



**EXPERT EVALUATION NETWORK
DELIVERING POLICY ANALYSIS ON THE
PERFORMANCE OF COHESION POLICY 2007–2013**

TASK 1: POLICY PAPER ON INNOVATION

MALTA

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PAOLA CIRILLI

ISMERI EUROPA

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Directorate-General Regional Policy**

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1 EXECUTIVE SUMMARY

This report reviews ERDF contribution to the innovation policy in Malta over the 2007–2013 programming period and its implementation to date. The Maltese innovation policy is centralised due to the limited size of the country and to the lack of sub-national authorities, except municipalities which do not have competences in the field,

The role of ERDF is central both strategically and financially. ERDF programmes do not only represent the principal source of funding for innovative activities in Malta but also contribute to creating a coherent policy and implementation structure in this area.

The Operational Programme I “Investing in Competitiveness for a Better Quality of Life”, is co-financed by ERDF and the Cohesion Fund. This programme primarily supports business investments, infrastructure, RTDI, tourism, transport, environment, energy, education and social infrastructure, urban regeneration, health and e-society etc. The first axis of the OP is fully dedicated to innovation, moreover, priority axis 6 (urban regeneration and improving the quality of life) also finances relevant initiatives. According to our definition of innovation, approximately €89 million of ERDF have been allocated to measures geared towards: creating an innovation friendly environment (47%); knowledge transfer and poles (33%); boosting applied research (20%).

In terms of instruments used, the biggest emphasis has been placed on activities to enhance innovation infrastructure and encourage networking between business and knowledge based institutes. ERDF is used to encourage collaborative research and development and provide grants for SMEs. Funding also assists the commercialisation of academic research and provides innovation advice and guidance in the broadest sense.

There is no evidence on performance of innovation policy in terms of relevant evaluations and studies. The Mid Term Evaluation of OP I 2007–2013 is now underway and will be concluded by the end of 2010. In relation to the past, the “Analysis of the Impact and Effectiveness of Projects Structural Funds Programme for Malta 2004–2006” is the only evaluation available but it is not relevant since it is focused on the environment.

As regards implementation progress, the AIR 2009 reports some delays so far in the start of projects and in disbursement. These are due to changes in technical specifications of tenders; long vetting times; lack of experience in managing structural fund projects by some of the beneficiaries; lower capacity, due to the crisis, of beneficiaries of business aid schemes to provide co-funding etc. Despite these delays, currently the programme is proceeding well. At the end of 2009, there were 16 projects (mainly infrastructures and facilities) and 6 Aid Schemes being carried out.

The main challenges facing EU Cohesion Policy co-finance measures, as they attempt to increase the Maltese innovation potential, mainly include:

- Overcoming the lack of innovation and entrepreneurial culture;
- Enhancing the capability of Malta to generate new science and new technologies through investment in physical infrastructures and support to technology-intensive firms
- Increasing active participation in international networks.

2 NATIONAL AND REGIONAL INNOVATION POLICY AND THE CONTRIBUTION OF ERDF

2.1 NATIONAL AND REGIONAL INNOVATION POLICY

In recent years, the global crisis has affected the performance of the main sectors of the Maltese economy, such as manufacturing, tourism, real estate, gaming, ICT etc. The negative effects of the crisis are mainly linked to the Island's external dependence rather than to the vulnerability of the financial sector which, on the contrary, coped well with the international turmoil. Currently the economy is recovering and optimism prevails¹. During this period the Maltese government has focused its efforts on securing jobs and sustaining existing industry, supporting emerging fast-growing sectors such as eco-innovations and the green economy, pharmaceuticals, aviation and biotechnology.

In terms of innovation performance, according to the EIS, Malta is in the group of "moderate innovators" with a below EU27 average (SII=0.478) innovation performance (SII=0.343)² but with an above EU27 improvement rate. There is evidence of important progress on the innovation performance in Malta also thanks to prioritisation and targeting of national policy responses to innovation challenges in line with the Lisbon agenda.

Malta is taking a two pronged approach towards the development of RTDi sector. A macro approach envisages the development of a strategic framework in which actors in the innovation system can interact and engage with each other. A micro approach is focused on the actions of specific economic sectors both in the firm and non-firm sector³.

Overall problems in the Maltese innovation system pertain to two aspect: first of all, apart from ICT, companies in Malta are not originatrs but suppliers and most of them do not have R&D departments. Moreover, a general culture of innovation still needs to be developed. There is in fact

¹ European Commission, INNO-Policy TrendChart – Innovation Policy Progress Report, Malta, 2009

²Annex E – European Innovation Scoreboard – Summary Innovation Index scores, 2009

³ National Strategic Reform Framework – Malta 2007–2013.

a lack of equipment on the one hand and a the lack of entrepreneurship on the other. The need to invest in the technology and science skills of the population is a widely recognized priority.

Thus, Maltese policy makers believe that their socio-economic development rests on:

- the development of an innovation system focused on the needs of the economy;
- increasing the percentage of S&E graduates and working population with a tertiary degree;
- improving patenting activity;
- promoting ICT
- improving the statistics for tracking progress in innovation;

In order to improve the national Research and Innovation framework, the Maltese Government elaborated a series of strategic documents aimed at implementing a set of measures to enhance the innovation performance of the Maltese economy and to achieve the Lisbon target of increasing the R&D/GDP ratio to 0.75% by 2010.

These strategic documents establish the framework for innovation support and outline the basic objectives, priorities, measures and tasks planned or being undertaken to overcome the above mentioned deficiencies.

The key document is the **National Strategic Plan for Research and Innovation 2007–2010 – Building and Sustaining the R&I Enabling Framework** launched by the Malta Council for Science and Technology (MCST). Its aspiration is that *“research and innovation (should be) at the heart of the Maltese economy to support value-added growth and wealth”*. The aim of the strategy is to improvement Malta’s innovation system by strengthening the climate for innovation (stimulating private initiative, collaboration and supply of knowledge workers), instilling an innovation culture that is key to personal and economic success, fostering the dynamism of enterprises to innovate by stimulating new innovative business activities, exploiting the growth potential of SMEs and attracting knowledge intensive activity to Malta. In the private sector, the Plan emphasises the need to enable SMEs to innovate and instil an innovation culture as well as stimulating further industry-academia collaborations.

The other planning instruments of Maltese innovation policy are :

- the **Industry Strategy for Malta 2007–2010**, a framework for guiding innovation and research policies and measures. The general vision of the Industry Strategy (IS) is for the sector to achieve high value-added and productivity growth. Malta plans to transform its industry from one based on its traditional medium to low- tech manufacturing to a more diverse and knowledge-based economy, with the further development of new areas of activity such as ICT, advanced financial services and high value-added manufacturing.

- the **National ICT Strategy 2007–2010** is aimed at increasing the access to technology across a broader base of Maltese society. ICTs are promoted in three important respects: the modernisation of government and the way it provides its services to the public; the promotion of an inclusive information society; and the effort to stimulate the use of ICTs in the entire economy.

In line with this strategy and with the needs of Malta, the new innovation and research measures are grouped into four main categories:

- Aid schemes for enterprises – these tend to prioritise aid towards SMEs;
- Research and development incentives for industry;
- Capacity building in research and innovation infrastructures;
- Developing human resources for the knowledge economy.

The Role of the ERDF

In Malta, there are two Operational Programmes⁴ that have been guided by the strategic priorities identified in the National Strategic Framework (NSRF). The Operational Programme I (OP I), entitled “*Investing in Competitiveness for a Better Quality of Life*”, is co-financed by the European Regional Development Fund (ERDF) and the Cohesion Fund. This programme primarily supports business investments, infrastructure, RTDI, tourism, transport, environment, energy, education and social infrastructure, urban regeneration, health and e-society etc.

The structural funds deployed for research and innovation, approximately € 89 million, provide an opportunity to trigger faster growth and “catching-up” processes.

The ERDF is pivotal to the implementation of innovation policy in Malta in order to develop and generate economic growth based on encouraging competitive economic activities and strengthening Malta’s physical infrastructure, leading to a better quality of life for Maltese citizens.

According to the interviews carried out as part of the present study (see list in Annex), ERDF plays a critical role in enhancing innovation in Malta, both strategically and financially. EU Cohesion policy is particularly important in the development of infrastructures, creation of networks, co-ordination of coherent strategies and prevention of fragmentation. In this perspective, ERDF plays a fundamental role as:

- Key to formalize direction and to focus the interventions;

⁴ OP I “*Investing in Competitiveness for a Better Quality of Life*”, co-financed by the European Regional Development Fund (ERDF) and the Cohesion Fund and OP II “*Empowering People for More Jobs and a Better Quality of Life*”, co-financed by the European Social Fund.

- Important tool for promotion and dissemination of the “innovation” culture;
- Important element to develop infrastructures which would have not been carried out to the same scale or the investment would have been postponed and diluted over a longer time span (e.g. the life science park, IT backbone etc.).

Programme	Total ERDF resources for innovation	Total ERDF	Innovation support as % of total ERDF
Operational Programme I - Investing in Competitiveness for a Better Quality of Life	89,000,000	728,123,051	12.2%
Total Objective 1	89,000,000	728,123,051	12.2%

Within OP I, the main measures supporting Malta’s efforts in becoming a knowledge-based, competitive economy are financed and planned under Priority Axis 1. They are mainly directed at the re-structuring process of local industry (including crafts); at promoting and strengthening high value-added economic activity, and attracting Foreign Direct Investment through investments in enterprise support infrastructure and industrial facilities; at a number of smart investments in the knowledge infrastructure and research capacity in higher education.

The main instruments used are:

- aid schemes for boosting research and innovation, creation of innovative firms etc. for the manufacturing and service industries;
- RTDI and ICT infrastructure for the private and public sectors;
- financial engineering schemes.

The Managing Authority has designated Malta Enterprise as an Intermediate Body; it manages a package of aid schemes in large part co-financed by the ERDF and targeted at stimulating innovation and creating an innovation culture among SMEs.

The University of Malta is the biggest beneficiary in Priority Axis 1 and implements 11 out of the 16 projects approved till now. All eleven projects are geared to providing top quality facilities for research under four identified platforms of strategic importance – Environment and Energy Resources; ICT; Value-added Manufacturing and Service; Health Biotech.

A number of infrastructural projects and the purchasing of equipment for both the formal and informal education sector as well as RTDI are planned and financed under Priority Axis 6 – Urban Regeneration and Improving the Quality of Life – within OP I.

2.2 ERDF CONTRIBUTION BY POLICY AREA⁵

In the period 2007–2009, the largest share of ERDF support for innovation was allocated to “**Innovation friendly environment**” (47% of the total ERDF funds for innovation or € 38.5 million). This policy area focuses in particular on “Advanced support services for firms and groups of firms”, “Developing human potential in the field of research and innovation, in particular through post-graduate studies” and “Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)” (see Table 2 of Annex A).

Approximately 33% of ERDF support to innovation (or € 31.5 million) is allocated to the reinforcement of **knowledge transfer and innovation poles and clusters**.

Within this policy area, as much as € 22,5 million was allocated to interventions to improve “R&TD infrastructure and centres of competence in a specific technology”. Priority is given to the promotion of the aid scheme for utilising technology-related services or for implementing technology transfer projects, notably environmentally friendly technologies and ITC, on the one hand, and support for regrouping R&D infrastructure in poles on the other.

Measures **boosting applied research and product development** absorb 20% of total ERDF funding, the main interventions are: direct support to enterprises (technology purchases, launch of new products and processes, production lines, quality systems implementation of environmental protection requirements) and funding scientific and applied R&D projects.

3 EVIDENCE AVAILABLE ON THE PERFORMANCE OF INNOVATION MEASURES CO-FINANCED BY THE ERDF

3.1 ACHIEVEMENTS UNDER THE CONVERGENCE OBJECTIVE

There is no evidence on the performance of innovation policy in terms of relevant evaluations and studies. The Mid Term Evaluation of OP I 2007–2013 is now underway and will be conclude by the end of 2010. In relation to the past, the “Analysis of the Impact and Effectiveness of Projects Structural Funds Programme for Malta 2004–2006”⁶ is the only evaluation available but it is not really relevant since it is an analysis of 13 projects that form part of the SPD 2004–2006 and is focused on interventions that support the improvement of the environment in Malta.

As regards implementation progress, the AIR 2009 reports some delays so far in the start of projects and in disbursement. These are due to changes in technical specifications and compiling

⁵ See below ANNEX A – Table 1 ERDF contribution to innovation by policy area (2007–2013)

⁶ “Analysis of the Impact and Effectiveness of Projects Structural Funds Programme for Malta 2004–2006” – EMCS LTD – March 2009.

of tenders. Further delays were encountered during the vetting of tenders which in some cases took over a month to be concluded. During the tender evaluation process extensive clarifications were required from bidders since most tender offers were highly fragmented. Some difficulties were associated also with the lack of experience in managing structural fund projects by some of the beneficiaries⁷. Other delays in concluding final reports and their approval can be attributed to the Dept. of Contracts. As a consequence, the Disbursement Schedule on most projects had to be redistributed to allow for the re-issuing of a number of tenders, thus changing the expenditure originally allocated to the projects⁸.

The major delays with regard to Aid Schemes are generally related to lower capacity of beneficiaries affected by the crisis to provide co-funding.

At the end of 2009, there were 16 projects and 6 Aid Schemes ongoing. The University of Malta is the beneficiary of 11 out of the 16 approved projects.

The 6 aid schemes, implemented by Malta Enterprise, focus on the Manufacturing sector. In 2009 the financial allocation to the package of aid schemes under this PA was increased from 20 to €27 million as an attempt to respond to the economic and financial crisis.

Innovation friendly environment

The amount of EU funding allocated to this area is €45 million. As of December 2009⁹ the committed amount is equal to € 15.9 million. Launched initiatives in this policy area refer to both priority axes 1 and 6. They include:

- JEREMIE for financial engineering in Malta. An initiative of the Commission together with the European Investment Bank Group in order to promote increased access to finance for the development of micro, small and medium-sized enterprises in Malta. During 2009, the Maltese Authorities have undertaken a series of measures to mitigate the impact of the crisis, and also increased the allocation to JEREMIE by 100%, from the original €5 million to €10 million;
- Cross cutting initiatives for science popularization of the Malta Council for Science and Technology.
- E- accessibility projects improving access to electronic services and the diffusion of ICT skills among the people. This project, consisting of eID, eForms and eLearning, gives

⁷ Annual Implementation Report 2009 – OP I – pag. 44

⁸ According to interview

⁹ Strategic Report Cohesion Policy 2007–2013, Malta December 2009

access to various eServices and consequently improves the access to technology of a broader base of Maltese society;

- Investments for infrastructures and equipments for schools and universities. The aim of the project is to enhance laboratory equipment in schools in order to ensure that better Science and Technology teaching and learning is carried out.

Opportunities provided by Information and Communication Technologies are seen as a key means for improving the competitiveness of all sectors of economic activity. For this reason, fund allocation to this field has increased significantly in the recent years. Specific emphasis was put on ICT utilisation in the public sector.

Knowledge transfers, clusters and poles

Aid schemes (e.g. grants for cooperative research) and infrastructures (e.g. building and equipment) to support knowledge transfer and technology diffusion were launched in this policy area.

The amount of EU funding allocated is €31.5 million¹⁰ and the total committed amount is almost €37 million. Expenditure is targeted at R&TD infrastructure in a specific technology and on technology transfer and improvement of cooperation networks. Almost € 15 million (126,9% of the allocated ERDF) have been committed to the former, and € 4.2 million (170,2% of the allocated ERDF) to the latter.

Launched initiatives in this policy area mainly include:

- Technology Transfer office;
- Life Sciences Centre. The building of a Life Sciences Centre located close to the Hospital and University which incorporates pharmaceutical/biotech laboratories and research facilities aimed at supporting knowledge-based companies (Amount committed € 18,001,267).
- ERDF e-business development grant scheme to support SMEs invest in ICT to integrate business functions, streamline workflows and enhance interactions with clients and suppliers;
- ERDF Innovation actions grant scheme (environment) help SMEs to implement eco-innovation projects aimed at contributing to environmental sustainability;

¹⁰ The financial data (allocated and committed) reported in the following sub-area are taken from Strategic Report Cohesion Policy 2007-2013, Malta December 2009 - Annex II - http://www.ppcd.gov.mt/links_and_downloads?l=1

- ERDF Innovation actions grant scheme (innovation) to stimulate innovative processes, products and services and organisational innovations in SMEs.

Boosting applied research and product development

64.2% of the total allocated amount for this policy area had been committed as of December 2009. Within this context, the measures with the largest commitments fall under the heading “other measures to stimulate research and innovation and entrepreneurship in SMEs ’ (FOI 9) (125.5% or € 5 million), measures “to assist the SMEs for the promotion of environmentally–friendly products and production processes” (82,9% of the allocated amount) and measures aimed at investing in firms directly linked to research and innovation (59,5% of the total allocated amount). The ‘R&TD activities in research centres’ (FOI 1), by contrast, had received only 1.7% of its total allocated ERDF support for 2007–2013.

Thus, in line with the National Strategic Plan for Research and Innovation (2007–2010), the ERDF tried to stimulate innovation–related development and investments in the Maltese economy, addressing most of the expenditure towards improving the business environment, financing specific schemes targeted at small and medium sized enterprises (SMEs) and schemes promoting the start–up of high–tech innovative companies.

Initiatives classified in this policy area mainly referred to Aid Schemes managed by Malta Enterprise:

- ERDF R&D grants to develop new or significantly improved products, processes or services;
- ERDF Small Start–ups grant scheme supporting the formation of new, high value–adding enterprises by part–financing their initial operational costs;
- ERDF international competitiveness grant scheme aimed at facilitating the building of internal capacities within the enterprise to encourage more enterprises to internationalise.

The University of Malta manages the “Construction, Finishing and Equipping of the ICT Faculty Building” project. The building should provide adequate, safe and comfortable facilities, facilitating teaching/tutorial, research, meetings, and basic restorative faculty activities. The building should integrate with and enhance the architectural landscape of the existing University of Malta. (Amount Committed € 17,355,905).

4 CONCLUSION: MAIN CHALLENGES FACED BY COHESION POLICY PROGRAMMES

In brief, the available information on innovation policy in the current programming period does not go beyond the first stages of implementation. No current evaluation, to the author’s knowledge, goes beyond this.

Moreover, 2008 marked the onset of the economic and financial crisis. The urgent need to provide support to enterprises became even more essential. In this regard the projects proposed and subsequently approved could not be more timely and appropriate. The Managing Authority together with the Intermediate Bodies finalized all pending procedures, so that a number of schemes targeting innovation, market access, R&D, energy efficiency and renewable energy were launched for both manufacturing and tourism at the start of 2009. Furthermore, the big public infrastructure projects, which are expected to start in 2009, are expected to contribute significantly to the economy. The government also continued to provide pre-financing for projects in order to help beneficiaries with their cash flow.

The ERDF stimulates funding from other sources and the creation of a greater variety of measures supporting innovation. It is important to highlight the consistency and the complementarities between the ERDF and ESF. Indeed, the infrastructural investments supported by OP I (ERDF) are complemented by investments in human resources under ESF OP II, particularly those areas addressing education, training, employment, childcare and occupational health. In this regard OPI has approved a number of infrastructural projects and the purchasing of equipment for both the formal and informal education sector as well as RTDi, including projects for the University of Malta, the Malta College of Arts, Science and Technology (MCAST) and Employment and Training Corporation (ETC).

The information on the progress of 2007–2013 programmes can be considered encouraging since a wide range of initiatives have been launched in the whole country, covering all policy areas. Apart from the unforeseen impact of the global economic crisis, the objectives and focus of ERDF support seem to be consistent with the national innovation targets.

The focus of ERDF support seems strategically appropriate in Malta, it is in line with the need of the country and with the main priority – counteracting the lack of innovation culture and the difficulty in fostering knowledge diffusion.

The main challenges facing EU Cohesion Policy as it attempts to increase the innovation potential mainly include :

- Overcoming the lack of innovation and entrepreneurial culture;
- Enhancing the capability of Malta to generate new science and new technologies through:
1) investment in physical infrastructures (buildings, laboratories and equipment) and also by further encouraging diffusion of science disciplines at all education levels; 2) supporting investment in technology-intensive firms which demonstrate innovation in the commercialisation of new technologies.

- Increasing active participation in international networks. In particular, greater participation in some European initiatives (e.g. Eureka) which tend to advantage countries with large firms to the detriment of small countries/regions.

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Key stakeholders and experts consulted:

Ms. Carmen Galea	Head of Operational Programme I
Dr. Nicholas Sammut	Chief Executive Officer – Malta Council for Science and Technology
Dr. Jennifer Cassigena Harper	Director of Malta Council for Science and Technology
Mr. Marco Abela	Chief Officer – Malta Enterprise
Profs. Richard Muscat	Pro– Rector for Research and Innovation – University of Malta
Dr. Ernest Cachia	Dean of ICT and Head of Computer Science – University of Malta
Dr. Ing. Stephen Abela	University of Malta
Mr Jonathan Vassallo	Senior Manager Operational Programme I
Mr. Alfred Camilleri	Permanent Secretary, Ministry for Finance, the Economy and Investment
Ms. Marlene Bonnici	Director General (Planning and Priorities Co–ordination) – Office of the Prime Minister

ANNEX A – BACKGROUND DATA ON EU COHESION POLICY SUPPORT TO INNOVATION

The data on the ERDF resources allocated cover the FOI codes defined as being relevant for support of RTDI, or, more precisely, those that cover the bulk of resources devoted to innovation (see annex B for the list of codes).

Table 1 – ERDF contribution to innovation by policy area (2007–2013)

Policy Area	Categorisation of Expenditure (FOI codes)	Total ERDF	%	% of allocated ERDF by policy area
Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...)	06	6,000,000	32%	
Investment in firms directly linked to research and innovation (...)	07	2,500,000	13%	
Other measures to stimulate research and innovation and entrepreneurship in SMEs	09	4,500,000	24%	20%
R&TD activities in research centres	01	6,000,000	32%	
Boosting applied research Total		19,000,000		
Advanced support services for firms and groups of firms	05	11,500,000	25%	
Developing human potential in the field of research and innovation, in particular through post-graduate studies ...	74	7,000,000	15%	
Information and communication technologies (...)	11			
Information and communication technologies (TEN-ICT)	12			47%
Other measures for improving access to and efficient use of ICT by SMEs	15	2,000,000	4%	
Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)	13	25,000,000	55%	
Services and applications for SMEs (e-commerce, education and training, networking, etc.)	14			
Innovation friendly environment Total		38,500,000		
Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)	04	6,500,000	21%	
R&TD infrastructure and centres of competence in a specific technology	02	22,500,000	71%	33%
Technology transfer and improvement of cooperation networks ...	03	2,500,000	8%	
Knowledge transfers and poles Total		31,500,000		
Total Objective 1		89,000,000		100%

Source: core team on EC data.

Table 2. ERDF committed amount as of December 2009¹¹

Policy Area	Allocated amount - (mill EUR)	Committed amount - (mill EUR)	% Committed /Allocated amount as of Dec 2009- (mill EUR)
Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...)	6.000.000	4.972.500	82,9%
Investment in firms directly linked to research and innovation (...)	2.500.000	1.487.500	59,5%
Other measures to stimulate research and innovation and entrepreneurship in SMEs	4.500.000	5.647.491	125,5%
R&TD activities in research centres	6.000.000	99.043	1,7%
Boosting applied research TOTAL	19.000.000	12.206.534	64,2%
Advanced support services for firms and groups of firms	11.500.000	4.558.559	39,6%
Developing human potential in the field of research and innovation, in particular through post-graduate studies ...	7.000.000	8.707.544	124,4%
Information and communication technologies (...)		0	
Information and communication technologies (TEN-ICT)		0	
Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)	25.000.000	530.772	2,1%
Services and applications for SMEs (e-commerce, education and training, networking, etc.)	0	0	
Other measures for improving access to and efficient use of ICT by SMEs	2.000.000	2.125.000	106,3%
Innovation friendly environment TOTAL	45.500.000	15.921.875	35,0%
R&TD infrastructure and centres of competence in a specific technology	22.500.000	28.544.437	126,9%
Technology transfer and improvement of cooperation networks ...	2.500.000	4.255.262	170,2%
Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)	6.500.000	4.622.037	71,1%
Knowledge transfers and poles TOTAL	31.500.000	37.421.736	118,8%

¹¹ Strategic Report Cohesion Policy 2007–2013, Malta, December 2009

Total Objective 1	96.000.000	65.550.145	68,3%
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Source: core team on EC data.

ANNEX B – CLASSIFICATION OF INNOVATION POLICY AREAS, INSTRUMENTS AND BENEFICIARIES

Policy area	Short description
Innovation friendly environment	<p>This category covers a range of actions which seek to improve the overall environment in which enterprises innovate, and notably three sub groups:</p> <ul style="list-style-type: none"> • innovation financing (in terms of establishing financial engineering schemes, etc.); • regulatory improvements and innovative approaches to public services and procurement (this category could notably capture certain e-government investments related to provision of services to enterprises); • Developing human capital for the knowledge economy. This category will be limited to projects in higher education aimed at developing industry orientated courses and post-graduate courses; training of researchers in enterprises or research centres. <p>The category also covers initiatives geared towards improving governance capacities for innovation and knowledge policies (e.g. specific technical assistance funding, support for regional foresight)</p>
Knowledge transfer and support to innovation poles and clusters	<p>Direct or indirect support for knowledge and technology transfer:</p> <ul style="list-style-type: none"> • direct support: aid scheme for utilising technology-related services or for implementing technology transfer projects, notably environmentally friendly technologies and ITC; • indirect support: delivered through funding of infrastructure and services of technology parks, innovation centres, university liaison and transfer offices, etc. <p>Direct or indirect support for creation of poles (involving public and non-profit organisations as well as enterprises) and clusters of companies</p> <ul style="list-style-type: none"> • direct support: funding for enterprise level cluster activities, etc. • indirect support through funding for regrouping R&D infrastructure in poles, infrastructure for clusters, etc.

Boosting applied research and product development	<p>Funding of “Pre-competitive development” and “Industrial research” projects and related infrastructure. Policy instruments include:</p> <ul style="list-style-type: none"> • aid schemes for single beneficiary or groups of beneficiaries (including IPR protection and exploitation); • research infrastructures for non-profit/public organisations and higher education sector directly related to universities. <p>Any direct or indirect support for the creation of innovative enterprises (spin-offs and start-ups)</p>
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Instruments	Short description
Infrastructures and facilities	<p>Building and equipment for laboratories or facilities for university or research centres, Telecommunication infrastructures, Building and equipment for incubators and parks for innovative enterprises</p>
Aid schemes	<p>Grants and loans for RTDI projects Innovative finance (venture capital, equity finance, special bonds, etc.) for innovative enterprises</p>
Education and training	<p>Graduate and post-graduate University courses Training of researchers</p>

Beneficiaries	Short description
Public sectors	<p>Universities National research institutions and other national and local public bodies (innovation agencies, BIC, Chambers of Commerce, etc..) Public companies</p>
Private sectors	<p>Enterprises Private research centres</p>
Others	<p>NGOs</p>
Networks	<p>cooperation between research, universities and businesses cooperation between businesses (clusters of SMEs) other forms of cooperation among different actors</p>

ANNEX C – CATEGORISATION OF EXPENDITURE TO BE USED FOR CALCULATING EU COHESION POLICY RESOURCES DEVOTED TO INNOVATION

FOI Code	Priority Theme
	Research and technological development (RTD), innovation and entrepreneurship
01	R&TD activities in research centres
02	R&TD infrastructure (including physical plant, instrumentation and high-speed computer networks linking research centres) and centres of competence in a specific technology
03	Technology transfer and improvement of cooperation networks between small businesses (SMEs), between these and other businesses and universities, postsecondary education establishments of all kinds, regional authorities, research centres and scientific and technological poles (scientific and technological parks, technopoles, etc.)
04	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)
05	Advanced support services for firms and groups of firms
06	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (introduction of effective environment managing system, adoption and use of pollution prevention technologies, integration of clean technologies into firm production)
07	Investment in firms directly linked to research and innovation (innovative technologies, establishment of new firms by universities, existing R&TD centres and firms, etc.)
09	Other measures to stimulate research and innovation and entrepreneurship in SMEs
	Information society
11	Information and communication technologies (access, security, interoperability, risk-prevention, research, innovation, e-content, etc.)
12	Information and communication technologies (TEN-ICT)
13	Services and applications for the citizen (e-health, e-government, e-learning, e-inclusion, etc.)
14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)
15	Other measures for improving access to and efficient use of ICT by SMEs
	Human capital
74	Developing human potential in the field of research and innovation, in particular through post-graduate studies and training of researchers, and networking activities between universities, research centres and businesses