



ACCELERATOR

The Joint Strategy on the Promotion of Acceleration Programmes

Number of Work Package	WP5
Output	5.3
WP leader	Republic Agency for the Development of Small and Medium Enterprises-RARS
Version	Final Version
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EXECUTIVE SUMMARY

The Joint Strategy is intended to promote acceleration programmes in the strategic policy framework of the ACCELERATOR project countries and regions and overall in the Danube Region and to help their integration into European Structural and Investment Funds (ESIF) and non-ESIF programmes. Special attention in this strategic document is given to the quadruple helix approach and to linking innovative start-ups with academia. The Strategy is a result of precious inputs from all project partners representing eight countries/regions of the Danube Region: Styria region (Austria), Bulgaria, Liberec region (Czech Republic), Hungary, Romania, Republic of Serbia, Slovenia and Republic of Srpska (Bosnia and Herzegovina).

The Strategy contributes to raising awareness of the policy makers at the regional and national level on the potential role of acceleration programmes in the Danube Region with respect to other project outputs: policy framework summary report and demand and supply summary report (WP3), joint guide to develop acceleration programmes and main conclusions of the joint evaluation report on testing results (WP4) as well as the joint recommendations for the whole partnership and the Danube Region (WP5).

The Strategy contains six chapters: (1) Background that includes: position and importance of acceleration programmes across Danube Regions with an overview of the relevant policy framework and equity financing environment, testing results of the introduction and development of acceleration programmes in the project regions/countries, joint recommendations to the public authorities concerned and importance of the quadruple helix concept for acceleration programmes, (2) Vision and mission, (3) Promotion of acceleration programmes, (4) Integration of acceleration programmes into ESIF and non-ESIF programmes, and (5) Communication plan and (6) Annexes with joint recommendations and regional recommendations to the public authorities concerned.

The Strategy was developed by the Republic Agency for the Development of Small and Medium Enterprises of the Republic of Srpska / Bosnia and Herzegovina, with the support of the other project partners of the Interreg Danube ACCELERATOR project.

1. BACKGROUND

1.1. Position and importance of acceleration programmes across the Danube Regions – overview of the relevant policy framework and equity financing environment

Small and medium-sized enterprises (SMEs) have an important role in ensuring economic growth, innovation, job creation and social integration in the European Union (EU). They are a particular target for the innovation policy in the EU which is visible in regional strategic documents (South East Europe Strategy, EU Strategy for the Danube Region and EU Strategy for the Adriatic and Ionian Region) and EIF (Enterprise Development Support) which envisage considerable funds for innovative and fast-growing enterprises.

The ACCELERATOR project gathered 14 partner institutions and organisations from eight countries/regions of the Danube Region in order to solve the common problem of innovative start-ups and SMEs which are hindered by access to equity, particularly in an early stage of their development.



The ACCELERATOR project partnership

The main objective of ACCELERATOR is to enhance access to innovation finance through improving the institutional framework conditions and related policy instruments by developing the practical solution for acceleration services and influencing the strategic framework concerned in the partners' regions and at the programme level.

In most of the project countries/regions, equity financing institutions are not seen as an integral part of the innovation ecosystem, and the main perceived gap is between promising start-ups and equity financing organisations with available capital resources.

In the past two and a half years, the ACCELERATOR project has contributed to the reduction of this gap primarily by piloting, introducing and upgrading acceleration programmes which represent a specific type of investment readiness programmes, and typically offer hands-on assistance to start-ups and innovative companies. The new/upgraded acceleration services tested in the project will ease the access of innovative start-ups to funding after the project ends, and have influence on establishing and intensifying links with equity financing institutions, banks, corporations and other investment institutions.

The overall analysis of the policy framework across the Danube Region shows the need for improving legal regulations across all regions and the need for better adjustment to start-up business models and new equity finance models and investment tools. No special attention is given to start-up companies in an early stage of their development, and the majority of regions do not have established rules and laws, adjusted specifically to SME needs. The regional governments mainly provide support in terms of grants or loans. However, other forms of equity finance models and tax incentives for R&D projects are not well-defined and often lack relevant legislative acts and regulations.

The analysis also shows that acceleration programmes are quite well-developed in Austria, Bulgaria, Czech Republic, Hungary, Romania and Slovenia, while the Republic of Serbia and the Republic of Srpska / Bosnia and Herzegovina have established incubators providing supportive services with great potential to develop into accelerators. However, inside the countries there may be substantial differences regionally. The Liberec region / Czech Republic lacks supportive institutions for start-up companies, but there is a well-developed start-up ecosystem in the Czech capital.

The demand and supply analysis of equity finance with special regards to acceleration services, which provides an insight into common challenges, as well as specifics of the involved countries/regions, shows that the level of development of the SME ecosystem varies across the Danube Regions. While some regions have good availability of financial resources and well-established access to public and private investors' support, others have started adopting alternative equity finance models only recently.

In general, the volume of financial and other assets for SMEs is not lacking across the Danube Region. Many institutions or initiatives are offering support to SMEs by providing financial and non-financial services.

However, one of the most important issues that SMEs are faced with in the Danube Region is their difficulty accessing finance, which is most often conditioned by economic reasons (governmental bureaucracy, tax regulations and small market size that is often less attractive to international investors), lack of interaction between SME entrepreneurs and investors and low awareness of challenges by both entrepreneurs and investors. SMEs often do not have awareness and knowledge of the availability and use of adequate financial resources, as well as managerial and sales skills. For this reason, investments are perceived riskier, and investors less willing to allocate seed capital to support innovative ideas. On the other hand, SME entrepreneurs raised a need to receive more support; from back office (administrative, legal and HR services), training and project investment readiness programmes, mentoring and face-to-face consultation, to networking events where they could meet with potential investors. In addition, communication would need to be improved, as it seems that there is a need for investment as well as a need to urge to invest financial resources (investors are often unaware of investment opportunities as well). The link between investors and entrepreneurs appeared to be one of the key challenges across the regions.¹

The overall assessment of the analysis carried out within the ACCELERATOR project shows that it is necessary to:

1. Further improve access to equity finance;
2. Connect SME entrepreneurs and investors through networking events, mentorship schemes and investment forums;
3. Establish and develop acceleration programmes in countries/regions currently lacking or missing such programmes;
4. Improve collaboration between universities and the business environment;
5. Raise awareness and knowledge among entrepreneurs of the availability of financial and non-financial assistance;
6. Improve sales and managerial skills of SME entrepreneurs and provide assistance in fundraising and sales channels through mentorship programmes, training and consultancy schemes;
7. Provide operational support to improve investment readiness;

¹ Demand and supply analysis, Summary report, Technology Park Ljubljana, 2017, p. 38

8. Improve the start-up ecosystem in the Danube Region (tax regulations, access to external funds, development of clustering models, etc.);
9. Encourage private investors to a greater extent to engage more in supporting start-ups, provide seed stage funding for ventures to reach the next phase and support start-up companies to enter international markets;
10. Strengthen the capacities of entrepreneurs and SMEs to prepare them to cooperate with venture capital funds;
11. Establish and offer access to Danube-Region-wide, EU-wide and global networks.

Moreover, greater collaboration between the Danube Regions with knowledge and best practice transfer could benefit all regions to further develop services that would contribute to the development of the start-up ecosystem and establish a supportive environment for faster growth of SMEs.²

1.2. Testing results of introduction and development of acceleration programmes in project regions/countries

The largest and longest activity within the ACCELERATOR project was the introduction and development of acceleration programmes in project regions/countries targeting start-ups in need of capital but lacking skills to acquire it. The knowledge transfer for the development of acceleration programmes was one of the specific project objectives, which implies demonstration and introduction of practices for less experienced partners (to them these practices are new and not used before) with experienced partners acting as mentors, as well as improving the existing acceleration programmes run by more experienced partners.

During this project activity, eight partners completed their acceleration pilot programmes in two rounds by using the Joint guide to develop acceleration programmes. The guide developed by Technology Park Ljubljana with the involvement of all partners is a practical and detailed manual on how to develop and test an acceleration programme. The Guide is available on the homepage of ACCELERATOR.

The Joint evaluation report on testing results, which presents the acceleration pilots implemented by eight project partners, shows that the pilots had different structures and contents reflecting the needs of the areas where they were implemented. However, there are common aspects and strong joint work of the partners and shared expertise between them. The results also show the high relevancy of the pilots in the implementation areas, run by both experienced and less experienced partners, which improved their own business services within the acceleration pilot programmes with high added value.

² Demand and supply analysis, Summary report, Technology Park Ljubljana, 2017, p.41

On the other hand, the pilots can be categorised from different points of view:

Size of the implementation location:

For cities characterised by urban agglomeration, the following pilots are fitting better: Hungary, Slovenia and Czech Republic.

For smaller cities or locations without a well-developed start-up ecosystem, the following pilots are fitting better: Romania, Bulgaria, Bosnia and Herzegovina, Austria and Serbia.

Specialisation:

Pilots with a specialised profile: Slovenia – block chain and SME instrument in the Horizon 2020 programme, Austria – IT.

Pilots with general content addressed for start-up from all the fields: Hungary, Romania, Bulgaria, Czech Republic, Bosnia and Herzegovina and Serbia.

Nature of selected start-ups:

Only innovative start-ups / start-up ideas: Slovenia and Czech Republic.

Traditional and innovative start-ups / start-up ideas: Hungary, Romania, Bulgaria, Austria, Bosnia and Herzegovina and Serbia.

Attracting the right target group was the biggest challenge during the implementation of the pilots, so all partners agreed that an extended application period and a highly visible marketing campaign were essential. Another challenge was the lack of internationalisation and digitalisation of the selected start-ups. Therefore, in order to respond to these gaps, each partner included the topic of working together with international actors in their pilots. The partners agreed that there was a need to develop instruments to attract more innovative business ideas, or tools to introduce innovation in traditional ideas/businesses. The results of the pilots also show that most of the start-ups are not receptive or they do not feel comfortable with sharing equity with private investors.

Overall, each partner's acceleration programme exceeded their pilot's purpose. More than 100 actors of the Danube Region's start-up ecosystem were mobilised. They worked together with more than 160 start-ups under the coordination of the management teams of partner organisations.

The eight pilot acceleration programmes represent a valuable contribution to the consolidation process of the Danube Region's start-up ecosystem, and it can be concluded that the ACCELERATOR partnership became a hub in this sense. All the knowledge gained during the implementation of pilots is shared and made public; moreover, the partners are active actors of their country's economy driven by SMEs. Within the piloting period, all partners established strong partnerships with corporations, venture capital institutions,

business support organisations, media and other entities aiming to support the ACCELERATOR initiative. The result of the pilots from the point of view of the Danube Transnational Programme is a well-defined community which will continue to use, develop and multiply the outputs of the project.³

1.3. Joint recommendations to concerned public authorities

The joint recommendations to concerned public authorities include proposals on improving relevant policy framework concerning acceleration programmes and equity finance measures in general with relevance for the whole partnership and the Danube region.

In order to develop the joint and regional recommendations to concerned public authorities, several regional public stakeholder forums were organized during 2018 and 2019 in each project regions/countries on concerned policy issues, demand and supply for acceleration services and their integration in ESIF and non-ESIF measures. The table below shows data on dates, locations and topics of regional public stakeholder forum held in 8 project regions/countries.

COUNTRY	1 st FORUM	2 nd FORUM	3 rd FORUM	4 th FORUM
Hungary	22.11.2018. Szekesfehervar <i>“Current status and future prospects of regional acceleration programmes in Hungary”</i>	28.03.2019. Budapest <i>“Regulatory and policy framework for accelerator programmes in Hungary”</i>	21.05.2019. Budapest <i>“Integration of acceleration programmes in ESIF and non-ESIF programmes”</i>	
Romania	02.02.2019. Piatra Neamt <i>“The importance of Accelerator programs for cluster”</i>	27.02.2019. Bucharest <i>“Integrating Accelerator in public and private funding programs. Accelerator as framework program for start-up funding& development”</i>	19.03.2019. Targu Mures <i>“Importance of Accelerators in underdeveloped areas”</i>	21.03.2019. Alba Iulia <i>“Financing opportunities within the Regional Operational Programme”</i>
Slovenia	15.11.2019. Ljubljana <i>„Start-Ups and Technology Transfer in Innovation Ecosystems in SEE and the Alpine Region”</i>	28.2.2019. Maribor	21- 22.05. 2019. Maribor PODIM	

³ The Joint evaluation report on testing results, ASIMCOV, 2019, p. 5

Bulgaria	04.04.2019. Vidin <i>"The business meets the institutions - how to create a better start-up environment"</i>	17.05.2019. Ruzhintsi <i>"How to improve education in order to encourage start-ups"</i>	03.06.2019. Montana <i>"A better support for the start-ups"</i>	
Czech Republic	26.04.2019. Liberec <i>„DIGITAL ENTREPRENEURSHIP, with subtopics: review of experience from DEXIC Accelerator, next plans with the programme, financing digital startups from business angels and public organizations, financing programmes for digital startups from the side of public authorities, further support of digital startups</i>			
Austria	01.10. 2018. Kindberg <i>"Strategies for local communities to support entrepreneurs"</i>	23.11.2018. Kapfenberg <i>"Policy Recommendations and Networking for Start Ups in IT"</i>	08.02. 2019. Graz <i>"Support for Founders and Young start-ups"</i>	28.03.2019. Kapfenberg <i>"Policy recommendations for Austria for Entrepreneurs"</i>
Serbia	12.12.2018 Novi Sad	09.05.2019. Novi Sad	06.06. 2019.	
Republic of Srpska/ BiH	23.11.2018. Banja Luka <i>"Support for the development of acceleration programmes in the Republic of Srpska"</i>	25.01.2019. Banja Luka <i>"Offer and demand for services of acceleration programme in the Republic of Srpska"</i>	15.02.2019. Banja Luka <i>"Challenges and opportunities for the development of venture capital market in the Republic of Srpska"</i>	

Based on the regional recommendations, the Republic Agency for the Development of Small and Medium Enterprises of Republic of Srpska/Bosnia and Herzegovina (RARS) prepared the joint recommendations to concerned public authorities in the Danube region with the support of other ACCELERATOR project partners.

List of Joint recommendations:

1. Reduce administrative and financial burdens for start-ups and SMEs
2. Foster an entrepreneurial culture and raise entrepreneurial awareness, especially among young people
3. Integrate acceleration programmes in the relevant strategic policy framework
4. Support the development of alternative forms of financing for innovative start-ups and SMEs
5. Promote alternative forms of financing for innovative SMEs
6. Consider launching for establishing acceleration programmes from ESIF and non-ESIF programmes

7. Connecting start-up grants with business support programmes as acceleration programmes
8. Promote importance of engagement of local communities for supporting acceleration programmes
9. Support digitalisation of acceleration programmes
10. Increase awareness and knowledge of various supporting programmes available to start-ups
11. Encourage cooperation and networking with representatives of the quadruple helix stakeholders
12. Utilise transnational opportunities in designing and implementing acceleration programmes

1.4. Importance of the quadruple helix concept for the acceleration programmes

The Strategy pays special attention to the quadruple helix approach and includes tools for linking SMEs to academia.

The representatives of the quadruple helix concept are: policy makers; SMEs and start-ups; universities and research institutes and civil society. By bringing together the diverse stakeholders of the quadruple helix model through co-creative activities, the Strategy has to upgrade the cooperation between the partner countries/regions.

This strategy is primarily focused on the development of accelerator programmes. But, in the wider content, the aim of the project is to establish continuous collaboration between all actors involved in the innovative entrepreneurship cycle, based on the hub-and-spoke model, whereby the accelerator is the hub and the other stakeholders are spokes.

The services and tools have to be designed and proposed to meet the evolving needs of the quadruple helix stakeholders, beyond the time frame of the Strategy.

The Strategy has to contribute to the objectives above through:

- Developing a joint action plan, addressing the innovation needs/gaps of the quadruple helix in the partner countries/regions;
- Supporting coordination in policy making, engaging diverse stakeholders in the transnational innovation network;
- Co-creating a platform for continuous collaboration/training, harvesting content from the existing initiatives / project outputs and complementing it with the material needed;
- Designing and developing on-demand smart tools to enhance innovative start-ups, and links between academia and business.

The services/tools can be co-created and upgraded by the partners (representatives of quadruple helix in all partner countries/regions through the Enterprise Europe Network (EEN)), but also, it is strongly encouraged to have a connection with the Digital Innovation Hubs (DIHs), and cooperation with the European Innovation Council (EIC).

Enterprise Europe Network⁴

The Enterprise Europe Network helps businesses innovate and grow on an international scale. It is the world's largest support network for SMEs with international ambitions.

The Network is active in more than 60 countries worldwide. It brings together 3,000 experts from more than 600 member organisations – all renowned for their excellence in business support.

Member organisations include: technology poles; innovation support organisations; universities and research institutes; regional development organisations; chambers of commerce and industry.

Individual businesses can't become Network members, but they can enjoy the many services offered.

Business services

Teams of Network experts in each member organisation offer personalised services to businesses.

They know the local business environment and have contacts for business opportunities worldwide.

The Network can also offer a targeted approach aimed specifically at your business sector. Its expert groups cover all key economic sectors, from healthcare to agrofood, from intelligent energy to fashion and textile.

European Innovation Council⁵

The European Innovation Council (EIC) pilot supports researchers and innovators developing high-risk, breakthrough innovations with the potential to create new markets and boost jobs, growth and prosperity in Europe. It pilots two new schemes:

1. The EIC Pathfinder pilot (grant only), comprising FET-Open and FET-Proactive.
2. the EIC Accelerator pilot (grant only and blended finance), building upon the SME Instrument

⁴ <http://een.ec.europa.eu/>, date of the access: 5/5/2019

⁵ <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/european-innovation-council-eic-pilot>, date of the access: 5/5/2019

The EIC also includes other calls and actions such as Fast Track to Innovation (FTI) and the Horizon Prizes.

The Enhanced EIC Pilot Work Programme 2018-2020 under Horizon 2020 aims at facilitating that transition towards a fully-fledged EIC. The Work Programme contains three main novelties:

1. Reformed and simplified funding instruments;
2. A more flexible and pro-active approach to management (needed for high-risk projects and fast evolving technologies and markets); and
3. A revised governance in the form of an Advisory Board composed of high-level experts from across the European innovation community.

EIC is able to support

- ideas from any area of technology or business sector, including novel combinations of technologies and business models
- all stages from feasibility to development to scale-up
- innovators from all EU Member States, from other countries associated to the EU Horizon 2020 programme, and to innovators from all parts of the world who establish their activities in Europe.

Having in mind the above-mentioned facts, the cooperation between the stakeholders that constitute the quadruple helix model of cooperation will be implemented on two bases:

- Cooperation agreements signed with various stakeholders, within the Transnational Innovation Network, and
- Cooperation with the EEN, DIHs, EIC, and other relevant EU initiatives.

The most important thing in this document is to propose the activities that will provide sustainability of the project results and further cooperation of stakeholders related to the development of acceleration programmes. To achieve this goal, the Strategy will rely on the instruments created by the project, but also on other tools and systems created by the European Commission.

The first instrument that can enable further cooperation between the project partners and the defined beneficiaries is the cooperation agreement signed with the stakeholders within the project (primarily equity financing organisations). These documents are the basis for

further cooperation and for the development of acceleration programmes in the Danube macro-region. Every project partner had the possibility to adjust the suggested template to its own needs and specific circumstances.

On the other side, the cross-border cooperation will be maintained owing to the advantages of the EEN tools, DIHs and EIC. These powerful networks, created by the European Commission and financed by the EU development programmes, provide IT tools that can be used for further cooperation between the project partners in different regions/countries. Some of them are the forums created on the EEN IT platform that enable continuous communication between the Network partners. For example, on the mentioned EEN platform, there are already forums dedicated to the development of accelerator programmes within Horizon 2020, COSME and other EU programmes. Currently, access to the forums is enabled only to the EEN staff.

Within the EEN and EIC, the European Commission supports the cooperation of organisations between different projects and programmes, where acceleration programmes are identified as the key instrument for the development of start-ups and scale-ups in many sectors. Additionally, cross-sectoral cooperation is welcomed.

For most of the project partners which do not have highly-developed business infrastructure, it is important to maintain the transfer of know-how from the most developed regions/countries. A good example is the accelerator of the University College London (UCL) that provides (through the EEN) transfer of know-how to the organisations from less developed countries. Likewise, UCL allows remote working and cooperation within DIHs.

Case study: UCL helps industry tackle the scourge of damp buildings⁶

UCL architect and scientist Dr Hector Altamirano is helping industry and government better understand moisture in buildings and the considerable economic and health consequences it can have. This is an educative example of successful project, which is based on the quadruple helix model of cooperation. Through the IT tools, the outputs of the project are transferred to the partners in the less developed partner organizations in Asia and South America.

Across the world, dampness accounts for between 70% and 80% of all reported building problems – covering both structural complications and related health issues. In fact, there’s now a clearly established causality between moisture levels and asthma exacerbation – which, in the UK, could cost the NHS an estimated £200 million per year.

Dr Hector Altamirano, Senior Lecturer at the UCL Bartlett School of Energy, Environment and Resources, is an expert on the operational performance of buildings. With the help of researcher and technical manager Dr Valentina Marincioni, Hector oversees a lab that is uniquely designed to understand the effect of moisture in buildings.

A thermal image highlighting dampness in the wall of a building

It includes equipment to measure the properties of materials, structures and walls and to simulate both external environments (such as wind, rain, variable temperatures) and interior conditions.

Hector serves as the Academic Director of UCL’s UK Centre for Moisture in Buildings (UKCMB), which he co-founded to gather partners from academia, industry, and the public. Through this partnership, Hector realised that relatively little is known about excess moisture in buildings – and that existing knowledge isn’t adequately communicated with people working in relevant fields. So Hector and the UKCMB team sought a way to close this gap in understanding and bring academia and industry closer together.

Transforming knowledge and practice to industry

Through UCL Innovation & Enterprise, Hector secured knowledge exchange and innovation funding to develop a short course to share the latest academic knowledge about moisture in buildings.

⁶ <https://www.ucl.ac.uk/enterprise/case-studies/2019/may/ucl-helps-industry-tackle-scourge-damp-buildings>, date of the access: 4/5/2019

He helped to deliver two pilot courses for the UKCMB. In response to considerable initial interest in the courses, Hector was awarded a second round of knowledge exchange and innovation funding. This increased engagement with UKCMB members through six technical working groups, which are exploring the issues most important to those working in related fields. These issues include ventilation, retrofitting, new buildings, flooding, monitoring, modelling, policy and standards.

Innovation & Enterprise has also supported Hector's work in the development of a two-year Knowledge Transfer Partnership (KTP) between the Property Care Association (PCA) and the UCL Institute for Environmental Design and Engineering (UCL IEDE). This partnership and a grant from Innovate UK is enabling a comprehensive study into the problem of excess moisture in buildings, looking at both structural and health perspectives. The study's findings will be used to develop a diagnostic tool and a strategy on tackling the issues.

Paula Lopez-Arce, KTP Research Associate for UCL and the PCA, said: "The KTP is hugely beneficial to academics at UCL, who are informed about the real needs of industry in order to develop practical research. In turn, industry is gaining scientific recognition and credibility through researchers' findings."

A digital platform for change

UKCMB's continuing innovation in the field of moisture in buildings is already engaging a growing international audience of stakeholders. The short course is now being developed into an online course which will launch in summer 2019. There are plans to raise additional funding to translate the short course into other languages, so material can be shared in South America and Asia.

Dr Hector Altamirano concluded: "There's a knowledge gap in terms of the problems relating to excess moisture in buildings, but we do know that issues can be significant in terms of building structure, health and economics. The help UCL Innovation & Enterprise has provided means we're capable of having a far-reaching effect in the way moisture is understood and managed."

Digital transformation: Digital Innovation Hubs⁷

The European Commission strongly supports the work of the DIHs, and their connection with other mechanisms of support for start-ups and scale-ups. DIH is recognised as the modern concept of the accelerator that enables support for start-ups regardless of the geographical distance.

DIHs can ensure that every company, small or large, high-tech or not, can grasp the digital opportunities. With technical universities or research organisations at the core, DIHs act as one-stop-shops where companies—especially SMEs, start-ups and mid-caps – can get access to technology testing, financing advice, market intelligence and networking opportunities.



States and regions invest in the creation or reinforcement of DIHs that support their national/regional digitalisation strategy.⁸ They secure the necessary financial means, for instance through regional development funds.

The EU supports the collaboration of DIHs to create an EU-wide network, where start-ups can have access to competences and facilities not available in the DIH of their region. This network leads to knowledge transfer between regions and it is the basis for economies of scale and investments in the hubs. For this purpose, the European Commission is investing EUR 100 million per year from 2016 to 2020.⁹

Example of cooperation within the acceleration programme based on the quadruple helix model: Creative Accelerators for Sustainable Tourism (CAST)¹⁰

Creative Accelerators for Sustainable Tourism initiative (CAST) is a three-year collaborative project co-funded by the European Commission's COSME programme which aims to support the scaling up of companies in the tourism sector through the integration of cutting-edge technologies and innovation.

The partners in this project are: EBN Innovation Network (Belgium), Innovation Agency Lazio Innova S.p.A (Italy), CEEI BURGOS Innovation Centre (Spain), WestBIC Innovation Centre

⁷ <https://ec.europa.eu/digital-single-market/en/digital-innovation-hubs>, date of the access: 20/3/2019

⁸ Updated list of the existing DIHs can be found on the website of the European Commission: <http://s3platform.jrc.ec.europa.eu>.

⁹ There is a project DIHelp collecting and mentoring DIHs from all around Europe. More information can be found on the following website: www.dihelp.eu

¹⁰ <https://ebn.eu/index.php>, date of the access, 25/3/2019

(Ireland), Centro Europeo de Empresas e Innovación de Murcia (Spain), Media Deals Network (Germany) and Cyprus Research and Innovation Center Ltd (Cyprus).

CAST develops a network of incubators and accelerators, start-ups and SMEs, and financiers to form a European community committed to promoting knowledge sharing, the use of technology and collaboration across borders for sustainable tourism.

In the first action, they carried out the mapping of the existing incubators, accelerators and other business support organisations interested in working together to build and support this community.

CAST is an IT-based initiative that enables cooperation of all the relevant stakeholders to contribute to the project results, and also, it is a model that can be implemented in other sectors.

2. VISION AND MISSION

2.1. Vision statement

Accelerator programmes are recognised as an important instrument of economic development in the Danube Region countries by 2025.

2.2. Mission statement

We promote acceleration programmes because they generate innovation, foster economic growth and keep young, innovative entrepreneurs in the Danube Region.



3. PROMOTION OF ACCELERATION PROGRAMMES

Promotion of acceleration programmes is an essential part of the Joint Strategy. All stakeholders in the quadruple helix model have a significant role in supporting the development of acceleration programmes. However, everything begins with the policy makers and their support to acceleration programmes and their development. If the policy makers understand the role of accelerators as an instrument in economic development, especially with start-ups and innovative SMEs, that will have an impact on all other stakeholders and their relations. Start-ups and innovative companies need support of all other parts of the quadruple helix model: policy makers, academia and civil society. The achievement of the promotional goals and measures will help all stakeholders to understand the role of acceleration programmes in economic development as well as their role in this process.

The promotion of acceleration programmes may be carried out through defining and pursuing:

- A. promotional goals
- B. measures
- C. activities

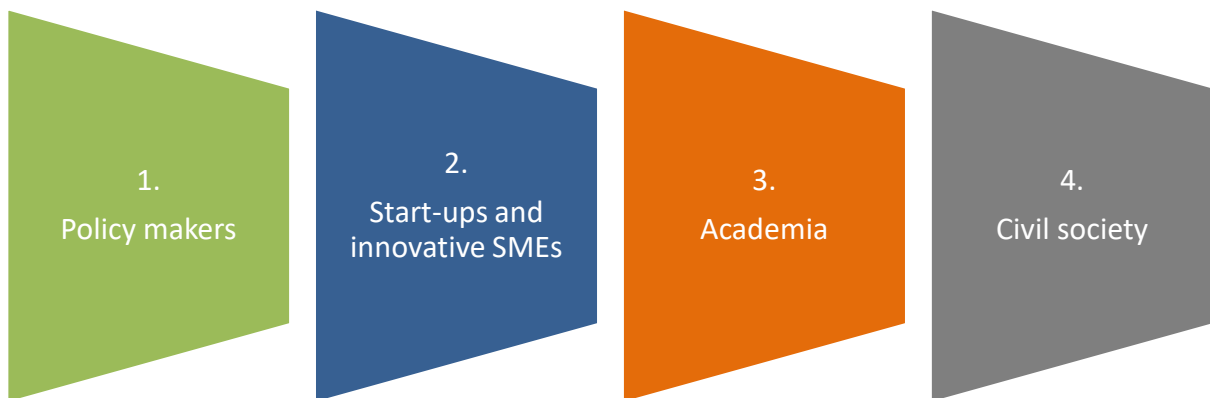
The promotional goals set the basis for further definition of specific measures. These measures will lead to specific promotional activities. Some measures and activities might be applied in all countries in the Danube Region, while others vary from country to country. For example, promotional activities aimed at the key decision makers are different in the countries that have already developed acceleration programmes (such as Austria, Slovenia, Hungary, Czech Republic, Romania and Bulgaria) compared to the countries that have not developed acceleration programmes yet (such as the Republic of Srpska / Bosnia and Herzegovina and Serbia). Nevertheless, acceleration programmes are a new instrument (the first accelerator was founded in 2005). Therefore, this instrument needs to be promoted in all countries, though, of course, in different ways.

Promotional goals and measures			
Promotional goal no. 1 <i>To raise awareness among the policy makers of the importance of establishing/improving acceleration programmes</i>	Promotional goal no. 2 <i>To promote linking between SMEs and Academia</i>	Promotional goal no. 3 <i>To inform SMEs and innovative companies about acceleration programmes</i>	Promotional goal no. 4 <i>To promote establishing links between investors and SMEs</i>
Measures:	Measures:	Measures:	Measures:
<ul style="list-style-type: none"> - Promotional activities aimed at establishing acceleration programmes in the countries that do not have accelerators - Promotional activities aimed at improving acceleration programmes in the countries that already have accelerators - Lobbying for amendments to the legal framework which is important for foundation/upgrade of accelerators - Organisation of different events with participation of representatives of the policy makers - Various promotional campaigns aimed at amending the legal framework in the area of acceleration programmes 	<ul style="list-style-type: none"> - Organising specific 'Academia - SMEs' events (e.g. 'Academy - SMEs meeting days') - Lobbying at universities to become co-founders of accelerators - Promoting cooperation between SMEs and Academia on innovative projects - Supporting activities from Academia to SMEs, such as: <ul style="list-style-type: none"> - using laboratories for R&D activities - training activities organised by Academia, - engaging professors from universities as mentors in the acceleration programme, etc. 	<ul style="list-style-type: none"> - Creating and sending basic promotional materials to SMEs and innovative companies - Organisation of promotional events related to acceleration for SMEs and innovative companies - Promotion of acceleration programmes at various start-up and innovative events - Promotion of acceleration programmes at industry-specific events (e.g. IT summits) 	<ul style="list-style-type: none"> - Organisation of different events (e.g. networking events, investment forums, etc.) - Establishing mentoring programmes - Promoting different partnership models (e.g. technology partner model, sales partner model, etc.)

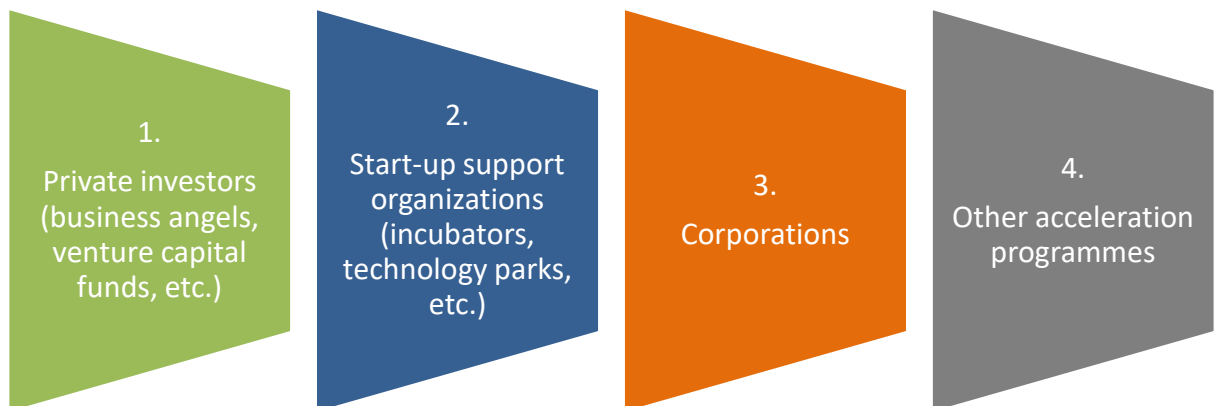
As already mentioned, there is no question that all parts of the quadruple helix concept are important for the promotion of acceleration programmes. However, the main emphasis in the promotion is put on the policy makers and start-ups and innovative SMEs.

3.1. Target audiences

First of all, the target audiences toward which the promotion of acceleration programmes will be done are the main stakeholders in the quadruple helix concept:



There are also other significant stakeholders:



3.2. Key messages

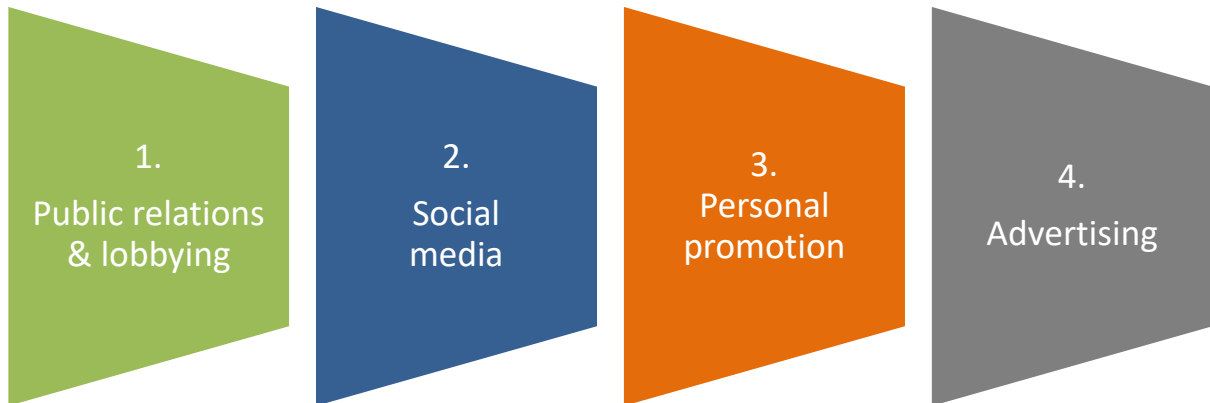
Key messages that will be sent through promotion of acceleration programmes are:

1. Legal framework and policies need to be adjusted to requirements of economic growth.
2. Innovative fast-growing SMEs are important link for economic development of Danube region.
3. Start-ups and innovative SMEs in Danube region deserve legal, technical and financial support.
4. Digitalisation and Privacy Issues will be more and more important, companies especially start-ups and growing companies need support in order to achieve that.
5. We want to keep perspective start-ups and innovative SMEs in Danube region.
6. All participants in quadruple helix model are important for success of acceleration programmes.

3.3. Promotional mix

Generally, the promotional mix is a way of raising brand awareness and knowledge on its target market to drive a behavioural response. When we apply this to acceleration programmes, we may say that the goal of the promotional mix in this strategy is connected to all key stakeholders. These stakeholders need to get to know the value of acceleration programmes well, through its 'identity', 'history', values and services. In other words, acceleration programmes should be seen as a 'brand' in the eyes of key stakeholders. The promotion activities will help the stakeholders to have a clear picture of what the benefits of

acceleration programmes are. Additionally, it will also inevitably stream increased revenue for the business. This can be done through:



The first element in the promotional mix is advertising public relations and lobbying. This is a subliminal way of getting your message about the importance of acceleration programmes across.

The second key element of the promotional mix is social media. Social media are a recent 'member' of the promotional mix 'family'. Different types of social media can be used to promote acceleration programmes to key stakeholders (social networks, media sharing networks, discussion forums, blogging and publishing networks, interest-based networks, sharing economy networks, etc.).

Personal promotion (selling) is a tactic wherein a 'brand' representative will encourage and convince their clients and potential customers through more personal means and one-to-one communication. In the case of acceleration programmes, it is usually mouth-to-mouth promotion.

Advertising is a 'brand's' way of showcasing its services through creative output. Advertisers use mass media to reach its target audience. In the case of acceleration programmes, promotion through TV and radio media may be applied.

4. INTEGRATION OF ACCELERATION PROGRAMMES INTO ESIF AND NON-ESIF PROGRAMMES

Over half of EU funding is channelled through the five European structural and investment funds (ESIF). The purpose of all these funds is to invest in job creation and a sustainable and healthy European economy and environment. In particular, the European Regional Development Fund (ERDF) aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions.

Likewise, acceleration programmes are recognised through other EU programmes, such as Horizon 2020 (H2020). The SME Instrument under H2020 programme has to boost fast company growth and market-creating innovation thanks to staged funding and ramped up business acceleration services.

The SME Instrument offers start-up businesses access to a wide range of business acceleration services and facilitated access to risk finance, to facilitate the commercial exploitation of the innovation. Indeed, it is one of the most demanding programmes for start-ups and scale-ups.

With a view to facilitating the commercial exploitation of the innovation activities resulting from phase 1 or phase 2, the SME instrument (H2020 programme) proposes business acceleration services. These include support for further developing investment readiness, linking with private investors and customers through brokerage activities and events (including trade fairs), assistance in applying for further EU risk finance, and a range of other innovation support activities and services.

Currently, the EU provides a set of support to innovative start-ups and scale-ups through different schemes, but, the most comprehensive is the European Innovation Council (EIC).

European Innovation Council (EIC)¹¹

The support to start-ups under the EIC goes far beyond grant provision. The EIC offers several business acceleration services that help to speed up the pace of innovation.

Business coaching is an important feature of the EIC that singles it out compared to other SME funding schemes. Coaches help the beneficiaries to progress over the life cycle of their innovation, from idea to proof of concept, to first pilot application and finally upscaling and expansion. They empower start-ups to cope with challenges such as developing their strategy and organisation, identifying their market and improving their ability to attract finance.

¹¹ <https://ec.europa.eu/easme/en/eic-sme-instrument>, date of the access: 20/3/2019.

Business support and acceleration services are an important segment of the EIC. The EIC focuses on continuous improvement, networking, learning opportunities and facilitating access to business partners and investors. Being part of the programme offers lifelong privileged access to user-driven business acceleration services, customised to the needs of start-ups. In addition to that, services are, wherever suitable, closely linked to trade fairs or other business hot spots, so that start-ups can maximise time and efforts in business development.

Matchmaking with new business partners is a standard supporting tool of the EU for small companies. Start-ups can benefit from access to top European B2B events, trade fairs and conferences, such as Mobile World Congress, Smart City World Expo, European Sustainable Energy week, and many others.

This service also includes liaison to venture capital programmes, invitations to exclusive investor gatherings and other opportunities to explore new ways of financing business.

Services are designed to stimulate collaboration, promote mutually beneficial partnerships and straightforward ways for companies to access larger deals, accelerate market penetration and tap into global distribution and marketing channels.

The overall aim of the **EIC Community** platform is to help SMEs successfully establish themselves on the European and global markets, by creating a shared knowledge base and a virtual meeting place where SMEs can connect and discuss potential business partnerships. This is some kind of DIH, adjusted by the EIC. It is an online space where start-ups and SMEs funded by the EIC pilot programmes can:

- Get support from peers and the EIC pilot ecosystem;
- Share experience and learn from each other;
- Explore business opportunities, expand their network;
- Co-create knowledge;
- Self-organise online events and learning opportunities.

In the EIC Community, additional information and discussion groups can be found related to EIC business acceleration events, coaching and training services. Also, there is a smart matchmaking tool – ScaleUp EU¹² – designed to connect investors and start-ups funded by the EIC pilot.

¹² <https://www.scale-ups.eu/>

The EIC is aware of the complexity of the quadruple helix concept and the importance of engaging all the relevant stakeholders in the support to start-ups. In particular, it emphasises the role of the Academy. What is the best approach to gaining the right investment? How can I grow teams that will fit my future plans? If I collaborate with a major multinational, could it overwhelm our company? Is our present business model fit for purpose, or should we change – and if so, what to? How can we develop attractive value propositions that will resonate with emerging markets? These – and many other vital questions – need answering, to help SMEs grow quickly and effectively. That is why the EIC Academy has developed a range of essential workshops. Created by European experts, and delivered by respected professionals, these workshops can make a real difference both to planning and to execution. The start-ups have to discover and understand the best ways of achieving sustainable growth – for finance, sales and marketing, team building and more – but also work with peer SMEs, to discuss and create practical solutions.

This programme, launched by the Commission, allows the start-ups to develop their business faster. Through this, and similar platforms, it is enabled to spread information about the importance of acceleration programmes, and moreover, to connect acceleration programmes with other similar EU programmes, projects and activities. Having in mind that the Commission invests a big amount of money in DIHs, the EIC is currently the best possible option to create a synergetic effect between acceleration programmes and DIHs.

In ACCELERATOR, the project partners accumulated direct experience in setting up and managing acceleration programmes. As such, the partners have relevant knowledge on how to structure such programmes, what type of costs arise and in what amount, how to promote acceleration programmes, how to attract potential candidates and how to select them. There is relevant experience in setting up mentor pools, involving thematic experts. The partners also faced various challenges during piloting and they have managed to master them. Overall, the partnership possesses valuable knowledge on business modelling of accelerators that may be relevant for designing and running programmes financed by ESIF, national, regional or local funds.

Among the countries of the project partners in ACCELERATOR, e.g. Hungary launched accelerator or accelerator-like programmes in the past years. The programmes are funded by the nationally co-financed EU fund, and the funding source is the Economic Development and Innovation Operational Programme 2014-2020 (EDIOP), which – among other things – focuses on competitiveness of SMEs and research and development and innovation. Two of these programmes may be relevant for the ACCELERATOR partnership and for public actors in the Danube Region. Herein we give a short introduction and the annex contains a more detailed description of these programmes.

EDIOP-2.1.5-15 Open call for building an innovation ecosystem

This call was launched in 2015 with the aim of supporting innovative start-up companies through providing financial assistance to incubators and accelerators. The incubators and accelerators were entitled to receive a non-refundable grant in the volume of HUF 300 – 600 million (~ EUR 0.9 million to EUR 1.8 million). A maximum of 20% of the grant amount could be used for operational expenses of the incubator/accelerator and a minimum of 80% of the grant amount should be used for transferring it to the start-ups selected by the incubator/accelerator. The rate of support was 80%. A contracted incubator/accelerator should undertake the following commitments:

- The incubator/accelerator must provide services for a minimum of five start-ups
- The incubator/accelerator must ensure that at least three minimum viable products, prototypes or marketable products will be available at the end of the project implementation period
- The incubator/accelerator will make equity investment for all incubated/accelerated start-ups for at least 20% of the grant volume provided by the incubator/accelerator to the start-up through which the incubator/accelerator will get a maximum of 24% of share in the start-up (strategic minority).
- Organisation of public start-up events

The granted projects should be implemented in a maximum of three years. Both the incubators/accelerators and the start-ups should be in the convergence regions of Hungary (all regions with the exception of Central Hungary). A total of eight projects have been supported in the call as listed below:

1. BnL Start – Build ‘n Large start-up innovation ecosystem in North Hungary
2. Creative Accelerator – Lifesciences accelerator in the South Great Plain
3. First Central European Hardware Accelerator – IoT innovation ecosystem in the South Transdanubian Region
4. OXO Labs Incubator in the Central Transdanubian Region
5. Quantum Leap Incubator in the West Transdanubian Region
6. Singulab Health Industry Incubator in the South Transdanubian Region
7. Start-up Campus at the Debrecen University in the North Great Plain
8. Virgo Ventures Technology Incubator in the Central Transdanubian Region

The projects are still in the implementation phase and will be finished by Q4 2019.

EDIOP-3.1.3-15 Priority project – Setting up an expert and mentor network for ICT start-ups entering foreign markets (INPUT Programme)¹³

This project aims at improving the competitiveness of ICT start-ups and their opportunities of entering foreign markets. The project is implemented by a pre-selected consortium of government-backed entities. The leader of the consortium is a state-owned, specialised Ltd. (Neumann Nonprofit Ltd) and the IT Development Agency of the Hungarian Government is a member of the consortium. The total project volume is HUF 5.5 billion (~ EUR 17.2 million). The project started in September 2016 and will be completed in April 2021. The project offers complex assistance to ICT/tech start-ups operating in the convergence regions of Hungary (all Hungarian regions except Central Hungary). The assistance ranges from scouting ideas to guiding the foreign market entry of start-ups. The project works with a country-wide, high-quality expert network including mentors, business angels, international experts, incubators, etc. Mentors and experts provide education, training and mentoring free of charge. The project also offers free lectures and workshops and e-learning materials. During the project implementation, a total of 250 professional events are organised, 1400 ICT start-ups will be assisted and 350 ICT start-ups will receive customised guidance for entering a foreign market.

In the following text, we suggest specific activities related to the integration of acceleration programmes in different EU programmes, projects and activities, on both strategic and operative level.

There are two main questions:

1. How to strengthen the presence of acceleration programmes in EU activities, especially for the period 2021-2028?
2. How to connect acceleration programmes with different EU programmes, projects and activities?

¹³ <http://foreign.inputprogram.com/?lang=en>

Integrational goals and measures		
Integrational goal no. 1 <i>To continually upgrade acceleration programmes and cooperation with DIHs and VCFs</i>	Integrational goal no. 2 <i>To include accelerators into ESIF and non-ESIF programmes</i>	Integrational goal no. 3 <i>To achieve strategic partnership with EIC</i>
Measures:	Measures:	Measures:
<ul style="list-style-type: none"> - Continuous activities on the modernisation of the acceleration programmes, especially with use of the IT tools and cooperation with DIHs and VCFs - Presentation of the acceleration programmes as the key instrument for development of start-ups 	<ul style="list-style-type: none"> - Lobbying at the policy level to include accelerators in EU programmes - Organisation of the specialised workshops for policy makers in order to raise awareness about acceleration programmes 	<ul style="list-style-type: none"> - Project partners have to be continuously present in the EIC activities - Other activities of the project partners with the aim to integrate acceleration programmes in ESIF and non-ESIF programmes

5. COMMUNICATION PLAN

When somebody wants to introduce a new service, product, initiative or programme, they need to communicate this new information to the target audiences. In that case, a communication plan is a necessity. This is the case with acceleration programmes, too. A communication plan is a road map to get the message delivered to target audiences. It is an essential tool for ensuring that a clear, specific message about accelerators is sent. In this case, a communication plan defines channels and ways of communication.

5.1. Communication channels

These are the channels of communication among the stakeholders in the quadruple helix concept that enable implementation of the promotional and integration measures:

1. Various events (conferences, seminars, round tables, ...)
2. Meetings between two or more stakeholders
3. Video conferences
4. Networking events

5.2. Ways of communication

The ways of communication between the key participants who implement the promotional and integration measures:

1. Mouth-to-mouth
2. Written communication (e-mail, forums, messaging, ...)
3. IT platforms
4. Digital networking
5. Free internet calls
6. Other ways of communication.

6. ANNEXES

6.1. Joint recommendations to concerned public authorities

The ACCELERATOR project partners recommend to the public authorities concerned to consider the joint recommendations listed below and implement them in order to develop an improved innovation ecosystem for innovative start-ups in the project regions/countries and in the Danube Region as a whole. The joint recommendations are the following:

1. Reduce administrative and financial burdens for start-ups and SMEs

Administrative and financial burdens still present major difficulties for start-ups and SMEs in most of the project regions/countries. For that reason, public authorities should continue with reducing administrative and financial burdens to facilitate the foundation of new innovative businesses in the Danube Region. That means simplification of the company establishment regulations in the domains of administrative charges, length of procedure, possibility of e-registration etc. as well as reducing costs required to start a business (initial capital requirements, insurance costs, etc.). It is also important to improve second-chance opportunities for entrepreneurs, because regardless of professional incubation, acceleration or any type of nurturing of business ideas, failures of early-stage enterprises and ventures often occur due to a number of unforeseeable factors that cannot be attributed to founders or CEOs of start-ups. As such, the legislation could be improved to treat failures in a way that does not discourage entrepreneurs from taking on second chances with good ideas. Closely related to this, improvements in regulations are needed to facilitate easy and quick shutdown of businesses and enterprises so that precious resources can be concentrated on new ventures instead of lengthy closing procedures for companies with failed business.

2. Foster an entrepreneurial culture and raise entrepreneurial awareness, especially among young people

Although entrepreneurship is recognised as a key component for the future development of the entrepreneurial ecosystem in all countries of the ACCELERATOR project, there is still a need for improvement of the education system. The spread of entrepreneurial awareness, especially among young people, requires changing the education system (formal and non-formal education) and using modern teaching methods. At the same time, it is necessary to work on the promotion of entrepreneurial culture, bearing in mind the socio-historical heritage of some of the regions/countries and the absence of a significant entrepreneurial tradition.

3. Integrate acceleration programmes in the relevant strategic policy framework

Acceleration and similar programmes have an important role in further development of the start-up ecosystem in the Danube Region. For that reason, it is very important to raise the

public authorities' awareness of the potential role that acceleration and acceleration-type programmes can play and to integrate development of this kind of support to start-ups in the relevant strategic policy framework in all project regions/countries and the Danube Region as a whole.

4. Support the development of alternative forms of financing for innovative start-ups and SMEs

Having in mind that acceleration programmes should involve financial support for start-ups in the form of seed capital investment, development of alternative financing models is also very important. The level of development of alternative forms of financing for innovative start-ups and SMEs varies across the Danube Region. While some regions have good availability of financial resources and well-established access to public and private investors' support, others have started adopting alternative equity finance models only recently. Generally, there is a need for further development of equity financing, and public authorities should continue with the adoption of the necessary legislation and intensify the development of alternative financing models (venture capital investments, business angel and seed investments, crowdfunding platforms, etc.) in order to develop the innovation ecosystem in the Danube Region.

5. Promote alternative forms of financing for innovative SMEs

The public authorities from all project regions/countries are encouraged to promote alternative forms of financing for innovative start-ups and SMEs (crowdfunding, equity combined acceleration means, quasi equity, vesting opportunities, etc.). Better promotion of alternative financing models will increase their use and raise entrepreneurs' awareness and knowledge of the availability of funds.

6. Consider supporting acceleration programmes from ESIF and non-ESIF programmes

The European Union provides a set of support to innovative start-ups and scale-ups through different programmes and there are significant opportunities for financing the establishment of acceleration programmes through the European structural and investment funds (ESIF) and non-ESIF sources. The experience from Hungary, where a national call for establishing accelerator programmes co-financed by the ERDF (EDIOP-2.1.5 Building innovation ecosystems – start-ups and spinoffs) has been launched, can be used as a good example for launching acceleration programmes in other ACCELERATOR project regions/countries and beyond.

7. Connect start-up grants with business support programmes such as acceleration programmes

In the present, most of the project regions/countries are supporting start-ups through grants which are allocated based on a business plan provided by the beneficiary. The previous years have shown that big part of these start-ups fail after the public financial support ends. Using pre-acceleration and acceleration programmes to prepare start-ups to get access to grants and to use it relevantly and efficiently could generate their increased survival rate.

8. Promote importance of engagement of local communities for supporting acceleration programmes

In most of the project countries, the majority of acceleration programmes are concentrated in capital cities, while start-ups in the rest of the country do not have such kind of support. Therefore, start-ups from other regions have to relocate for a certain period of time in order to use the support that acceleration programmes have in the capitals. For that reason, there is also a need for development of acceleration programmes in local communities, small cities and especially in rural areas. The acceleration pilot programmes developed through the ACCELERATOR project can be multiplied in local communities and thus help keep promising start-ups in their proximity. Therefore, local actors, particularly local governments, should find their fitting role in supporting acceleration programmes through financial or in-kind means.

9. Support digitalisation of acceleration programmes

The Digital Innovation HUB (DIH) is recognised as a modern concept of accelerator that enables support to start-ups regardless of the geographical distance. Due to the size of the project region/countries and the existing infrastructure, digitalisation of the acceleration programme could be a solution for several gaps in the programme. By digitalising the content, the content consumption mentoring and other activities, the acceleration programmes can attract more start-ups from across the project region/countries and wider. More than that, through digitalisation, the acceleration programme becomes more flexible and accessible to digital nomads, people from isolated parts of the country, people with special conditions, etc.

10. Increase awareness and knowledge of various supporting programmes available to start-ups

Although there are many supporting programmes available to start-ups which are run by various actors in the Danube Region, they are not completely visible to the relevant target groups and offered as a complementary service package. However, it is not easy for start-ups to search through all these programmes to find what fits for them and what does not, to see what is compatible with each other, etc. Therefore, the best solution would be to have a

single point of information (online platforms), where they could obtain any relevant information related to various EU and other regional/national supporting programmes available to start-ups.

11. Encourage cooperation and networking with representatives of the quadruple helix stakeholders

All stakeholders in the quadruple helix model have a significant role in supporting the development of acceleration programmes. Therefore, cooperation and networking with all quadruple helix stakeholders should be encouraged in the future. This kind of cooperation and networking can also be strengthened with the development of the acceleration programme as an innovative and consolidated structure in which start-ups can be integrated, like clusters. In this case, accelerators can be included in cluster support programmes as well. The cluster is a modern form of an association and it represents a framework for cooperation between the economic sector, universities, research institutes, professional schools, local public administrations and governmental institutes and catalyst organisations.

12. Utilise transnational opportunities in designing and implementing acceleration programmes

The ACCELERATOR project has produced clear evidence that accelerator programmes with a strong transnational dimension offer a substantial quality improvement for the implementation of such programmes. The improvement includes the transnational network, international juries, and the possibility to exchange mentors, consultants, thematic experts or channelling start-ups to matching foreign accelerator programmes. Therefore, actors are encouraged to design and also to actively promote acceleration programmes with a strong transnational character.

In the ACCELERATOR project, the partners have set up a Transnational Innovation Network to facilitate the long-term cooperation of the Danube Region actors in designing and running acceleration programmes by channelling start-ups to best-fitting accelerator programmes and by exchanging knowledge and experts based on mutual benefits. Actors from the Danube Region and beyond are invited to join the Transnational Innovation Network set up in ACCELERATOR

6.2. Regional recommendations to public authorities and stakeholders

Hungary



1. Simplify the company establishment regulations further

Setting up a company in Hungary is relatively easy compared to other Danube Region countries represented in ACCELERATOR. Even though, further simplification targeted to innovative SMEs and start-ups in Hungary is desirable in the domains of administrative charges, length of procedure, possibility of e-registration, etc.

2. Reduce the initial capital requirement for limited liability companies

Among the legal forms of enterprises in Hungary, limited liability companies are preferred by most entrepreneurs. According to the current regulation, the minimum capital requirement is HUF 3,000,000 (~ EUR 9,200) for setting up a limited liability company. We propose reduction of this initial capital requirement to HUF 1,500,000 (~ 4,600) to facilitate the foundation of new entities.

3. Improve second-chance opportunities for entrepreneurs

Even with professional incubation, acceleration or any type of nurturing of business ideas, failures of early-stage enterprises and ventures often occur due to a number of unforeseeable factors that cannot be attributed to founders or CEOs of start-ups. As such, the legislation could be improved to treat failures in a way that does not discourage entrepreneurs from taking on second chances with good ideas. Closely related to this, improvements in regulations are needed to facilitate easy and quick shutdown of businesses and enterprises so that precious resources can be concentrated on new ventures instead of lengthy closing procedures for companies with failed business.

4. Promote alternative forms of financing for innovative SMEs

The legislators and public actors are encouraged to promote alternative forms of financing for innovative SMEs including crowdfunding, equity combined acceleration means, quasi equity, vesting opportunities.

5. Consider launching accelerator calls from ESIF or other type of funds

In Hungary, a national call co-financed by the ERDF has been launched for establishing accelerator programmes (EDIOP-2.1.5 Building innovation ecosystems – start-ups and spinoffs). In the call, applicants were required to set up acceleration programmes and invite start-ups to develop their business. The first group of projects is nearing the end of their

implementation, with valuable implementation experience. We encourage the public actors concerned in Hungary to evaluate the call and re-launch it after improvements. Furthermore, the Hungarian project partners of ACCELERATOR are glad to disseminate the experience from the call to the project partners of ACCELERATOR and beyond.

6. Promote local embeddedness of accelerator programmes

Local innovation ecosystems benefit a lot from keeping promising start-ups in their proximity. Therefore, local actors, particularly local governments, should find their fitting role in supporting accelerator programmes through financial or in-kind means.

7. Utilise transnational opportunities in designing and implementing accelerator programmes

The ACCELERATOR project has produced clear evidence that accelerator programmes with a strong transnational dimension offer substantial quality improvements of implementation with regards to international juries, exchange of mentors, thematic experts or channelling start-ups towards foreign accelerator programmes. Therefore, actors are encouraged to design and promote accelerator programmes with a strong transnational character.

8. Actors from the Danube Region and beyond are invited to join the Transnational Innovation Network set up in ACCELERATOR

In ACCELERATOR, the project partners have set up a Transnational Innovation Network to facilitate the long-term cooperation of the Danube Region actors for designing and running acceleration programmes by channelling start-ups to best-fitting accelerator programmes and by exchanging knowledge and experts based on mutual benefits. The Network is open and welcomes further partners to join.

Centru Region, Romania



1. The results of the project – the pilots – should not compete with other accelerators from the region/country, because it was **designed respecting national/regional development strategies**. This connection between the pilot and the objectives of the territory where it is implemented should be enhanced. The accelerator pilot programme should consolidate the implementation of those objectives. The most relevant strategy in this sense is the **Regional Smart Specialisation Strategy** of the Centru Region, Romania. Concerning the fact that the concept of RIS3 Entrepreneurial Discovery is an essential and organic part of specialisation in a sustainable way, the accelerator can enable the relevant start-ups to achieve the strategy's objectives. In this sense, specialisation of the pilot and integration of the specific programme in the framework of the strategy could provide a massive impact of the regional operational programme, which is directly related to the priority fields identified within the smart specialisation strategy.

2. **Connecting start-up grants with business support programmes such as ACCELERATOR.** In the present, Romania is supporting start-ups through grants which are allocated based on a business plan provided by the beneficiary. The previous years have shown that big part of these start-ups fail after the public financial support ends. Using pre-accelerator and accelerator programmes to prepare start-uppers to access the grant and to use it relevantly and efficiently could generate a better survival rate.

3. **Strengthening the communication and collaboration environment.** The participants agreed that this type of support programmes can complete their missions if the ecosystem has the capacity to channel innovation in the direction of the value chains. On the other hand, value chains have to be developed properly to absorb the surplus value – services and products of start-ups. The background of the Accelerator programme has to have an innovative and consolidated structure in which start-ups can be integrated, like clusters. Without involving clusters in accelerator programmes, the process will face several challenges. In this case, accelerators can be included in cluster support programmes as well. The cluster is a modern form of an association and it represents a framework for cooperation between the economic sector, universities, research institutes, professional schools, local public administrations and governmental institutes and catalyst organisations. These entities have a common point: to develop a specific economic field. The cluster is one of the most effective structures capable of managing complex issues such as social and economic development of a region, innovation, new technologies, waste management,

nature protection, human resource development, job creation and formation of national and international relations.

4. Accelerator Pilot Programme Scheme can be offered for **early-stage Digital Innovation HUBs** to be used as additional services in their ecosystems. (In 2019, 30 DIHs were selected from among 80 applications within the DIHelp programme. Of all beneficiaries, three are Romanian DIHs). The number of DIHs is increasing and Accelerator is a programme which can be addressed for different niches of start-ups and SMEs.

5. Multiplying Accelerator in Small Cities of Romania. The Pilot designed and developed by ASIMCOV fits the needs of small and early-stage start-up ecosystems. Even if these settlements do not have special infrastructure such as business incubators or coworking spaces, a pre-accelerator or accelerator programme can become an entrepreneurial hub of the city with the capacity to stimulate the engagement of the community.

6. Due to the size of the country and the existing infrastructure, **digitalisation of the accelerator** could be a solution for several gaps in the programme. By digitalising the content, the content consumption mentoring and other activities, the accelerator can attract more start-uppers from across the country and wider. More than that, by digitalisation, the programme becomes more flexible and accessible to digital nomads, people from isolated parts of the country, people with special conditions, etc.

7. Analysing Romania from the point of view of the economic potential and opportunities, **non-tech accelerators and pre-accelerators are advisable to be run.** The industries with a tradition gained attention in the frame of smart specialisation of the region, Romania being a country with unique natural resources and impressive cultural heritage. In this sense, accelerators capitalising trade-innovative products/ services are required.

8. Accelerator programmes should involve financial support in the form of seed money for instance, in order to meet the actual regional and national circumstances. Direct facilitation of supply (start-ups) and demand (gaps in the value chain defined by the market) should be obligatory within accelerators due to the fact that the Romanian market is not attractive enough yet for emerging products, so it is difficult to raise interest for a private investment fund only for the local market. In this sense, cities at the regional level should focus more on pre-accelerator programmes supporting early-stage start-ups to validate their products with the market. These accelerators have a strong education component and are meant to stimulate start-ups and other actors to become a community.



Access to finance for SMEs

- 1. Continue and intensify the support to venture capital investments;** provide instruments that will enable domestic and international venture capital (VC) funds to invest into companies in Slovenia and into local venture capital funds. Besides the capital, enable transfer of knowledge between local and foreign as well as regional funds and companies.
- 2. Establish a platform for early project testing and financing;** in order for even the simplest companies to start working, it is necessary to ensure some initial capital, which can be a big problem for many of them.
- 3. Support the development of angel and seed investments in Slovenia;** prepare instruments that will substantially increase the quantity and quality of investments in the earlier stages of companies' development. Support private investments in these stages with public money. Introduce tax relief for personal income tax in the amount of the business angel investment.
- 4. Establish an environment for crowdfunding platforms;** prepare the instruments and legal environment that will enable, facilitate and regulate activities for crowdfunding Slovenian companies. Introduce tax relief for personal income tax on these investments.
- 5. Learning platform/programme for obtaining 'EU' grants;** to provide funding to support SMEs in obtaining non-refundable development funds.
- 6. Actively promote and search for different possibilities for investors to exit SMEs;** help SMEs with their search for investors as well as help investors search for customers for their investments – so-called 'exit'. Help connect with strategic investors – potential customers. Help search for opportunities for micro-cap listing or alternative investment market.
- 7. Support other financing forms;** creating debt financing sources for SMEs.

Republic of Bulgaria



- 1. In the past, there was a long period of time in Bulgaria during which private entrepreneurship was not encouraged by the authorities, and therefore the entrepreneurial culture here is not as well-developed as in some of the Western countries.** The majority of the population prefers the security of some low-paid governmental job and are afraid to start their own business.
- 2. Education is a key instrument for the development of entrepreneurial awareness among young people.** They should learn since the early stages of school about the possibilities and benefits of entrepreneurship, as well as about its importance for the development of a healthy and stable economy.
- 3. Special attention should be paid to the modernisation of the equipment and the teaching materials in the professional schools.** The owners of companies in Bulgaria often complain that the main obstacle to their growth is the lack of university graduates and qualified professionals. This is true especially outside of the capital Sofia.
- 4. The start-up ecosystem in Sofia is relatively viable, represented by different accelerators, business angels and venture capital funds.** In a few other big cities, the start-uppers can also find some kind of support, but for the rest of the country it is practically impossible. The majority of the support organisations is concentrated in the capital, and even if they offer help to start-ups from other regions, start-uppers should relocate for a certain period of time. The future accelerator programmes should concentrate upon regions outside of Sofia, especially rural areas.
- 5. In various parts of Bulgaria, a process of active depopulation is observed.** It is important that through tax relief and other stimuli start-uppers are encouraged to start their business or relocate their companies outside of the capital Sofia. This can also attract new investors from abroad.
- 6. The majority of the start-ups have problems applying for the European Structural and Investment Funds.** And if they somehow manage to become a partner in a project, there is actually no institution in Bulgaria that can give them advice free of charge on how to prepare their paperwork to avoid serious problems later. Creation of such an institution will be of great help to start-ups.

Czech Republic



PUBLIC AUTHORITIES

1. Be a connecting actor between various supporting tools and programmes available to start-ups and entrepreneurs

There are some interesting programmes and available support tools and schemes run by various actors in the regional ecosystems, but they are not always fully visible to the relevant target groups and offered as a complementary service package. Although all relevant programmes/tools are aware of each other, the policy actor is not necessarily aware of all of them, and the coordination/facilitation assistance from the above specific actors is missing.

2. Engage local municipalities to support innovations and entrepreneurs from their cities

Engagement of municipalities in the regions to support entrepreneurship and start-ups is missing. The regional public authorities could play an important role to engage municipalities into the supporting system in order to have more public authorities co-working on providing the environment for start-ups.

3. Provide the possibility to pilot products/services to start-ups in their early stage

Early-stage start-ups need to pilot their prototypes and products/services to gather important feedback and references, especially in B2N and B2G segments. Be the pioneer who will help them to achieve this, as start-ups do not ask for paid pilots at this stage. This could be done either by the public authority itself or by any of the institutions co-financed by them. By this, regional authorities could support growth of start-ups from the region.

4. Help local start-ups with your co-investment into Angel Co-Investment Funds (ACIFs) where public authorities could join private investment of business angels with their additional in-kind or financial support

There are new proved tools for better access of early-stage start-ups to finance in the amounts between 3F financing and VC investments. These are called ACIFs and they offer co-investment of private business angels and public authorities in sums between EUR 25,000 and EUR 1,000,000. When private business angels or their groups invest into local start-ups, public authorities could join by providing further support to these start-ups in the form of in-kind contributions such as innovation vouchers, coworking spaces, mentoring, etc. or direct financial support. If direct financial contributions are not possible, in-kind support as described above could be used instead.

STAKEHOLDERS

5. Form a group of stakeholders with the aim of ensuring start-up support improvement that can successfully argument and lobby for improvements at relevant discussion groups and boards with the public authority

Start-ups are usually not the primary target group of stakeholders which the public authority supports. Public authorities have multiple financial programmes and budget for supporting businesses. Reallocation of budgets is possible from year to year but also at the end of the periods. New programmes can emerge. But strong arguments and lobbying from a larger group of stakeholders is needed to achieve this goal of redefined/new programmes and higher budgets. Any changes have to be stated first in the strategic documents which are formed through public hearings and discussion groups, and this is the point at which your backed up suggestions should be presented.

Styria, Austria



1. Embedding all phases of entrepreneurship (founding, funding and financing issues) into political strategies and embracing them into the daily actions

The first step is and has to be that the topic of entrepreneurship in general is on the agenda of every political strategy. For example, this has been done in Styria, where one of the guiding principles of the *Styrian Strategy 2025* is: *„Entrepreneurship and independence of innovative companies. Besides direct promotional instruments for individual company development, it is also about the continuous improvement of framework conditions at the Styrian location – while pursuing the objectives of founding and taking over companies and simplifying the path to independence.“*

However, as Henry Ford put it: *„However beautiful the strategy might be, one has occasionally to look at the results.“* The results speak a different language. Over the past years, little has changed with regard to the numbers and also the success rate of founders and young entrepreneurs in Austria.

But apart from founders and start-ups, SMEs also play a very important role when it comes to economic development. The usage of SME potential studies has shown that increasing the operating size of SMEs is important for greater profitability and an improved employment situation. The productivity and export capabilities increase with a greater number of employees, especially for enterprises with 50 or more employees. However, the more SMEs grow, the more they are confronted with many different developmental impediments like high taxes, other fees and growing administrative burdens.¹⁴

That means that a good SME policy supports particularly founders, start-ups and SMEs with respective legal, tax-related framework conditions at a regional, a national and at the EU level. But also, the engagement of the local side like municipalities has to be improved and extended in the future. Local actors, particularly local governments, should find their fitting role in supporting accelerator programmes through financial or in-kind means.

2. Simplification and Coordination

The analysis of the Austrian/Styrian landscape with regard to support for founders and entrepreneurs showed clearly that there are many funding and financing programmes, as well as other support programmes (consultancy, coworking spaces, etc.) available that are run by various actors in the regional and national ecosystems. However, for founders who

¹⁴ Styrian Strategy 2025.

already face difficult times getting everything started it is not easy to search through all the programmes to find what fits for them and what does not, to see what is compatible with each other, etc.

Therefore, one single point of information would be best for them, where they would get any information they might need. Also, some programmes are parallel, difficult to understand, etc., so simplification is another issue. This simplification is also important for the setting-up process of a business as such. Although much has already been achieved in Austria during the past years, some fields of action still remain to be addressed (trade regulations, labour law restrictions ...). This has to be done at a national or even at the EU level.

3. Reduce financial strain for start-ups and SMEs

Among start-ups, but also among growing companies, money is always an issue. This concerns not only the setting-up process of a business, but – especially during the first years – also the running costs like the insurance costs for entrepreneurs themselves. Entrepreneurs face a flat rate for health insurance although they might not earn any money at the beginning. Also, they have a hard time if they cannot work for health reasons. This poses a big problem for founders and entrepreneurs with a disability, but also for those women who want or have children. Here, policy makers have to take action in order to ensure that these more vulnerable groups can also participate in the entrepreneurial scene.

On top of that, many early-stage start-ups need to pilot their prototypes and products/services to gather experience and to get feedback and references. This piloting phase has to be supported by the public authority. There is one good example for that in Austria from the AMS, the Service for unemployed people. In that scheme, people get a kind of salary for some time to test their products/services and to properly set up their business. This scheme should be extended to other groups of entrepreneurs as well.

4. Offering alternative forms of financing for innovative SMEs

Legislators and public actors are encouraged to promote alternative forms of financing for innovative SMEs, including crowdfunding, equity combined acceleration means, quasi equity, vesting opportunities. There are some of these programmes already in place in Austria, from the AWS for Austria as well as the SFG for Styria, but these programmes should be enlarged and new instruments integrated.

5. Considering EU initiatives and funds

Often, start-ups and SMEs just think of regional and of national money or support for their business. However, apart from local players that have already been pointed out, the EU is also an important driver of entrepreneurship and offers many valuable initiatives. Like in this

ACCELERATOR project, there are other ongoing but also finished projects and initiatives that might be relevant and valuable for entrepreneurs. Therefore, it is important to raise awareness of the many European initiatives. However, simplification would also be a hot topic here in order to make things more transparent for entrepreneurs.

6. Using transnational networks and opportunities

In the Styrian Strategy 2025, internationalisation has also been identified as one of the key success issues for companies.¹⁵

The ACCELERATOR project has produced clear evidence that accelerator programmes with a strong transnational dimension offer a substantial quality improvement for the implementation of such programmes. The improvement includes the transnational network, international juries, the possibility to exchange mentors, consultants, thematic experts or channelling start-ups towards the matching foreign accelerator programmes. Therefore, actors are encouraged to design and also to actively promote accelerator programmes with a strong transnational character.

In the ACCELERATOR project, the partners have set up a Transnational Innovation Network to facilitate the long-term cooperation of the Danube Region actors in designing and running acceleration programmes by channelling start-ups towards the best-fitting accelerator programmes and by exchanging knowledge and experts based on mutual benefits. The Network is open and welcomes further partners to join.

7. Digitalisation of start-ups and SMEs as a key success factor

Most strategies these days, like the Austrian and also the Styrian Strategy 2025, stress the importance of digitalisation not only as a key factor for success but really as a key factor for survival for companies.¹⁶

Although there are many initiatives in Austria, many SMEs and founders still lack the awareness and also the knowledge of the importance of digitalisation for their company. For example, Austria has the Ministry for Digital and Economic Affairs at the federal level.¹⁷ In the Styrian Strategy, this issue is also identified as a key issue during the next years.¹⁸ Besides, the EU also offers support in digitalisation for companies.¹⁹

That is why FH JOANNEUM emphasises founders/SMEs and IT. This is also highly compatible with the IT department within which the project team is positioned.

¹⁵ Styrian Strategy 2025.

¹⁶ Styrian Strategy 2025.

¹⁷ <https://www.en.bmdw.gv.at/Seiten/default.aspx>, 6 May 2019.

¹⁸ Styrian Strategy 2025.

¹⁹ https://www.parlament.gv.at/PAKT/PR/JAHR_2018/PK0982/index.shtml, 6 May 2019.

However, at a policy level, all the words have to be followed by actions in order to convince entrepreneurs of the importance of digitalisation, and support programmes for digitalisation at all levels from E-Commerce to security and privacy issues have to be addressed more clearly in the future.

8. Summary

It has been shown that much has already been achieved for founders, start-ups and SMEs on the one hand, but also that there is still much to do on the other hand.

The most important issue remains to be the implementation of the strategies at all levels, i.e. at a local, regional, national and European level. Especially with regard to simplification and coordination, internationalisation and digitalisation, there is a gap between what policy claims in its strategies and what companies do.

Apart from the big programmes concerning these already mentioned topics which are needed in order to promote these issues, the often promised tax relief and financial support in the day-to-day business and in case of health problems/retirement remain to be addressed as well. Since borders disappear at least between businesses in the EU, it is suggested that an EU initiative (regulation, directive or at least a guideline) would be advisable in that regard.



1. Recommendations and conclusions regarding the Policy framework analyses

- The areas in which certain interventions are needed in order to achieve development are political environment, regulatory environment and business environment;
- The total investments in R&D in Serbia are at a low level, around 0.4% of the GDP (5,900\$ for 2017) with plans to reach 1.5% in 2020, but still below EU28 with an average of 2.03% (GDP EU28 \$38,370 nominal in 2018);
- To have a chance to compete on the international market, the growth of the Serbian economy must be 5% or higher. Low- and middle-income economies are foreseen to grow close to 5% on average in 2018 and 2019;
- Analyses of the existing capacities which belong to the innovation infrastructure are in its function or can be put into its function;
- Development of the national framework for coordination of work of the innovation infrastructure, which will define the method of organisation, work and finance, modelled on good practice examples (AplusB – Austria);
- Adopting the laws on alternative investment funds (VC funds);
- R&D from universities and science institutes – adopting the Law on the Fund for Science, and forming the Fund for Science. Adopting the new Law on Science and Research Activities, which will change the model of financing of scientific research and allow economic operators to participate in financing of R&Ds;
- Implementation of the Smart Specialisation Strategy at the national and regional level – development of support programmes for innovations and start-ups (acceleration) in the areas which would be defined in the frame of the strategy for smart specialisation;
- Human capital and research (education, tertiary education, research and development) – increased investment in education is needed (investment in the educational infrastructure and increased earnings of the employees in this sector);
- Increasing the number of students at the engineering departments (increasing the capacity of the engineering faculties – increasing the spatial capacities, teaching staff and raising salaries of teaching staff to retain them). At this point, there are major

differences between the salaries in the private sector and the faculties ranging from 2x to 4x;

- Support to R&D activities which are implemented at the scientific institutes and faculties in order to make a better connection with the economy, and better utilisation of finances from the EU funds and projects;
- In the domain of infrastructure (ICTs, general infrastructure, ecological sustainability), support in the process of digital transformation of economic operators and local authorities is needed;
- There is a need for enhancement of the logistics infrastructure, which would enable faster and more economic flow of goods and people. Enhancement of the rail corridors and establishment of intermodal transport are also needed;
- Finalisation of further development of STP Belgrade and STP Novi Sad and the establishment of STPs in Niš and Kragujevac are expected;
- Market sophistication (credit, investment, trade, competition and market scale) – Introducing the measures for protection of minor shareholders, strengthening of the local stock market as the institution which will enable provision of capital;
- Introducing the measures for support to VC investments with the aim of promoting the development of this investment model;
- Business sophistication (knowledge workers, innovation linkages, knowledge absorption) – a high rate of migration and ‘brain drain’, the departure of a large number of young and highly educated people are the facts which need solution. In order to increase R&D investments, their tax reduction would be desirable;
- Serbia is ranked at 90th place based on ‘University/industry research collaboration’, according to the Global Innovation Index for 2018. Related to this, it is necessary to provide support measures and programmes for technology transfer from universities through the acceleration processes, with the aim of developing start-ups and entering the global market.
- Knowledge diffusion in Serbia, based on high-tech exports and ICT services export records growth;
- Creative outputs (intangible assets, creative goods and services, online creativity) – low competitiveness of the local economy, especially capital-intensive companies, affect the low level of industrial digitalisation.

2. Recommendations and conclusions regarding the supply-demand analysis

- The number of applications for the open public calls of the Innovation Fund shows that around 300 applications get collected per public call;
- Around 100 teams apply to the national competition for the best innovation in Serbia;
- The number of applications submitted to the local competitions (Belgrade, Niš, Novi Sad) and start-up support programmes ranges between 10 and 30;
- An increase in the growth and quality of teams applying for the above-mentioned programmes and competitions is noticeable from year to year;
- In the supply-demand analyses, good examples of sources of financing are given, as well as the initiatives which are working on supporting the establishment and strengthening of the high-tech start-up ecosystem in Serbia:
- Accelerators: Start Labs (inactive from 2018), ICT Hub Venture (invested in eight start-ups so far);
- Investors: The Enterprise Innovation Fund (ENIF), Blue Sea Capital, SEAF;
- Corporate: MTS start-up accelerator, Telenor Smart City Challenge Serbia 2016, Generator Societe Generale Bank, SBB Live your idea, Delta incubator, DM incubator;
- Competitions and programmes: National competition for the best innovation in Serbia, Start-up Weekends, Katana and Fractals by Biosens with a strong focus on IT in agriculture and food sectors, Seed star Novi Sad (2019), EU4Tech, EIT programmes (in partnership with the Serbian Chamber of Commerce): Climat KIC, InnoEnergy, EIT programmes (through other institutions) EIT Digital, EITFood.

Republic of Srpska/Bosnia and Herzegovina



- The regulatory and institutional framework built in the Republic of Srpska / Bosnia and Herzegovina in the past period is adequate to the current level of development of entrepreneurial ecosystems. Also, efforts are being made to make the overall business environment more favourable, and therefore, **there is a clear commitment of key actors to actively work on the implementation of support measures for entrepreneurs and start-ups in the forthcoming period.**
- In the context of capacity building to provide support to start-ups, **it is still important to work on strengthening local development agencies and expanding the network of service providers in the Republic of Srpska / Bosnia and Herzegovina so that services will not be concentrated in only one or two largest centres.** At the same time, it is necessary to work on the promotion of entrepreneurial culture, bearing in mind the socio-historical heritage of the Republic of Srpska / Bosnia and Herzegovina and the absence of a significant entrepreneurial tradition in this region.
- **Promotion of entrepreneurship, among other things, implies better awareness of the experiences from the region, networking and the possibility of participating in international support programmes.** In this case, the experience of the Republic Agency for the Development of Small and Medium Enterprises of the Republic of Srpska from the ACCELERATOR project, as well as the experience from other projects of the Danube Transnational Programme, is extremely valuable and needs to be used in order to encourage greater participation of domestic start-up companies in international support programmes and regional conferences and promotional events.
- The development of a unique system of support for start-ups also implies **the establishment of a concept for the implementation of acceleration programmes.** Therefore, a coordinated approach and strengthening of joint action should be undertaken in the following period in order to expand and involve other institutions and organisations, each in its field of activity, by creating an integrated system of support for start-up companies.
- Collaboration and networking through the acceleration programme is important for start-up companies in order to have access to modern technologies and to gain the necessary knowledge transfer in specific areas. In this case, **the establishment of specialised HUBs** (for specific areas in the IT sector or in the field of creative industry), **coworking spaces and technology parks in the Republic of Srpska / Bosnia and**

Herzegovina is considered to be particularly useful, especially if such centres are established at faculties and universities (this refers to technology parks).

- **With regard to creating support measures for start-up companies and attracting funds from available external sources** (donor funds, etc.), **institutions need to take a more proactive approach** (which has not been the case so far) in order to attract as many funds from these sources as possible and adapt the support measures to the real needs of users. In addition to that, support for innovation and investment in research and development is one of the key segments of the strengthening of entrepreneurial ecosystems.
- **Further efforts should be made to make entrepreneurs and owners of the start-up companies in the Republic of Srpska / Bosnia and Herzegovina more willing to potentially fund.** The research has shown that a significant percentage of them are unprepared for new forms of financing, without the required specific knowledge and skills or without a clear vision of future action. Also, there is a negative stand towards investors and no willingness to share the ownership with them. Therefore, **in the coming period, more work is needed on developing entrepreneurial awareness and informing the owners of business ideas about the opportunities and advantages offered to them through financing in the venture capital market.**
- **Education has been identified as a key component for the future development of the entrepreneurial ecosystem. The spread of entrepreneurial awareness, especially among young people, requires changing the education system (formal and non-formal education) and using modern teaching methods.** Changes in the education system involve interventions from the earliest stages of education (pre-school and elementary school) to the university. In this context, for example, introduction of entrepreneurial sections in primary schools, positive experiences from previous projects in secondary schools (examples of companies, Youth Entrepreneurship, Junior Achievement) and other examples from BiH and the region can be a guide for future action. Mainly, the role of teachers is particularly important because the need to work on their additional training is noted in order to be able to implement the elements of entrepreneurial training during the teaching process in the best way possible.
- Regarding the development of the venture capital market, **it is necessary to take advantage of significant opportunities that are offered, primarily through growing regional presence of European and other investment funds.** That means that **the venture capital market in the Republic of Srpska / Bosnia and Herzegovina needs to be developed at the same time on the supply and demand side.**

- **Activities on strengthening the offer of venture capital are possible within the current institutional and legal framework.** This implies interventions that will stimulate more active venture capital action through the existing investment fund management companies within the framework of the Law on Investment Funds. Also, the possibility has been recognised that capital from the banking sector needs to be mobilised and placed into the function of developing the risk capital market, which has not been the case so far. Apart from creating new instruments for investing in start-up companies, the Republic of Srpska / Bosnia and Herzegovina should also work on attracting capital from the diaspora and promote investment opportunities by successful entrepreneurs and individuals with excess capital (through individual investments or through business angel networks).
- One of the possible options mentioned is the approach by which the republic authorities and institutions would even more directly participate in the development of the venture capital market in the Republic of Srpska / Bosnia and Herzegovina. It is an approach that **involves the establishment of a public or public-private venture capital fund that would invest in entrepreneurs and start-up companies with high growth potential from the Republic of Srpska / Bosnia and Herzegovina.** The fund would be managed by investment managers specialising in investing in entrepreneurial business ideas and projects. Within this approach, it was pointed out that the conditions for the operation of investment funds of venture capital with private offer need to be additionally adapted through amendments to the Law on Investment Funds (currently, the minimum amount of the fund is 10 million BAM and the lowest individual stake is 1 million BAM) and the announced drafting of a new law on the Investment Development Bank of the Republic of Srpska and funds.
- Finally, **to ensure that the financial support measures for entrepreneurs and start-ups have their full effects, it is necessary to provide a coordinated approach and systemic action of all key actors.** The experiences from the region speak in favour of an approach that has clearly defined the strategic focus and where the support system is bound (at the vertical and horizontal level) in the way that the clear roles of everyone in the system are made, from the institutional actors and decision-makers to the providers of specific services for entrepreneurs and start-up companies.

6.3. Hungarian public calls related to accelerators

EDIOP-2.1.5-15 Priority project – Setting up an expert and mentor network for ICT startups entering foreign markets (INPUT Programme)

Aim	Improving the competitiveness of ICT startups and their opportunities for foreign market entry
Financial frame	HUF 5.5 billion (~EUR17.2 million)
Expected number of winning projects	1
Grant volume	HUF 5.5 billion (~EUR17.2 million)
Rate of support	100 %
Compulsory milestones	<ul style="list-style-type: none"> Startup companies and individuals actively addressed in the project: 500 Number of trainings and events: 250
Potential beneficiaries	Pre-selected two-member consortium. Consortium leader: Neumann Nonprofit Ltd (state-owned company), member of consortium IT Development Agency of the Hungarian Government
Duration of implementation period	Max 60 months
Supported activities	Project preparation, project management, professional activities including knowledge sharing and knowledge enriching events, set up and operation of expert coordinator network that assist ICT startups, organization of interactive training and bootcamps, participation at international conferences, events, exhibitions and competitions, involvement of investor expertise, delivery of analyses and evaluations on the ICT startup ecosystem, monitoring, analysis of the ICT startup ecosystem, setting up an interactive web-portal, an ICT social platform, communication activities
Eligible costs	Preparation costs, investment costs (purchase of equipment and immaterial goods, services purchased (technical, IT, training, training material development, professional expertise linked to the subject of the project), marketing and communication, rental fee, staff costs, travel costs, project management costs, overhead costs, taxes, financial reserves
Territorial constraints	Target group of the project (startups and individuals) must be seated outside the Central-Hungary region
Retention period	5 years after the project end
Project selection	Priority project. Beneficiary pre-selected. The consortium shall deliver a detailed feasibility study on the project, which is assessed by evaluators.

EDIOP-2.1.5-15 Open call for building innovation ecosystem (startup and spinoff)

Aim	Supporting innovative start-up companies through providing financial assistance to incubators and accelerators
Financial frame	HUF 4.7 billion (~EUR 14.5 million)
Expected number of winning projects	8-10
Grant volume	HUF 300 – 600 million (~EUR 0.9 million to EUR 1.8 million)
Rate of support	Max 80%
Compulsory commitments	<ul style="list-style-type: none"> The incubator/accelerator must provide services for minimum 5 startups The incubator/accelerator must ensure that at least 3 minimum viable products, prototypes or marketable products will be available at the end of the project implementation period The incubator/accelerator will make equity investment for all incubated/accelerated startups for at least 20% of the grant volume provided by the incubator/accelerator to the startup through which the incubator/accelerator will get a maximum 24% share in the startup (strategic minority). Organisation of public startup events: at least 4 knowledge sharing events for potential startups annually and at least 1 business idea competition with mentors annually
Potential beneficiaries	Registered companies, which have their headquarters or affiliates in Hungary Minimum amount of registered capital is HUF 5 million (~EUR 15,400)
Duration of implementation period	Max 36 months
Supported activities	Phase I. Max. 20% of the grant amount could be used for operational expenses of the incubator/accelerator Phase II. min. 80% of the grant amount should be used for transferring it to startups selected by the incubator/accelerator.
Eligible costs	Phase I (incubators/accelerators): staff costs of people managing the accelerator/incubator; professional services needed to set up and run the incubator/accelerator; rental fee of real estate and equipment; marketing; overhead (max 1%), investment costs (purchase of equipment and immaterial goods); preparation costs; compulsory communication Phase II (start ups): staff costs, travel cost to international events, marketing costs, services, rental fee, compulsory communication; investment costs (purchase of equipment and immaterial goods), preparation costs
Territorial constraints	Both the incubators/accelerators and the startups should be in the convergence regions of Hungary (all regions with the exception of Central-Hungary).
Retention period	Only if equipment is purchased by the incubator/accelerator – in this case the retention period is 3 years for SMEs and 5 years for other beneficiaries after the project end
Project selection	Publicly available scoring table (part of the call): Max 60 points can be reached, projects considered for receiving grant shall reach at least 30 points

LIST OF ACCELERATOR PROJECT PARTNERS

Role	Official Name in English	Acronym	Country
LP	Széchenyi Venture Capital Management Ltd	SZTA	Hungary
ERDF PP1	Central-Transdanubian Regional Innovation Agency Nonprofit Ltd	CTRIA	Hungary
ERDF PP2	Association of Small- and Medium Size Enterprises of Covasna County	ASIMCOV	Romania
ERDF PP3	Technology Park Ljubljana Ltd	TPLJ	Slovenia
ERDF PP4	Institute for Entrepreneurship Research	IRP	Slovenia
ERDF PP5	Technology Center Sofia Ltd	TCS	Bulgaria
ERDF PP6	DEX Innovation Centre	DEX IC	Czech Republic
ERDF PP8	FH Joanneum Gesellschaft M.B.H	FHJ	Austria
IPA PP1	Development Agency of Serbia	DAS	Serbia
IPA PP2	Republic Agency for the Development of Small and Medium Enterprises	RARS	Bosnia and Herzegovina
ASP1	Ministry of Finance Deputy State Secretariat Responsible for Implementing Economic Development Programmes	MoF	Hungary
ASP2	Steirische Wirtschafts forderungsgesellschaft GmbH	SFG	Austria
ASP3	Slovene Enterprise Fund	SEF	Slovenia
ASP5	Executive Agency for Higher Education, Research, Development and Innovation Funding	UEFISCDI	Romania