innovation*** *in your economy that you deem relevant for the assessment:* | | |  |  | |

|  |  |
| --- | --- |
| **Question** | **Response** |
| Self-assessed level  (1 through 5, whole and half numbers) | 5 |
| Brief justification | An official strategy document on innovation policy of Turkey is placed. “Industry and Technology Strategy, 2023” document lays out essential steps need to be taken by Turkey during a period of digital transformation, and circular economy. It emphazises the importance of innovation within several themes i.e., high-tech and innovation, entrepreneurship, social capital, digitalization, and infrastructure.  Ministry of Industry and Technology plays a critical role in coordination innovation policies. It invites related actors form the principals of relevant policy actions. KOSGEB, TUBİTAK, universities, technoparks are all actively included policy making and implementation process in collaboration with private sector where necessary.  Monitoring of policy actions and implementations are followed regularly. All the main actors produce and publish Activity Reports with quantitative data. |
| Assessor name and institution | N. Pınar Işın  Director of EU Coordination Unit  KOSGEB  Beyza Kuriş  SME Expert  EU Corodination Directorate  KOSGEB  Abdullah Aktepe  SME Expert  EU Corodination Directorate  KOSGEB |

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

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|  | **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. [x]  Yes, but only accelerators exist. [ ]  No [ ] |  |
|  | If yes | Is there a public financial support/grant scheme in place to support incubators and accelerators? | Yes [x] \* incubators within the scope of Law No. 4691 Technology Development Zones (TDZs) in addition to other incubators.  KOSGEB provides with financial supports to set up Technology Development Centers acting as incubators, and also accelerators.  No [ ] | <https://www.kosgeb.gov.tr/site/tr/genel/destekdetay/6985/isgemtekmer-programi>  <https://www.kosgeb.gov.tr/site/tr/genel/destekdetay/1235/uluslararasi-kulucka-merkezi-ve-hizlandirici-destek-programi> |
|  | Do the incubators and accelerators have a wide regional coverage? | Yes [\* ]  Under KOSGEB relevant support, they can be set in any place in Turkey.  No [] |  |
|  | Are services (such as training, consulting) offered by these incubators and accelerators? | Yes [x]  No [ ] | https://itucekirdek.com/  https://odtuteknokent.com.tr/tr/programlar/girisimcilik |
|  | 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 [ \*]  KOSGEB and MoIT Annual Activity Reports with quantitative data on innovation themed supports are produced and publicized.  No [ ] | <https://www.kosgeb.gov.tr/site/tr/genel/detay/349/rapor-ve-istatistikler>  <https://www.sanayi.gov.tr/istatistikler/istatistiki-bilgiler/mi0203011501> |
|  | Are any impact assessments for public incubators and accelerators and/or public financial support for them conducted? | Yes [\* ]  Under MoIT, General Directorate for Strategic Researchs and Productivity has conducted some impact assessment studies on R&D&I supports given by KOSGEB and TUBİTAK.  No [] | https://sanayi.gov.tr/merkez-birimi/92d9c73bddbb/hakkimizda  https://sanayi.gov.tr/merkez-birimi/92d9c73bddbb/etki-degerlendirme |
|  | How many incubators and accelerators exist in your economy, and where? How many of them are outside the capital? | In addition to other incubators (private, KOSGEB TEKMER etc.), 73 incubators are located in technology development zones all the country (in 49 different cities). 65 of them are outside the capital. | teknopark.sanayi.gov.tr |
|  | How many of the incubators and accelerators are owned by the public, private sector or civil society? | 73 incubators in technology development zones are owned by the public. | teknopark.sanayi.gov.tr |
|  | What is the amount of financial support provided to incubators and accelerators? | Financial support up to TL 3,800,000 is given to incubators within the scope of KOSGEB İŞGEM/TEKMER Support Program. Within the scope of this support program, support is also provided for the organization of accelerator programs.  KOSGEB’s one other support program is International Incubation Center and Acceleration Support Programme and the program is about promoting the establishment of international incubation centers and participation in the acceleration programs of the enterprises in order to include technological products within the scope of R & D and innovation activities carried out in our country in international markets and to increase the share of related exports and to take domestic technology intensive start-ups into advanced entrepreneurial ecosystems.  Financial support up to $ 3,850,000 is given to incubators within the scope of KOSGEB International Incubation Center Program. The upper limit of the International Accelerator Program is $60,000 per business. | <https://www.kosgeb.gov.tr/site/tr/genel/destekdetay/6985/isgemtekmer-programi>  <https://www.kosgeb.gov.tr/site/tr/genel/destekdetay/1235/uluslararasi-kulucka-merkezi-ve-hizlandirici-destek-programi> |
|  |  | Since the last assessment (January 2019), have there been any new incubators and accelerators created? If so, please specify. | -12 new incubators have been set up in technology development zones since 2019  - In March 2019, the İŞGEM/TEKMER Support Programme was put into effect and 7 TEKMERs were established after this date. Their names are given below:   * Ankara TEKMER * BiyoTek TEKMER * Bitlis Eren Üniversitesi TEKMER * CEO TEKMER * İstanbul Aydın Üniversitesi TEKMER * Kuzey İzmir TEKMER * İzmir Bakırçay Üniversitesi TEKMER |  |
| **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 [ ] | https://www.kosgeb.gov.tr/site/tr/genel/destekdetay/7664/arge-urge-ve-inovasyon-destek-programi |
|  | If yes | Is there a public financial support/grant scheme in place to support technology extension services? | Yes [ \*] One of the sub- programs is the Technological Investment Support. The Programme provides investment opportunities for commercialization of the R&D and innovation oriented projects in the priority technology areas in order to provide added value to national economy. It was designed for developing SMEs possessing new ideas/inventions on new products, for providing information and/or services to facilitate the production and commercialization processes and for supporting innovative activities of SMEs. Since 2018 two hundres technological investment projects are decided to be supported by KOSGEB and nearly 30 million EUR support has been provided within the scope of the Technological Investment Support Programme.  No [ ] | https://en.kosgeb.gov.tr/site/tr/genel/destekdetay/6443/sme-technological-product-investment-support-programme |
|  | Do the technology extension services have a wide regional coverage? | Yes [ \*] KOSGEB support programmes are appliciable all over Turkey.  No [ ] | https://www.kosgeb.gov.tr/site/tr/genel/mudurlukler |
|  | Are there any subsidies/financial support provided to SMEs that want to benefit from technology extension services? | Yes [ \*]  KOSGEB, TUBİTAK, MoIT supports stated within previous sections.  No [ ] |  |
|  | Are the public technology extension services and/or public support to them regularly monitored and evaluated? | Yes [\* ]  KOSGEB Annual Activity Reports with quantitative data on innovation themed supports are produced and publicized. Recent one is for year 2020.  MoIT and TUBİTAK produce annual reports on its activities.  No [ ] | <https://www.kosgeb.gov.tr/site/tr/genel/detay/349/rapor-ve-istatistikler>  <https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mali%20Tablolar/Faaliyet%20Raporlar%C4%B1/KOSGEB_2020_Y%C4%B1l%C4%B1_Faaliyet_Raporu.pdf>  <https://www.sanayi.gov.tr/plan-program-raporlar-ve-yayinlar/faaliyet-raporlari>  <https://www.tubitak.gov.tr/tr/icerik-faaliyet-raporlari> |
|  | 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? |  | Many SMEs do not survive the competition with incumbent domestic and foreign enterprises. Thus, enhancing their competitiveness and increasing their contribution to productivity require policies which would focus on the challenges and obstacles faced by SMEs. These challenges and obstacles include, but are not limited to, lack of access to finance, difficulties in exploiting new technologies, lack of required business training and managerial capabilities, as well as taxes, regulatory burdens, and corruption. Therefore, as countries develop and approach the technological frontier, innovation policies must evolve. They need to place greater emphasis on helping firms improve their capacity to create knowledge – by facilitating the supply of specialised skills and specialised finance, strengthening competition and facilitating the entry and exit of firms. Related to this issue, KOSGEB provides support to R&D, product development and innovation application projects of entrepreneurs and SMEs by establishing ”R&D and Innovation Protocols” signed by KOSGEB between universities, research centers and other entities. KOSGEB has total 132 R&D and Innovation Protocols. KOSGEB has three separate support programs based on technology and innovation. KOSGEB's main support program based on technology is R&D, Product Development and Innovation Support Program as a Public Scheme and the program aims at supporting the SMEs’ high added value R&D projects with up to 1 million Turkish Liras. The support are offered in the form of grants and loans. It was designed for developing SMEs and entrepreneurs possessing new ideas/inventions on new products, for providing information and/or services to facilitate the production and commercialization processes and for supporting innovative activities of SMEs. Projects receiving support from KOSGEB cannot receive support for the same kind of expenditure by another institution. Applicants pledge to abstain from doing so by the support decision of their projects. Refundable and non-refundable supports are given to SMEs and entrepreneurs whose projects have been approved by the Evaluation and Decision Board. Since 2010 KOSGEB provided nearly 500 Million TL support to nearly five thousand SMEs under the scope of this programme.  TÜBİTAK 1505 "The Support Programme for University-Industry Cooperation" aims to boost RDI cooperation between academia and industry via collaborative RDI projects. TÜBİTAK revised the programme in 2012 to further facilitate research commercialization, originated from university based R&D activities. The program now particularly focuses on commercializing knowledge created in universities and research institutes via transferring it to both SMEs and large firms as products or processes.  In May 2020, TUBITAK opened the Patent-Based Technology Transfer Support Call, which aims the transfer of patented technologies in universities, research infrastructures, public research centres and institutes and early stage technology companies to the industrial organisations in Turkey by licensing or assignment methods. Support rate that has 25% base limit is determined separately according to each patent licensed or assigned in the scope of the project. 14 projects out of 20 applications received for the call were selected for support, and approximately 13 million TL will be granted to the industry within the scope of the supported projects for 17 technologies.  Besides, in 2020. TÜBİTAK “1707 Order Based R&D Call” has been initiated.  The 1707 Order-Based R&D Calls aim to transform solutions that meet the needs of customers into commercializable outputs by SMEs through R&D. Projects that might quickly turn into products and have high commercialization potential are supported. There is no subject or sector limitation. In 1707 calls, the Customer Organization and/or Supplier Organization will commercialize the project output. R&D process of the project is carried out by the Supplier Organization. The Customer Organization and TÜBİTAK contribute to the project’s R&D costs. As SMEs carries out the project, the Client Organization monitors whether the project is progressing in the targeted direction. The Customer Organization pays 40% of the expense declared in the period report to the Supplier Organization. TÜBİTAK evaluates the expenses and grants the 40% of the "accepted expenditure amount" to the Supplier Organization. The Supplier Organization itself shall cover the remaining part. The project duration consists of two phases: 1. Product/process development and 2. Commercialization. The duration of the project will be a maximum of 36 months in total. The product/process development phase lasts for a maximum of 24 months. Commercialization stage is required to be at least 12 months.  By 1707 calls; knowledge will be shared and quickly transformed into a product. Also collaboration in project development will become widespread |
|  | Are these technology extension services offered by the public, private or civil society actors? |  | Public, private. |
|  | 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. | In May 2020, TUBITAK opened the Patent-Based Technology Transfer Support Call, which aims the transfer of patented technologies in universities, research infrastructures, public research centres and institutes and early stage technology companies to the industrial organisations in Turkey by licensing or assignment methods. Support rate that has 25% base limit is determined separately according to each patent licensed or assigned in the scope of the project. 14 projects out of 20 applications received for the call were selected for support, and approximately 13 million TL will be granted to the industry within the scope of the supported projects for 17 technologies.  Besides, in 2020. TÜBİTAK “1707 Order Based R&D Call” has been initiated. The 1707 Order-Based R&D Calls aim to transform solutions that meet the needs of customers into commercial outputs by SMEs through R&D. Projects that might quickly turn into products and have high commercialization potential are supported. There is no subject or sector limitation. In 1707 calls, the Customer Organization and/or Supplier Organization will commercialize the project output. The Supplier Organization carries out R&D process of the project. The Customer Organization and TÜBİTAK contribute to the project’s R&D costs. As SMEs carries out the project, the Client Organization monitors whether the project is progressing in the targeted direction. The Customer Organization pays 40% of the expense declared in the period report to the Supplier Organization. TÜBİTAK evaluates the expenses and grants the 40% of the "accepted expenditure amount" to the Supplier Organization. The Supplier Organization itself shall cover the remaining part. The project duration consists of two phases: 1. Product/process development and 2. Commercialization. The duration of the project will be a maximum of 36 months in total. The product/process development phase lasts for a maximum of 24 months. Commercialization stage is required to be at least 12 months. |  |
| *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:* | | |  |  |

|  |  |
| --- | --- |
| **Question** | **Response** |
| Self-assessed level  (1 through 5, whole and half numbers) | N. Pınar Işın  Director of EU Coordination Unit  KOSGEB  Beyza Kuriş  SME Expert  EU Corodination Directorate  KOSGEB  Abdullah Aktepe  SME Expert  EU Corodination Directorate  KOSGEB  5 |
| Brief justification | Country is highly experienced in Technology Develepment Centers. Nowadays many ipublic and private incubators are in service. Their geographic coverage is whole country. Entrepreneurs and SMES benefit from them. They are designed for developing SMEs possessing new ideas/inventions on new products, for providing information and/or services to facilitate the production and commercialization processes and for supporting innovative activities of SMEs.  Institutional support to SME services in innovation field is at a satisfactory level. Main actors provide with support to R&D, product development and innovation application projects of entrepreneurs and SMEs. For instance KOSGEB, by”R&D and Innovation Protocols” signed with universities, reaches research centers and other entities. KOSGEB has total 132 R&D and Innovation Protocols. |
| Assessor name and institution | Neriman Pınar ISIN  Director  KOSGEB EU Coordination Directorate |

## 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 [ ] | -11th Development Plan of Turkey (Article 157, <https://www.sbb.gov.tr/wp-content/uploads/2020/06/Eleventh_Development_Plan-2019-2023.pdf>)  -New Economy Programme (2021-2023, <https://ms.hmb.gov.tr/uploads/2020/09/YEN%C4%B0-EKONOM%C4%B0-PROGRAMI-K%C4%B0TAP%C3%87IK.pdf>)  Medium Term Programme (2021-2023) (<https://www.sbb.gov.tr/wp-content/uploads/2021/08/YeniEkonomiProgrami_OVP_2021-2023.pdf>)  Strategic plan of the Scientific and Technological Research Council of Turkey for the period 2019-2023 |
| 3.1.2 | **Does the government have financial support schemes or grants for innovative projects of SMEs?** | | Yes, funded by the government [\* ]  KOSGEB supports are only in favour of SMEs.    Yes, donor funded [ ]    No [ ] | <https://en.kosgeb.gov.tr/site/tr/genel/destekler/6309/rd-technological-production-and-domestication-supports>  The Scientific and Technology Research Council (TÜBİTAK)  <https://www.tubitak.gov.tr/tr/destekler/sanayi/ulusal-destek-programlari#destekler_sanayi_ana_sayfa_akordiyon-block_1-0> |
|  |  | Please list the financial support schemes or grants for innovative projects of SMEs, and source of funding. | KOSGEB, R&D, Technological Production And Domestication Supports by public funding sources.  TUBİTAK Supports;  TÜBİTAK-Technology and Innovation Funding Programmes Department (TEYDEB) runs support programmes which focus on allocating resources to private sector R&D including SMEs.  1501 – Industrial R&D Projects Grant Program: The programme allows applications with two calls in a year from the companies in all sectors. The maximum support period for each project is 36 months. There is no budgetary limit. The objective of the programme is to support companies’ R&D activities in order to increase their capacity for research and for the development of technology, to promote a culture of innovation and to and to foster the competitiveness of companies established in Turkey. In the past, the programme targeted small and medium-size enterprises (SMEs) as well as large enterprises. However, since July 2019, only SME’s can apply to the programme. SME companies can benefit from the grant with a ratio of 75% of approved expenses. Eligible costs are personnel, travel, machinery and equipment, material, software and hardware purchase expenses, consulting and other service procurement, and so forth.  1507 – SME RDI (Research, Development & Innovation) Grant Program: The programme aims that SMEs become more competitive by developing their technology and innovative sides and their capacity to run systematic projects. It also encourages the development of research and technology, the development of high quality products, and activity in national and international projects. The maximum amount of support is TRY 600 000. SMEs benefit from the grant with the ratio of 75% of approved expenses. Eligible costs are the same as for 1501. The applications to the programme is accepted with two calls in a year.  1509- International Industrial R&D Projects Grant Program: The programme supports Turkish companies that conduct R&D activities. It aims to increase technical quality and knowledge in Turkey, to improve companies’ access to technological knowledge at the international level, to help them with technology transfer processes and to contribute to the participation of Turkish companies in international markets. Under this programme, international collaborative R&D projects which have been submitted to EUREKA is supported. SME’s benefit from the grant with a ratio of 75 % of a project’s approved expenses. Large enterprises benefit from a ratio of 60 %.  1511- Research Technology Development and Innovation Projects in Priority Areas Grant Program: The objective of the programme is to support and coordinate result-oriented, observable, national R&D and innovation projects that are well matched with priority fields. SME companies benefit from the grant with a ratio of 75%; large enterprises benefit from a ratio of 60% of the project’s expenses. This program is used for supporting R&D Phase of the Large Scale Investment Projects within the context of Technology Focused Industrial Movement Program (HAMLE).  Technology Focused Industrial Movement Program (HAMLE) is a special program for supporting mainly investment projects and increasing the value-added production in Turkey. The investment projects can start from the RD Phase continuing towards investment phase. The support and incentives are provided by the Ministry of Industry and Technology, TUBITAK and KOSGEB. This Program is targeted towards investments aiming to produce high-value added products in high-technology or medium-high-technology sectors.  Within the scope of the program, the aim is to increase the production capacity in the critical and high future potential products for Turkey. It is aimed to realize the investment projects that will contribute to the technological development that our country needs, with an end-to-end governance and support model.  If R&D is required for the eligible investment projects, TUBİTAK will support the R&D part of the projects. R&D expenditure items will be supported by TUBİTAK within the context of the 1511 Priority Areas Research, Technology Development and Innovation Program by 75 percent for SMEs and 60 percent for large enterprises.  1707- Order-Based R&D Call: The 1707 Order-Based R&D Calls aim to transform solutions that meet the needs of customers into commercial outputs by SMEs through R&D. Projects that might quickly turn into products and have high commercialization potential are supported. There is no subject or sector limitation. In 1707 calls, the project output will be commercialized by the Customer Organization and/or Supplier Organization. The Supplier Organization carries out R&D process of the project. The Customer Organization and TÜBİTAK contribute to the project’s R&D costs. As SMEs carries out the project, the Client Organization monitors whether the project is progressing in the targeted direction. The Customer Organization pays 40% of the expense declared in the period report to the Supplier Organization. TÜBİTAK evaluates the expenses and grants the 40% of the "accepted expenditure amount" to the Supplier Organization. The Supplier Organization itself shall cover the remaining part. The project duration consists of two phases: 1. Product/process development and 2. Commercialization. The duration of the project will be a maximum of 36 months in total. The product/process development phase lasts for a maximum of 24 months. Commercialization stage is required to be at least 12 months.  1702-Patent Based Technology Transfer Support Call: The 1702 Patent Based Technology Transfer Calls aim to transfer of patent-based technologies emerged as a result of research, development and innovation projects carried out by higher education institutions, research infrastructures, public research institutions and early-stage technology companies to capital companies located in Turkey through the way of licensing and know-how transfer. The Calls provide the companies benefit from the knowledge and technology produced in the higher education institutions, research infrastructures, public research institutions and early-stage technology companies. The Calls develop holistic solutions needed by the industry by combining research, development and innovation projects carried out by different stakeholders with public resources and emerging technologies. The duration of a project will be a maximum of 60 months. The upper limit of a project is TRY 2.000.000. Both SME’s and big companies can apply the calls. TÜBİTAK supports minimum %40 of project budget if the customers is a SME while TÜBİTAK supports minimum %25 of project budget if the customer is a big company.  1512- Techno Entrepreneurship Programme (BiGG): The purpose of the programme is to support individual entrepreneurs’ activities from the business idea to the market in order to allow them to turn their technology and innovation-focused business ideas into enterprises with high potential for creating added value and qualified employment. The programme includes entrepreneurship training and technical, commercial and administrative support from coaches with industry knowledge. Firm are provided with TRY 200 000 seed capital, aiming at technology validation of the proposed idea within 18 months. Eligible costs are the same as for 1501.  Industrial Innovation Networks Mechanism (SAYEM): Within the scope of one of the funding mechanism called as Industrial Innovation Networks (SAYEM), private sector firms, especially those that contain an R&D and product design centre, will form a network with other firms that take place in the value chain of the targeted technology-based product together with end-users, technology development zones, public research institutes and universities. As a whole, the network will have the opportunity to take centre stage in the innovation system for co-creating high value-added products and technologies for the market. The programme purposes to provide commercialization of the high tech products by means of collaboration of private sector firms, universities and public research institutes that forms innovation networks and targets high TRL products (TRL 5-9).  The networks have been established in two phases. In the first phase, the support grant has been directed to establishing models of cooperation and networks based on a “product/commercialisation roadmap” that includes a business model. In the second phase, the support grant has been provided to implementing the R&D and innovation activities that take place in the product/commercialisation roadmap based on the strategic milestones that have been put forth by the actors who are involved in the network for co-creating high value-added products. The targeted Technology Readiness Level will be between TRL 5 or 6 and 9, thereby targeting technological innovation that is closer to the market.  1514-Tech-InvesTR Venture Capital Support Programme: The Tech-InvesTR Venture Capital Support Programme was established in order to create a sustainable venture capital ecosystem that will provide resources for early-stage technology-based initiatives. With Tech-InvesTR Program, it aims to i) create a high value-added production environment through the commercialization of R&D and innovation products of early-stage technology-based enterprises ii) create a sustainable venture capital ecosystem to support early-stage technology-based initiatives iii) Provide experience and resources in venture capital in Technology Transfer Offices (TTOs), Technology Development Zones (TDZs) and the qualified Research Infrastructure (RIs).  The programme will be carried out in cooperation with the Ministry of Treasury and Finance to encourage university TTOs, TDZs and RIs to participate in venture capital funds, which invests to early stage technology based firms. TTOs, TDZs and RIs will participate as limited partners of venture capital funds. These venture capital funds will invest in early-stage technology-based enterprises in order to support commercialisation. 50% of the contributed capitals of TTOs, TDZs, and RIs for the funds' investments to early-stage technology-based Turkey resident enterprises will be supported by TÜBİTAK as grants. In addition, TTOs, TDZs, and RIs will be provided with general expense support up to 10% of their contribution.  Within the scope of Tech-InvesTR Program, The Ministry of Treasury and Finance negotiated with 5 funds for the protocol and signed fund participation protocols between 4 venture capital funds as of June 2021. These 4 funds were established. Project agreements have been signed between 4 TDZs and 1 TTO participating in the funds and TUBITAK. It is aimed that the funds to be established with domestic and foreign sources will reach 1.7 Billion TL final target size. It is expected to allocate approximately 27 million TL by TÜBİTAK and approximately 330 million TL by the Ministry of Treasury and Finance to the funds established within the scope of Tech-InvesTR Program. Along with the amounts committed by national and international investors participating in the funds, the program will mobilize a resource of 1.7 billion TL to invest in technology-based initiatives in Turkey. It is aimed that this amount will return to 150 early stage technology-based initiatives in Turkey in the next 5 years. The Fund term will be 12 years, with an investment period for the first five years. The remaining period will be the exit period. Funds will be managed by independent fund managers as General Partner (GP). | <https://en.kosgeb.gov.tr/site/tr/genel/destekler/6309/rd-technological-production-and-domestication-supports>  <https://www.tubitak.gov.tr/tr/destekler/sanayi/ulusal-destek-programlari#destekler_sanayi_ana_sayfa_akordiyon-block_1-0> |
|  | 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? | -Since 2019 nearly 26 million EUR support has been provided by KOSGEB within the scope of the Technological Investment Support Programme.  -Within the scope of Research Development, Innovation Industrial Application Support Program, 87,229,328 TL was provided to 1,207 enterprises in 2019, 87,915,684 TL was provided to 1,248 enterprises in 2020, and 72,527,913 TL was provided to 975 enterprises in 2021 (January-August).)  Considering the TÜBİTAK-TEYDEB programmes mentioned, the total amount of grants for SME’s provided by TÜBİTAK TEYDEB has reached over EUR 903.2 million during the 2007-2020 period. In 2020, the total amount of grants for SME’s provided by TÜBİTAK TEYDEB was almost 58,7 EUR million. |  |
| 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 [ ] | <https://www.kosgeb.gov.tr/site/tr/genel/destekdetay/7664/arge-urge-ve-inovasyon-destek-programi>  Tübitak Funding programs evaluation criteria :  https://www.tubitak.gov.tr/en/funds/industry/national-support-programmes/1507/content-criterias |
|  | Potential impact (commercialisation of the innovation) | Yes [\* ]  No [ ] | <https://www.kosgeb.gov.tr/site/tr/genel/destekdetay/7664/arge-urge-ve-inovasyon-destek-programi>  Tübitak Funding programs evaluation criteria :  https://www.tubitak.gov.tr/en/funds/industry/national-support-programmes/1507/content-criterias |
|  | Quality of the project team (capacity to implement) | Yes [\* ]  No [ ] | <https://www.kosgeb.gov.tr/site/tr/genel/destekdetay/7664/arge-urge-ve-inovasyon-destek-programi>  Tübitak Funding programs evaluation criteria :  https://www.tubitak.gov.tr/en/funds/industry/national-support-programmes/1507/content-criterias |
|  | Size of the company | Yes \*[ ]  No [ ] | <https://www.kosgeb.gov.tr/site/tr/genel/destekdetay/7664/arge-urge-ve-inovasyon-destek-programi>  Tübitak Funding programs evaluation criteria :  https://www.tubitak.gov.tr/en/funds/industry/national-support-programmes/1507/content-criterias |
| 3.1.4 | **Is there a competitive selection process for this financial support/public grants?** | | Yes [\* ]  Project score is created based on the evaluations of the referees and the board regarding the projects.  No [ ] | <https://www.kosgeb.gov.tr/site/tr/genel/destekdetay/7664/arge-urge-ve-inovasyon-destek-programi>  Tübitak 1507-SME R&D START SUPPORT PROGRAM 2021/2 CALL ANNOUNCEMENT  <https://www.tubitak.gov.tr/sites/default/files/21566/1507-cagri_duyurusu_2021-2_2806.pdf> |
| 3.1.5 | **Does this financial support/public grants require a co-financing (matching) component?** | | Yes [\* ]  No [] | Tübitak 1507-SME R&D START SUPPORT PROGRAM:  75% of eligible expenditures is reimbursed. |
| 3.1.6 | **Is special funding provided for women and/or young entrepreneurs in SMEs? If so, please specify.** | | No |  |
| 3.1.7 | **Is special funding provided to enhance green practices in SMEs? If so, please specify.** | | Yes, in the Call of 2021 Tübitak 1507-SME R&D Initial Support Program , Within the scope of the call, priority is given to the projects presented in the technology areas specified in the "Call-Specific Conditions" section and the Priority R&D and Innovation Issues within the Scope of Compliance with the European Green Agreement. | Tübitak 1507-SME R&D START SUPPORT PROGRAM 2021/2 CALL ANNOUNCEMENT:  https://www.tubitak.gov.tr/sites/default/files/21566/1507-cagri\_duyurusu\_2021-2\_2806.pdf |
| 3.1.8 | **Is special funding provided to enhance digital practices in SMEs? If so, please specify.** | | KOSGEB SME Development Calls on Digitalization | https://en.kosgeb.gov.tr/site/tr/genel/destekdetay/1230/kobigel-sme-development-support-programme |
| 3.1.9 | **Is special funding provided to SMEs as a result of COVID-19 pandemic? If so, please specify.** | | Taking into consideration of devastating effects of Covid-19 pandemic over micro and small enterprises (MSEs), a support scheme has been built to relieve MSEs which are in prioritized strategic sectors by means of a rapid and simple liquidity.  Within the scope of the measures taken in our country to reduce the effects of the coronavirus (Covid-19) which was announced as a pandemic by the World Health Organization, it was decided to provide investment support to ensure the rapid production of products such as disinfectants, cologne, protective clothing, protective glasses, masks, gloves. These products were supported by adding to the Product List that will Contribute to the Current Accounts between 20.03.2020-22.06.2020.  In this context it was decided to support 2 products within the scope of the Technological Investment Support Programme. Approximately 6 million TL support will be provided to enterprises.  In the fight against the epidemic, in addition to the current support, TÜBİTAK opened 2 calls within the scope of the SME R&D Startup Support Program. Within the scope of these calls, a total of 17.5 million TL support was given to 48 projects.  Within the scope of the first fast call "Call to Fight Against COVID-19", 446 applications were received by 444 companies, and according to the results of the evaluation, 35 applications were received on intensive care devices, diagnosis, masks, drugs, disinfection, other PPE (Personal Protective Clothing), informatics applications and vaccines. The project was supported with a budget of 13.4 million TL. Fast and reliable diagnostic kits for projects with a maximum duration of 9 months, innovative designs for devices that can help before or during intensive care, cameras with various features, artificial intelligence-based solutions for early diagnosis and follow-up stages, smart health, telemedicine applications and support systems are being developed. Disinfectant synthesis and production, innovative masks, materials and protective clothing are also other product-oriented project areas.  The second call was the project call opened by the Development Agencies under the coordination of the Ministry of Industry and Technology, General Directorate of Development Agencies, with the title of “Combating COVID-19 and Resilience Programme”. Projects submitted by SMEs with R&D potential were evaluated under the SME R&D Initial Support Programme.  Within the scope of both calls for SMEs in the period of COVID-19, the commercialization process of 8 projects was completed for the first time and commercialization studies of 29 projects continue. | <https://www.kosgeb.gov.tr/site/tr/genel/destekdetay/7786/imalatci-mikro-ve-kucuk-isletmelere-hizli-destek-programi>  <https://www.sanayi.gov.tr/covid-19/destek-ve-tesvikler#tubitak-kobi-arge-baslangic-destek-programi>  COVID-19 pandemic related call (1507-2020-1-COVID-19) was opened on 26th of March , 2020 (https://www.tubitak.gov.tr/tr/destekler/sanayi/ulusal-destek-programlari/cagri-1507-covid-19-ile-mucadele) |
| 3.1.10 | **Is information on financial support made publicly available for SMEs - are there any special promotional campaigns? If so, please specify.** | | Yes, on web. | https://www.kosgeb.gov.tr/site/tr/genel/destekler/3/destekler |
| 3.1.11 | **Does the government provide tailored services to link SMEs with various sources of financing? If so, please specify.** | | R&D, Product Development and Innovation Support Programme is a tailor made financing programme with designation of SME about context of the incentive. | https://www.kosgeb.gov.tr/site/tr/genel/destekdetay/7664/arge-urge-ve-inovasyon-destek-programi |
| 3.1.12 | **Are the financial support measures regularly monitored?** | | Yes [ \*]  There are monitoring steps during or after the projects or firms funded by KOSGEB.  No [ ] | https://www.kosgeb.gov.tr/site/tr/genel/destekdetay/7664/arge-urge-ve-inovasyon-destek-programi  For each project for which the support decision is taken, KOSGEB is determined by the implementation unit.  Within the framework of the Procedures and Principles Regarding Temporary Assignments to be made from outside, academic staff are assigned as observers.  https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Arge/2020/22.01.2020/Ar-Ge\_UE\_.pdf  <https://sanayi.gov.tr/merkez-birimi/92d9c73bddbb/etki-degerlendirme>  Periodic expenditures and expenses of the projects supported within the scope of the Support Programs carried out by TÜBİTAK funding programmes are declared to TÜBITAK by the organizations with their expense forms.  <https://tubitak.gov.tr/tr/destekler/sanayi/ulusal-destek-programlari/1501/icerik-mali-hususlar-ve-odeme> |
| 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))?** | | No |  |
| **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 [x ]  Yes, but only R&D tax incentives exist [ ]  Yes, but only certain VAT exemptions exist [ ]  No [ ] | Technology Development Zones Law No. 4691  Law No. 5746 on Supporting R&D and Design Activities |
|  | If yes | Do these measures favour SMEs? | Yes [ \*] (Although there is no specific phrase for SMEs)  No [] | Corporate tax exemption 100%, R&D and Design discount  Income tax exemption (100%), Income tax withholding incentive (80-90-95%),  Insurance premium employer share support (50%)  Customs duty exemption  Basic science support  Stamp duty exemption (payroll only) Stamp duty exemption  VAT exemption |
|  | If R&D tax incentives exist, has there been any significant uptake of them by SMEs? If yes, please specify. | SMEs benefit from the incentives and exemptions provided under the Law No. 5746. and the Law No. 4691 | Technology Development Zones Law No. 4691  Law No. 5746 on Supporting R&D and Design Activities |
|  | Are the fiscal support measures restricted to any particular group of firms (by region, sector etc.)? If yes, please specify. | Yes [ \*]  No [ ] | Technology Development Zones Law No. 4691  Law No. 5746 on Supporting R&D and Design Activities |
|  | How are the eligibility criteria defined for tax exemptions? | The criteria for benefiting from the exemptions provided under the Law No. 5746 and the Law No. 4691 are written in the Regulation No. 29797 and 24454, respectively. |  |
|  | If VAT exemptions exist, can you provide more information on their coverage? | VAT exemption is also applied for machinery, equipment and equipment purchased within the scope of projects. |  |
|  | 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? | Remote working hours are included to R&D law and TDZs law during COVID-19 pandemic. Thus, employees who(m) work for private R&D and Design Centres and firms in TDZs that supported by Ministry of Industry and Technology (MIT) can be supported by tax incentives as they work as at Centre or TDZs tangibly. |  |
| 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) | 5 |
| Brief justification | -Since 2019 nearly 26 million EUR support has been provided by KOSGEB within the scope of the Technological Investment Support Programme.  -Within the scope of Research Development, Innovation Industrial Application Support Program, 87,229,328 TL was provided to 1,207 enterprises in 2019, 87,915,684 TL was provided to 1,248 enterprises in 2020, and 72,527,913 TL was provided to 975 enterprises in 2021 (January-August).)  Selection process of the innovation projects of SMEs are is elaborate. It considers quality in terms of innovation content, and commercialization.   * As country Turkey more provide support and has grant systems for R&D eco-system than any other country * Companies learned and adapted R&D culture * Thanks to all actions by the government export numbers increased * Number of R&D qualified staff is increased * More and more companies are adapted corporate structure * Variation of services and products are increased significantly   Taking into consideration of devastating effects of Covid-19 pandemic over micro and small enterprises (MSEs), a support scheme has been built aims to relieve MSEs which are in prioritized strategic sectors by means of a rapid and simple liquidity. KOSGEB offered approximately TL 6 million support.  Additionally, SMEs benefit from tax exemptions and incentives provided under the Law No. 5746. and the Law No. 4691. |
| Assessor name and institution | N. Pınar Işın  Director of EU Coordination Unit  KOSGEB  Beyza Kuriş  SME Expert  EU Corodination Directorate  KOSGEB  Abdullah Aktepe  SME Expert  EU Corodination Directorate  KOSGEB |

## 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? | TUBITAK conducts 1505 "The Support Program for University-Industry Cooperation" to promote the transfer of knowledge stock and technologies of universities and public research institutions to industry, based on the technological needs of companies, which are residing in Turkey and committing to exploit the project outputs in Turkey.  In this program, the private sector companies are "customers" and research organizations are "implementers" in the RDI projects. TUBITAK revised the programme in 2012 to further facilitate research commercialization, originated from university based R&D activities. The programme now particularly focuses on dissemination and commercializing knowledge created in universities and research institutes via transferring it to both SMEs and large firms as products or processes.  Projects should involve a technology provider (university or public research institution) and a client (large firm or SME) |  |
|  | What is the budget allocated for these schemes and how many SMEs make use of them annually? | * The maximum project budget is increased from 0,3 to 1 Million TRY and the maximum period of funding is 24 months. SMEs are encouraged with a higher funding rate of 75 %. |  |
|  | What are the main areas of innovation covered by innovation voucher schemes? | Mostly R & D areas are covered |  |
|  | What are the main criteria for the attribution of innovation vouchers? | A new evaluation scheme is introduced to monitor the production and market success, at which the companies are monitored one year after the project is completed. |  |
| 4.1.2 | **If innovation voucher schemes have been designed and implemented since the last assessment (January 2019), please list their characteristics.** | | Tubitak 1707 – R&D Based on Order  Tubitak 1702 – Patent Licensing |  |
| 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? | KOSGEB Cooperation Support, Purposes of the programme are to enhance co-work culture between SMEs or between SMEs and large-sized enterprises and to contribute to development of cooperation which mutually provide benefit and competitive advantage.  TUBİTAK |  |
|  | What is the budget allocated for these schemes and how many SMEs make use of them annually? | AS for KOSGEB supports, up to TL 10 M per project. |  |
|  | List characteristics of competitive co-operative grants. | Co-manufacturing to increase capacity, efficiency, product variety and quality,  Co-development of product and service and co-designing to meet demand of customer and market,  Co-laboratory to increase quality of product and service,  Co-marketing to increase market sharing and to create brand image and  Cooperation to develop capability and to participate to value chain.  Through “Industrial Innovation Networks Mechanism (SAYEM)”, established in 2018, private sector firms, especially those that contain an R&D and product design centres, will form a network with other firms of the value chain of the targeted technology-based product together with end-users, technology development zones and universities. As a whole, the network will have the opportunity to be at the centre of the innovation system for co-creating high value-added products and technologies for the market. The Industrial Innovation Networks Mechanism is characterised by several features:  - The networks target the convergence of actors on both ends of the technology development and commercialization spectrum. Researchers of high value-added technologies and products will interact with end-users in a way as to accelerate the commercialization process across the supply and demand sides.  - The targeted Technology Readiness Levels (TRL) will be between TRL 5 or 6 and 9, thereby targeting technological innovation that is closer to the market.  Support Programme for Centres of Excellence (TÜBİTAK 1004), is one of the newly designed and launched R&D support programmes, which provides a new insight into specialization of Research Infrastructures in Turkey towards becoming R&D Hubs in critical technology areas. Within the scope of the programme “High Technology Platforms”, the centres are obliged to engage in collaborations with industry for project proposals in support of a co-creation approach that is a strategic approach of TÜBİTAK. The programme is expected to pave the way to specialization of Research Infrastructures through RDI funding to a bundle of R&D projects in a specific technology area, between Technology Readiness Levels (TRL) 3-6. The research centres which have been established through public funds and accredited within scope of Law No: 6550, as well as the research centres of “Research Universities”, which are announced by Higher Education Council will be provided with the chance to acquire large-scaled R&D project support from TUBITAK, in order to specialize in a thematic field and become a sustainable high technology hub in Turkey.  The programme is expected to contribute to the efficient use of research infrastructures and encourage their sustainability based on their specialization in a scientific and technological field and increase their collaborations with industry. |  |
|  | What are the main criteria for the attribution of competitive co-operative grants? | 1. To create a partnership model; 2. **Operator Institution Model**   It is a model which an operator institution is established by project partners after the project is accepted. All process regarding the project is conducted by operator institution.   1. **Project Partnership Model**   It is a model in which each project partner fulfil a part of activities indicated in business-time plan taking place in project application form. |  |
| 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 | Technology Development Zones within the scope of the Law No. 4691 |  |
|  | b) | Technology Institutes |  |  |
|  | c) | Technology Transfer Offices | In addition to other Technology Transfer Offices (such as in universities), there are also provided in Technology Development Zones. |  |
|  | 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)?** | | Turkey has numerous efforts for enhancing the results and impact of its huge investments in R&D, especially on fostering R&D and innovation ecosystem while developing different knowledge transfer channels in facilitating interactions between industry and science. In recent strategies (11th Development Plan and other relevant strategies and plans) collaborative research, research and labor mobility and networking facilities were strongly emphasized. University-industry knowledge transfer and sharing activities are stimulated by employing various policy tools.  Support mechanisms are being executed to increase knowledge and technology transfer through cooperation and co-creation among universities and the private sector. By recently launched initiatives, co-creation based collaborations and platforms are supported rather than conventional knowledge transfer or sharing channels.  By Industrial Innovation Networks Support Programme (SAYEM), private sector firms, especially those that contain an R&D and product design centre, will form a network with other firms that take place in the value chain of the targeted technology-based product together with end-users, technology development zones, public research institutes and universities. With the SAYEM Programme, the working cultures of the private sector, universities and public research institutes will develop and their national and international competitiveness will increase with the product/product group improved together. With another platform program, TUBITAK 1004 Center of Excellence Support Program, establishing High Technology Platforms is targeted to realize technology transfer between leading research institutions and private sector.  TÜBİTAK also provides financial support to university technology transfer offices (TTOs), with its Technology Transfer Support Program (1513) to promote technology transferring interface structures conducting university-industry cooperation and for exploitation of academic knowledge and new technologies by commercialization of academic research results. In 2019, a new call is announced and 23 new applications were received. The evaluation phase of this new call is continuing. Including 2019, supported TTOs are granted for a total budget of approximately 15 Million Euros so far.  University Industry Cooperation Centers Platform (USIMP) is an organization that has gathered different public and private sector groups. Platforms is contributing to the establishment of interface institutions in the field of university-industry cooperation, the institutionalization of these structures, and the improvement of their quality and performance by developing a national culture of cooperation. Main aim of the platform is expanding the sharing of knowledge and experience between public and private institutions and organizations in national and international environments. In addition to this platform, Ministry of Industry and Technology provides Turkey Public-University-Industry Cooperation Portal, which is introduced to ensure collaboration and interaction among universities, industry, entrepreneurs and investors. In this portal, stakeholders have easy and fast access to R&D funds, researchers, investors and relevant information from a single point. |  |
| 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.** | | 9 technology development zones have been established since 2019. | teknopark.sanayi.gov.tr |
| 4.2.4 | **Do the institutions for business-academia co-operation have a wide regional coverage?** | | Yes [\*]  Under the scope of University Industry Collaboration activities of TTO which are located with a wide regional coverage.  No [ ] |  |
| 4.2.5 | **Does the government offer any kind of cluster-specific support aiming to foster the business-academia co-operation?** | | Yes [\*]  No [] | Tübitak 1004 Center of Excellence support programme  https://www.tubitak.gov.tr/tr/destekler/akademik/ulusal-destek-programlari/icerik-1004-mukemmeliyet-merkezi-destek-programi |
|  | If yes | What is the scope and amount of the public cluster support? | The scope of the 1004 Program is to specialize in the research infrastructures of higher education institutions, in cooperation with R&D/Design centers and public R&D units, and to become a center of excellence, in priority areas determined within the scope of national goals and policies, domestically, with traceable objectives, scientific To support qualified research programs with high commercialization potential.  The upper limit of the support amount can be specified in the call document  The 11th Development Plan, which is put into force with the Grand National Assembly’s Decision, lays down the main science, technology and innovation policies. The plan seeks to improve the country’s position in the international arena and enhance its welfare and includes goals for R&D and innovation as well as other sectors.  Within the 11th Development Plan, at the section "Industrial Policies", numerous measures and policy actions has been identified for clustering. Support will be provided for clustering collaborations between actors of the entrepreneurship ecosystem. In this context, support programs will be implemented taking into account sectoral needs. In various sectors, clustering activities will be supported such as machinery, pharmaceutical and medical device manufacturing sectors.  Support will be provided for clustering collaborations between SMEs, large enterprises and other actors of the entrepreneurship ecosystem. Specific sectors, where Turkey has comparative advantage in attracting international direct investments will be identified and clustering studies in these sectors will be supported.  Thus, support mechanisms will be implemented to increase the transfer of knowledge and technology through cooperation between universities, research infrastructures and the private sector. In addition, the institutional capacity of intermediary organizations will be improved and their effectiveness will be increased. | Tübitak 1004 Center of Excellence support programme  https://www.tubitak.gov.tr/tr/destekler/akademik/ulusal-destek-programlari/icerik-1004-mukemmeliyet-merkezi-destek-programi |
| 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))?** | | Performance Index Study is conducted annually for technology development zones by MoIT. |  |
| 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 [X]  No [ ]  Hezarfen Technology Development Project is a project of the Turkish Patent and Trademark Office that aims to create an intellectual property strategy and to contribute to the development of innovative culture in SMEs. The project involves organizing targeted seminars for SMEs and providing specific counseling activities for the selected firms. The counseling activities include determining an intellectual property portfolio, making necessary  applications to protect the contents of this portfolio. According to the industrial structure of the province, the Chamber of Commerce and Industry, Organized Industrial Zone Directorates, Universities,  Development Agency, Sector Clusters, KOSGEB and Provincial Industry Directorates are various stakeholders. |  |
| 4.3.3 | **Are there links between IP specialist support (National IP Offices) and general innovation support for businesses?** | | Yes [X]  No [ ]  Hezarfen Technology Development Project has been carried out since 2007. Within 14 years, 26 projects in 23 different cities were implemented and 719 SMEs attended the counselling activities.  Turkish Patent and Trademark Office actively takes role in all of these advisory services by charging qualified employees. The Project has 3 stages. First one is the opening and cooperation protocol signing ceremony, second one is the intellectual property rights seminar and the last one is consultancy services. |  |
| 4.3.4 | **What support is available for patenting and commercialisation favouring business-academia collaboration?** | | Industrial Property Law: 6769 Decree 122. Article 122 involves insights on "Inventions generated in projects supported by State". Framework provisions are introduced with the Industrial Property Law No 6769 for the ownership of patent rights which are generated in projects supported by governmental institutions/bodies in order to incentivize inventions in these projects. Framework provisions also concern promoting of wide participation in these R&D studies and encouraging the cooperation between governmental institutions/bodies and commercial firms.   * Industrial Property Law No: 6769 Decree 121. Article 121 involves insights on "Inventions made in Higher Education Institutions". In accordance with Article 121 of the Industrial Property Law, the ownership of the patent rights is given to the Higher Education Institutions with a condition of allocation at least two thirds of the income arising from the invention in order to unearth the potential inventions at universities and to make a positive contribute to the economy. * Companies established and funded by TURKPATENT in order to contribute commercialization and monetization of IPRs: TURKSMD (Turkish Industrial Property Valuation, Engineering Consulting Services Inc.) started to provide services as a subsidiary of Turkish Patent and Trademark Agency in April 2018. Main areas of the company are as follows: * IP valuation * Consultation for technology transfer * Consultation for IP portfolio management * Freedom to operate analysis (FTO) * Technology Transfer Offices (TTO) are the main institutions that are established to perform the task of university technology transfer in the ecosystem. aims to identify inventions and innovations made by the academic staff, conduct patent investigations, support creativity and innovation, create awareness for useful models and trademarks by protecting the invention/innovation, and handle the related IP commercialization activities. Applying for patents, conducting their follow-up and commercialization, and searching for funding opportunities are also among their aims. * Tax Exemption: Inventions resulting from research, development and innovation activities and software activities carried out by corporate taxpayers in Turkey are supported. * 50% of income which is obtained from licensing or transferring, being used in the production process or being subjected to mass production of patents or utility models is exempted from corporate/income tax. Patent or utility model must be registered by TURKPATENT. * TUBITAK Patent-Based Technology Transfer Support Call (1702 Patent License - 2021-1): It is aimed to transfer the patented technologies, which emerge as a result of research, development and innovation projects carried out by higher education institutions, research infrastructures, public institutions, public research centers and institutes and early stage technology companies, to the established capital companies in Turkey by licensing or transfer. In order to implement the patents licensed or transferred within the scope of the project, a support rate of 75% for SME-scale customer organizations and 60% for large-scale customer organizations is applied to the service procurement expenses of the customer organization for training and consultancy works from the technology provider institution. The upper limit of the call budget is 30 million TL, and the support period is 60 months. * Efficient use of industrial property assets in the banking system and access to finance by valuing them at international standards: Based on the valuation reports to be prepared by TURKSMD in international standards in our country, ensuring that industrial property assets can be shown as collateral before banks will make a significant contribution to the use of industrial property assets as a commercial tool and thus to the functioning of the ecosystem. An insurance mechanism will be established through the Turkish Credit Guarantee Fund in order for banks to provide loans based on the industrial property (patent, trademark, etc.) values determined by TURKSMD. For this purpose, cooperation between TÜRKPATENT, Turkish Credit Guarantee Fund and TÜRKSMD is planned. |  |
| 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?** | | * In Turkey, a total number of 19916 patents were registered in 2019 and 18705 patents were registered in 2020, declining by 6,02%. Utility model registrations were increased by 22,16% from 2969 registrations in 2019 to 3627 registrations in 2020.   Table 1. Patent/Utility Model applications in Turkey.   |  |  |  | | --- | --- | --- | | **Registrations** | | | | Year | Patent | Utility Model | | 2019 | 19916 | 2969 | | 2020 | 18705 | 3627 | | 2021\* | 9228 | 2674 |   In 2019, 13720 patent were granted and in 2020, 13017 patent were granted by 5,12% decrease. Utility model grants grew by 70,87% increasing from 690 grants in 2019 to 1179 grants in 2020.  Table 2. Patent/Utility Model grants in Turkey.   |  |  |  | | --- | --- | --- | | **Grants** | | | | Year | Patent | Utility Model | | 2019 | 13720 | 690 | | 2020 | 13017 | 1179 | | 2021\* | 7070 | 1150 |   Patents are mainly registered by companies and individuals. In 2019, 42% of patents are registered by companies, while 36% of patents are registered by individuals and 22% of patents are registered by research organizations. In 2020, 46% of patents are registered by companies, while 35% of patents are registered by individuals and 20% of patents are registered by research organizations.  Table 3. Patent distribution by applicant in Turkey   |  |  |  |  | | --- | --- | --- | --- | | **Patent** | | | | | Year | Individuals | Companies | Research  Organizations | | 2019 | 36% | 42% | 22% | | 2020 | 35% | 46% | 20% |   Utility models are mainly registered by individuals and companies. In 2019, 47% of patents are registered by companies, while 46% of patents are registered by individuals and 8% of patents are registered by research organizations. In 2020, 53% of patents are registered by individuals, while 42% of patents are registered by companies and 5% of patents are registered by research organizations.  Table 4. Utility model distribution by applicant in Turkey.   |  |  |  |  | | --- | --- | --- | --- | | **Utility Model** | | | | | Year | Individuals | Companies | Research  Organizations | | 2019 | 46% | 47% | 8% | | 2020 | 53% | 42% | 5% | |  |
| *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) | 5 |
| Brief justification | SME and research institution collaboration is at a very satisfactory level. There are Technology Transfer Offices located at universities, and technology development zones. Technology Transfer Offices (TTO) are the main institutions that are established to perform the task of university technology transfer in the ecosystem. aims to identify inventions and innovations made by the academic staff, conduct patent investigations, support creativity and innovation, create awareness for useful models and trademarks by protecting the invention/innovation, and handle the related IP commercialization activities. Applying for patents, conducting their follow-up and commercialization, and searching for funding opportunities are also among their aims.  Efficient use of industrial property assets in the banking system and access to finance by valuing them at international standards.  KOSGEB and TUBİTAK encourage this kind of cooperation through their support schemes. KOSGEB Cooperation Support, Purposes of the programme are to enhance co-work culture between SMEs or between SMEs and large-sized enterprises and to contribute to development of cooperation which mutually provide benefit and competitive advantage.  Monitoring the performance of such cooperations and supports are made by Ministry of Industry and Technology that is Performance Index Study conducted annually for technology development zones. |
| Assessor name and institution | N. Pınar Işın  Director of EU Coordination Unit  KOSGEB  Beyza Kuriş  SME Expert  EU Corodination Directorate  KOSGEB  Abdullah Aktepe  SME Expert  EU Corodination Directorate  KOSGEB |

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

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