

Financial Sources and Instruments for Public Grants and Financial Facilities of Smes in EU

Simeon Karafolas, Maciej Woźniak

Abstract—Mostly of public financing programs at national and regional level are funded from European Union sources. EU can participate directly to a national and regional program (example LEADER initiative, URBAN...) or indirectly by funding regional or national funds.

Funds from European Union are provided from EU multiannual financial framework form which the annual budget is programmed. The adjusted program 2007-2013 of the EU considered commitments of almost 1 trillion Euros for the EU-28 countries. Provisions of the new program 2014-2020 consider commitments of more than 1 trillion Euros. Sustainable growth, divided to Cohesion and Competitiveness for Growth an Employment, is one of the two principal categories; the other is the preservation and management of natural resources.

Through this financing process SMEs benefited of EU and public sources by receiving grants for their investments. Most of the financial instruments are available indirectly through the national financial intermediaries. Part of them is managed by the European Investment Fund.

The paper focuses on the public financing to SMEs by examining case studies on divers forms of public help. It tries to distinguish the efficiency of the examined good practices and therefore try to have some conclusions on the possibility of application to other regions.

Keywords—DIFASS, financing, grants, SMEs.

I. INTRODUCTION

SMALL and medium-sized enterprises (SMEs) play an important role in the economic development of the countries of the European Union (EU), as an important source of economic growth and contribute to decrease the unemployment. Given the role of SMEs in the economy, it is necessary to support their development. Support to SMEs can have several forms as for example related to research and development, creation of commercial network, new production units. European Union, national and regional authorities try to help SMEs with the offer mainly financial support but also technical support by creating appropriate framework for the development, for example start up incubators. Within EU importance of SMEs has been considered as one of the main targets of the financial programs [1]. The adjusted program 2007-2013 and the new one 2014-

The paper discusses results of the project DIFASS (Development of interregional financial assistance to SMEs and of non-grant instruments) financed through of the INTERREG IVC program of the European Union.

S. K. is a Professor at Department of Accounting and Finance, Technological Educational Institute of Western Macedonia, Greece (e-mail: skarafolas@yahoo.gr).

M. W. is an Assistant Professor at AGH University of Science and Technology of Krakow and MEERI, Polish Academy of Sciences, Krakow Poland (e-mail: mwozniak@zarz.agh.edu.pl)

2020 consider that SMEs have a key role in promoting growth and innovation at a regional and national level [2].

The financial help to SMEs is provided through several specialized programs having diver financial sources. Within EU, the specialized programs offer many types of grants in the EU countries. One question that appears is the effectiveness and efficiency of the financial help to SMEs through all these initiatives and grants (see on this issue for example [3]-[5]).

This paper goal is to examine some cases of grant schemes to SMEs, mainly financed through EU programs, trying to evaluate various aspects of this process. It focuses on six examples concerning divers European regions. The 1st schema finances a multinational network concerning regions of Austria, Czech Republic, Hungary and Slovakia; the 2nd and 3rd concern two different grants in a Greek region, the 4th grant concerns an Italian region, the 5th a Portuguese region and the 6th Estonia.

The paper focusing on these cases tries to distinguish the efficiency of the examined good practices and therefore try to have some conclusions on the possibility of application to other regions.

After the introduction, in Section II an overview on the financial sources and instruments of EU is presented; Section III discusses the results of the analysis while Section IV offers the conclusion.

II. OVERVIEW OF FINANCIAL SOURCES AND INSTRUMENTS FOR THE GRANTS OF SMES IN EU

European Union supports financing programs at national and regional level offering necessary funds. This may be the result of direct participation to a national and regional program or indirectly by funding regional or national funds.

EU approves the multiannual financial framework form through which the annual budget is programmed. The adjusted program 2007-2013 of the EU considered commitments of almost 1 trillion Euros for the EU-28 countries. Provisions of the new program 2014-2020 consider commitments of more than 1 trillion Euros. At the actual multiannual adjusted program, sustainable growth, (divided to cohesion and competitiveness for growth an employment), is one of the two principal categories; the other is the preservation and management of natural resources (Table I).

TABLE I
FINANCIAL FRAMEWORK 2007 – 2013 ADJUSTED FOR ENLARGEMENT (EU-28).
CURRENT PRICES, (BILLION EUROS) *

Commitment appropriations	2007- 2013
Total commitment appropriations	976,5
as a percentage of Gross National Income	1,12%
Within it:	
1. Sustainable Growth	439,2
1a. Competitiveness for Growth and Employment	90,4
1b. Cohesion for Growth and Employment	349,0
2. Preservation and Management of Natural Resources; of which:	412,6
market related expenditure and direct payments	330,1
3. Others	124,7

Source: [6]

* Some amounts may be adjusted because of revisions)

A. Financial Sources and Instruments for the Grants of SMES in EU

Mostly of public financing programs at national and regional level are funded from European Union sources. EU can participate directly to a national and regional program or indirectly by funding regional or national funds. Examining EU financing, two issues may distinguished: the structural funds and the special investment grant funds.

1. The Structural Funds

They are the largest Community funding instruments benefiting SMEs, through the different thematic programs and community initiatives implemented in the regions. The beneficiaries of structural funds receive a direct contribution to finance their projects.

EU has two main structural funds from which SMEs may benefit: The European Regional Development Fund [ERDF] and The European Social Fund [ESF]

They are grouped into three priority objectives, with a total allocation of 347,4 billion Euros:

- Convergence the less developed regions to the EU average (81,54% of the budget);
- Reinforce the regional competitiveness and employment and adapt them to economic changes (15,94% of the budget);
- European territorial co-operation, that is to reinforce the transnational and interregional co-operation (2,52% of the budget).

The ERDF co-finances activities on:

- Entrepreneurship, innovation and competitiveness of SME (as innovative technologies, ICT, management systems in SMEs, eco-innovation);
- Improvement of the regional and local environment for SMEs (for example access to capital for SMEs in the start-up and growth phase, business infrastructure);
- Interregional and cross-border co-operation of SMEs;
- Investment in human resources (along with funding from the European Social Fund).

The European Social Fund (ESF) finances activities in order to increase of the adaptability of workers and enterprises, enhance the access to employment and participation in the labor market, reinforce the social inclusion and facilitate the access to the labor market for disadvantaged people, promote

the partnership for reform in the fields of employment and inclusion.

The ESF also supports the less favored regions focusing on education, training and improving public administrations, at national, regional and local level.

2. The Special Investment Grant Funds

A number of financial instruments are used to help the access of SMEs to financial sources. Those instruments do not provide directly funds to SMEs. The funding is provided directly through financial intermediaries such as banks, credit institutions or investments funds (see [7] and [8]).

The follow examples will be overviewed:

- Competitiveness and Innovation Framework Program (CIP)
- Joint European Resources for Micro and Medium Enterprises (JEREMIE)
- Joint Action to Support Micro-finance Institutions in Europe (JASMINE)
- European Investment Fund (EIF) own investments
- European Investment Bank (EIB) loans
- EPMF - The PROGRESS Microfinance Facility for Employment and Social Inclusion

a) Competitiveness and Innovation Framework Program (CIP)

Within this program (CIP), 1.130 million Euros were provided the period 2007-2013. There are three schemes for the allocation process that are managed by the EIF, on behalf of the European Commission.

- The first scheme aims to increase the equity to innovative SMEs who are at the early stages and in the expansion phase. The mechanism shares the risk and profits with private investors, providing important funds to innovative companies.
- The second aims to offer additional guaranties in favor to SMEs in order to increase the financing to them. It concentrates in four areas, access to loans in favor of SMEs, (or loan substitutes such as leasing), offer of micro credits, access to equity or quasi-equity and securitization.
- The third is a Capacity Building Scheme that supports the capacity of financial intermediaries in some Member States.

b) Joint European Resources for Micro and Medium Enterprises (JEREMIE)

JEREMIE is a joint initiative between the European Commission and the EIF on the one hand and the EIB on the other. Its target is to improve the access of SMEs to the financing; in particular the offer of micro credits, the financing of venture capital, the offer of guarantees and other forms of innovative financing. Special emphasis is given to support start-up companies, the transfer of technology, the technology and innovation funds and micro-credit.

JEREMIE is managed as an integral part of the ERDF; projects are selected at the relevant national and regional level.

c) Joint Action to Support Micro-finance Institutions in Europe - JASMINE

JASMINE, also, is a joint initiative between the European Commission and the EIF on the one hand and the EIB on the other. JASMINE complements the JEREMIE initiative. JASMINE aims to develop the offer of micro-credit in Europe using two main actions:

- Providing technical assistance to micro-finance institutions in order to help them to be credible financial intermediaries and to obtain capital more easily;
- Financing activities of non-bank financial institutions to enable them to make a higher number of loans.

The aim of the program is to improve the access to finance of small businesses, unemployed people, or people not currently in employment who would like to become self-employed but who are unable to access traditional banking services. This program was launched in 2008 with a three-year pilot phase, with an initial capital of 50 million Euros.

d) European Investment Fund (EIF) own investments

The EIF's activity is based on two instruments:

- EIF's venture capital instruments. That consists offering capital for investments to venture capital funds and business incubators that support SMEs; mechanism is particularly interested on newly created and technology-oriented SMEs
- EIF's guarantee instruments that consists on the offer of guarantees to financial institutions that cover credits to SMEs.

e) European Investment Bank (EIB) loans

These loans are delivered through intermediaries such as commercial banks. They are targeted at tangible or intangible investments by SMEs.

EIB loans may also help to provide a stable working capital base to SMEs, as for example, loans granted to finance liabilities associated with the SME's trading cycle and reflecting the SME long-term funding needs. The duration of the loans will be between 2 and 12 years, with a maximum amount of 12,5 million Euros per loan.

f) EPMF - The PROGRESS Microfinance Facility for Employment and Social Inclusion

This mechanism aims to provide microcredit to small businesses and to people who have lost their jobs and want to start their own small businesses.

An initial budget of 200 million Euros is expected to leverage 500 million Euros of credit in cooperation with international financial institutions such as the EIB Group.

Progress Microfinance does not directly finance entrepreneurs, but enables selected microcredit providers in the EU to increase lending, by issuing guarantees, that share the providers risk of loss and providing funding to increase microcredit lending.

The microcredit providers may be private or public banks, non-bank microfinance institutions and not-for-profit microcredit providers. The conditions for microloans depend

on the particular microcredit provider. Progress financing cannot be used to cover credit lines such as overdrafts or short-term revolving facilities.

III. ANALYSIS OF THE CHOSEN GRANTS SCHEMES

The analysis grants schemes were both quantitative and qualitative in order to achieve triangulation effect. Best practice benchmarking process for analysis was chosen. This process is an essential tool for continuous improvement of quality [9]. In the case of economic policy, benchmarking can be defined as improving the efficiency of a scheme by identifying, analyzing, adapting and implementing solutions used by most effective institutions [10]. For the purpose of the article best practice benchmarking was used to evaluate various aspects of the processes in relation to best practice processes within the group of grant schemes. The section focuses on identifying and analyzing the following stages. The subjects of analysis are the time period of application and efficiency. Process concerns applying, defining the conditions and achieving goals. Potential partners are institutions, which manage grant schemes from the EU countries because they act in the similar legal conditions. Data sources are the documents from the grant schemes. Selected partners are institutions from DIFASS project. DIFASS is a project focusing on how facilitate access to finance for SMEs by exchanging innovative support instruments. There are 26 partners from various regions in the EU the project. They have exchanged experiences and support the transnational transfer of selected examples of good practice towards other regions. The partners had to prepare the synopsis and Good Practice Factsheets. External expert prepared also Policy Recommendation Summary. This process enables the access to data and therefore to a scientific analysis. In connection to this the partners from the following countries were selected: Austria, Czech Republic, Estonia, Greece, Hungary, Italy, Slovakia and Portugal. The gaps are time of decision making and effectiveness. Process differences concerned submitting and accepting applications as well as requirements.

A. Analysis of Partners

The Centrope Innovation Scheme (CTT) was set up in 2010 as an international community of service providers for technology transfer and innovation. CCT scheme facilitated knowledge exchange and cooperation between companies in the central Europe and R&D institutions from the four regions participating in the program. CTT provided access to financial support for up to 50 R&D institutions to business research partnerships. The program partners were:

- 15 partner institutions establishing the tools to stimulate cross border technology transfer;
- knowledge providers: R&D institutions, universities, research centers;
- Regional Contact Points/Project Approval Committee (PAC): 7 organizations representing 7 regions involved with monthly face to face and virtual forums [11].

The budget was 250 000 euro from the Central European 2007-2013 Transnational Cooperation Programme. It enabled

50 SMEs to benefit 5 000 euro investment capital. The scheme was open to all registered SMEs located in CENTROPE regions: Lower Austria, Burgenland, (Austria); Ihomoravsky Kraj; (Czech Republic); Bratislavsky Kraj and Trnavsky Kraj (Slovakia); West-Transdanubian Region (Hungary). Priority was for technology orientated service projects and activities that demonstrate innovative and scientific approaches. CCT Vouchers could be used to source the most suitable expertise to help SMEs develop their product and get their innovative idea out to market [11].

There was a simple online application form. Applications were presented in person to the committee. Maximum deadline was two months. Partners were responsible for sourcing the most suitable R&D providers from the transnational R&D network for the winners. They had to also ensure that the project was completed six months afterwards. Partners and project contact points were responsible for the day to day administration, finance and evaluation too [11].

The Local Development Fund (LDF) was set up in 2000 by local authorities in the Kozani district of West Macedonia, Greece. The aim was to encourage entrepreneurship to boost economic activity. Financial support for the program was gained by accessing funds paid by the Public Power Corporation (PPC). The funds were supposed to offset the environmental impact arising from mining the region's underground energy resources. The program partners are local authorities and the regional development agency ANKO, who acted as the intermediary and implementation contractor [12].

The budget was 13,6 million Euros: 7,1 million Euros from PPC and 6,5 million Euros from SMEs. The scheme funded 50% of the total investment. SMEs have to put 50% from their own resources and loans. Application costs ranged from 1.000 to 2.500 euro. The grants ranged from 50 000 euro to 300.000 euro [12].

Funds were for local SMEs, which want to modernize or automate their activities as well as entrepreneurs setting up new companies in the retail commerce, manufacturing, tourism, agricultural and services sectors. There were some specific criteria e.g. successful applicants could not invest less than 50% in new buildings and capital equipment. Funds could be used for investments in tangible and intangible assets, minor marketing expenses and set up costs. There are 5-6 people, which are employed as the staff. Total administrative costs were 600 000 euro. The application process is easy and decisions take approximately one month [12].

LEADER+ initiative was designed to help rural stakeholders to develop the long term potential of their local region. The main goal was aimed at interventions for rural tourism and small business in the rural sector. The Greek National LEADER + initiative had 3 priorities:

- pilot strategies for rural development,
- support for cooperation among rural areas,
- clusters; see [13] and [14].

On LEADER initiative, Ministry of Rural Development and Food was responsible for overall management and supervision. In the department of Kozani, ANKO

(Development Agency of Kozani) had the responsibility of the program implementation in the area. The Local Action Group (LAG) formed by collective of regional stakeholders as government, unions, municipal companies or agricultural cooperatives has the tasks to set targets and manage the scheme at regional level in relation to local needs [13].

The budget was 13,5 million Euros from the EU and the Greek State. SMEs had to contribute up to 40% of the investment. SMEs could apply for grants of up to 264.000 Euros. There was no minimum grant. SMEs could also co-finance or top up their grant with a bank loan of up to 30% of the investment. ANKO has a team of 10 staff for management and day to day operational activities. The application process was considered difficult and decisions took 4-6 months. Application costs for SMEs ranged from 1.000 euro to 4.000 euro if SMEs paid expert in order to prepare the application/business plan (the business plan is considered as eligible expense). Partner administration costs were quite high, 1,6 millions euro [13].

The Regional Aid Scheme for Competitiveness (RASFC) operates under Regional Operational Program for Competitiveness. It is managed and implemented by Region Aosta Valley, Italy. The goals are to:

- support innovative companies with financial incentives for investments e.g. machinery or equipment;
- provide enterprises with incentives for technology transfer as well as internationalization programs [15].

The program partners are Finaosta SpA, the regional public bank, which had to choose operational partners and commercial banks/mutual guarantee association for combined loan element. The budget is 3 million Euros and consist of three funds: ERDF (40%), State Funds (42%) and Regional Funds i.e. Aosta Valley (18%). The scheme is for innovative SMEs in industrial/manufacturing sectors operating in the Aosta Valley, particularly from key strategic sectors i.e. smart energies, intelligent mobility, mechatronic e.g. ICT or Biotech what reflect the specialization of the region [15].

RASFC is a grant instrument with no repayment terms. The regional public bank - Finaosta S.p.A - manages the funds and day to day activities on behalf of the region. Eligible businesses can apply for two types of grants:

- for innovative investments in new machinery, equipment or software: up to 40% of the eligible expenditure, from 80 000 euro for a small company to 150 000 euro for a medium-sized company;
- for the realization of marketing research, business planning, submission and international extension of patents or consultancy support to improve e.g. production processes: up to 50% of the eligible expenditures, maximum 20.000 euro [15].

SMEs can combine for innovative tangible investments the grant with a subsidised loan at lower than normal interest rates. These loans enable enterprises to raise up 75% of the investment and may also be combined with a guarantee from the mutual guarantee fund. The application process is quite simple and decisions takes of up to 90 days. Application costs are estimated at 1 working day for preparation and submission

of project proposals. Partner administrative costs are 5 working days for evaluation of grant applications for investments and 2 days for grant applications for marketing research and business plans [15].

The Beja Global mixed grant/loan instrument from Portugal consists of PRODER grants supported by EAFRD - European Agricultural Fund for Rural Development and bank loans from Caixa do Crédito Agrícola [16].

The above two instruments can provide enterprises up to 100% of the investment. The scheme goal is to support the growth and development of rural SMEs. The loans are subject to normal credit approval checks and are backed by a mutual guarantee with repayment periods of up to 10 years. Applicants are required to comply with the eligibility criteria associated with both frameworks. The program partners are:

- Beja Municipality, which is a lead partner;
- PRODER - Regional Development Program - that provide strategic and financial support;
- Caixa do Crédito Agrícola, which is agricultural credit bank specializing in loans to rural communities [16].

The budget is about 10 millions euro: 40% comes from EU Funds, 60% from private funds. SMEs can obtain up to 100% of the total investment. The ratio of grant is up to 75% and loan depends on a number of factors and jobs likely to be created. Participating SMEs also benefit from a 50-75% reduction in interest rates in comparison to normal bank loans. The Beja Global scheme is for SMEs from the tourism, agriculture, agro food sectors and those providing cluster services e.g. marketing or design to the rural sectors. Mixed grant/loans investments range from 5.000 euro to 5 million Euros with SME repayments ranging from minimum 1.500 euro to maximum 2,5 millions. The municipality has a team of five people for operating the scheme. The SME can apply for the bank loan after approval their grant application. The loans cannot be used for debt restructuring. The maximum time for decisions is 3 months. The difficulty of application process is medium [16].

Prototron was set up in 2012 in Estonia in order to fill the gap in sourcing the funds needed to develop first working prototype products to prove their business concepts. Prototron Foundation goals are to:

- help talented young entrepreneurs access and break into the global market,
- support new innovative products and technologies that contribute to the development of the Estonian economy,
- raise the image of Estonia as a start-up country with great potential [17].

Investors gain benefit from the public relations from their support and the projects. The program partners are Tallinn Science Park Tehnopol as a lead partner and sponsors/investors include Swedbank and Tallinn University of Technology, which provide the 'know how', expertise and prototype funds. The scheme is completely financed by private funds. It has raised 120 000 euro in 2012 and an additional 180 000 euro in 2013. SMEs can get 100% of prototyping costs with no minimum or maximum limits set for grants.

They are aimed at first prototypes for products with opportunities for internationalization. Unsuccessful applicants are offered advice. They can also re-apply [17].

The application process is very simple. First, submitted applications are pre-evaluated by 15 business experts of Tallinn Science Park Tehnopol, Swedbank and Tallinn University of Technology. Then, the final decision is made by Prototron Expert Panel. It consists of representatives from Prototron founders and investors from Estonian ICT, telecommunication and mechatronics enterprises [17].

B. Analysis of the Gap and Process

The first analyzed was decision making: time from submitting an application form to the decision. The results are presented in the Table II. In the first column there are two schemes considering as the best practices - Prototron from Estonia and LDF from Greece – as well as the arithmetic mean for all analyzed grant schemes. The second column concerns days of decision making. The third one is about the threshold of possibly amount of grant. In the next columns there are amount of submitted applications and staff (employed personnel).

TABLE II
 BEST PRACTICE OF DECISION MAKING IN ANALYZED SCHEMES

Scheme	Days	Thresholds Of grants (Euro)	submitted applications	staff
Prototron	21	9 000	154	15
LDF	30	50 - 300 000	171	6
All schemes - mean	73,5	5 000 – 50 000 000	110	8,5

Source: own estimations based on the DIFASS synopsis.

Applicants got decision within only 21 days under Prototron program. It is very short period of time in comparison to the mean for all schemes – 73,5 days. Advantage of Prototron is that it has private funds what enables very simple and quick application process, without bureaucracy [18]. There are also 15 employees responsible for evaluation of submitted applications. It should be but noticed that the average grant form Prototron I only about 9 000 euro (there is no formal limitation). Thus, there is another scheme considered as the best practice – Local Development Fund (LDF) from Greece. The applicants have to wait 30 days for decision what is 9 days longer than in Prototron. The amount of grant is but much higher: 50.000 – 300.000 Euros. It is due to simple application. Impressive is the fact that there are only 6 members of staff who are dealing with evaluation of submitted application forms. In comparison to Prototron, LDF has less employees and more submitted applications. On the other hand, Prototron is a grant scheme, which is aimed at develop the prototypes of new enterprises. It may require more time for evaluation.

The next analyzed gaps concerns efficiency of the grant schemes. In the first column of Table III some indicators were presented:

- accepted applications/submitted applications: how many of the submitted applications were accepted by the managers of the scheme (stimulant),

- grants/budget: how many percent of the budget was used for the grants (stimulant),
- accepted applications/employed personnel: how many applications were evaluated by one employee (stimulant),
- grants/new jobs: how much grants was needed to create new job (destimulant),
- grants/accepted applications: how much grants was for one accepted application (stimulant),
- new/accepted applications: how many new jobs or how many jobs were saved per one accepted application (stimulant).

In the table there are also the arithmetic means for all analyzed indicators.

TABLE III
 BEST PRACTICE OF EFFICIENCY IN ANALYZED SCHEMES

Indicator	Scheme	Amount
1 Accepted applications/submitted applications (in %)	RASFC	90%
	All scheme - mean	55,9%
	CTT	64%
2 Grants/budget (in %)	All scheme - mean	48%
	LDF	28 submitted applications/1 employee
3a applications/employed personnel	All scheme - mean	17 submitted applications/1 employee
	LDF	18 accepted applications/1 employee
3b applications/employed personnel	All scheme - mean	10 accepted applications/1 employee
4 Grants /new and saved jobs	Prototron	5 759 euro/1 job
	All scheme - mean	41 689 euro/1 job
	RASFC	173 882 euro/1 accepted application
5 Grants /accepted applications	All scheme - mean	94 639 euro/1 accepted application
	Prototron	1,6 jobs/1 accepted application
6 New jobs/accepted applications	All scheme - mean	0,9 jobs/1 accepted application

Source: own estimations based on the DIFASS synopsis.

The highest percent of accepted applications per submitted ones was under RASFC from Italy, (90%). It is far more than the mean for all analyzed schemes, (55%). Explanation of that figures could be done by qualitative analysis. The first important thing is that the application process is considered to be easy. It takes only one day to prepare the form. It should be also noticed that the scheme used 'smart specialization strategy' [18]. That strategy means it is focused on certain sectors, which are particularly strong in Aosta Valley region. Another important fact is that the operational management was subcontracted to the regional public bank. Probably it is also the reason that this scheme could be considered as the best practice taking the fourth indicator into consideration. A beneficiary company could get on average about 85.000 Euros per one accepted application, which is over 20.000 more than the mean for all analyzed schemes. It could also be connected with the fact that the beneficiaries can combine the grant with subsidized loan, which are backed by a mutual guarantee.

Prototron can be presented as the best practice taking into consideration the indicator: grants to new jobs. Creating new jobs required approximately 5.760 Euros what is far below the mean for all schemes. Prototron is also the best practice analyzing the last indicator. There was created on average 1,6 jobs in comparison to 0,9 jobs for the mean of all schemes per one accepted application. Although the scheme is focused on funding working prototypes by new enterprises, it is clear that the additional value is creating many new jobs. The reason could be that Prototron has boosted creativeness and innovative ideas among entrepreneurs.

The example of the best practice in efficiency of staff is LDF. Every employee had evaluated on average 28 submitted applications and had dealt with 18 accepted applications.

Given the effectiveness of budget, the best practice comes from the international grant scheme, CTT. Under this scheme 64% of budget was used for grants. It could be connected with the fact that the project partners provided technical assistance for applicants- beneficiaries and were responsible for sourcing R&D expertise.

IV. CONCLUSION

National, regional and international authorities, mainly EU, accept the importance of SMEs on the economic development and employment growth. They also accept difficulties these enterprises have on accessing to finance and developing R&D activities; these difficulties are even higher for start-up companies. Therefore the need of help in various forms appears. EU, national and regional authorities but also private organizations tried to use various instruments to help SMEs. Some of those instruments have been examined using results of good practices of the DIFASS project, (aiming to examine how facilitate SMEs to financial sources). Five good practices have been examined concerning different countries and instruments. The paper focused on some issues namely time decision making and efficiency of the analyzed best practices. On the decision making, parameters considered were the time of decision compared to number of applications and staff working on that.

The efficiency focused on three issues, applications, (accepted projects compared to submitted ones and number of reviewers), grants, (level of acceptance and budget), and job creations, (compared to applications and grants).

Differences between good practices appeared due to different policy, specific target and potentiality, (of budget and staff). Good practices having better results on decision making were Prototron and LDF. Good practices having better efficiency were RASFC, CTT and LDF. A main conclusion is that every region creates specific projects due to specific problems and potentialities. All projects are not applicable to all regions. Best results can be obtained when the application of a good practice has to resolve problems and needs which are similar and under the same economic conditions at the candidate region.

REFERENCES

- [1] European Commission, European Union Support Programmes for SMEs, An overview of the main funding opportunities available to European SMEs, 2012, Brussels.
- [2] European Commission, Commission proposals for the Multiannual Financial Framework 2014-2020, 2012, http://ec.europa.eu/budget/mff/commission-proposals-for-the-multiannual-financial-framework-2014-2020/index_en.cfm, 1.04.2014
- [3] M. Woźniak, "Znaczenie dotacji jako formy wspierania rozwoju małych i średnich przedsiębiorstw" in *Wybrane zagadnienia społeczno-gospodarcze w okresie transformacji rynkowej*, ed. Stanisław Szydło. — Kraków: Wydawnictwa AGH, 2012, pp. 205-222.
- [4] M. Woźniak, *System wspierania małych i średnich przedsiębiorstw w Małopolsce*, AGH Akademia Górniczo-Hutnicza, Kraków 2010, pp. 225-229.
- [5] M. Woźniak, "Ocena znaczenia finansowych instrumentów wspierania przez małe i średnie przedsiębiorstwa", *Przegląd Organizacji* No:7-8, 2011, p. 53.
- [6] European Commission, Financial Programming and Budget, 2013, in: http://ec.europa.eu/budget/figures/fin_fw0713/fw0713_en.cfm#adjust, 30.03.2013.
- [7] European Investment Fund, SMEs access to Finance, Regional approach through JEREMIE, 2005, Luxembourg.
- [8] European Investment Fund, A new way of using EU Structural Funds to promote SME access to finance via Holding Funds, 2012, Luxembourg.
- [9] R. Camp, *The search for industry best practices that lead to superior performance*, Productivity Press, 1989.
- [10] S. Karafolas and M. Woźniak, "Loan Guarantee schemes: private and public examples", *International Journal of Social, Management, Economics and Business Engineering*, 2014, 8, (5), p 1227.
- [11] R. Nemeth, "Centroe Transnational Innovation Voucher (CTT)", DIFASS Good Practice Fact Sheet No 16, Workshop Theme: Mixed Grant/Non Grant Schemes, Sardinia 19th – 20th June 2013, www.difass.eu/downloads, 1.07.2014.
- [12] V. Ragias, "Local Development Fund", DIFASS Good Practice Fact Sheet No 18, Workshop Theme: Mixed Grant/Non Grant Schemes, Sardinia 19th – 20th June 2013, www.difass.eu/downloads, 1.07.2014.
- [13] S. Karafolas, V. Ragias, "The LEADER+ Initiative (LEADER+)", DIFASS Good Practice Fact Sheet No 21, Workshop Theme: Mixed Grant/Non Grant Schemes, Sardinia 19th – 20th June 2013, www.difass.eu/downloads, 1.07.2014.
- [14] S. Karafolas, "Public financial support to investments in rural areas: the case of the region of Thessaly in Greece", *International Journal of Economic Sciences and Applied Research*, 2013, 6 (2), pp. 81-101
- [15] F. Fionda, "Regional Aid Scheme for Competitiveness", DIFASS Good Practice Fact Sheet No 19, Workshop Theme: Mixed Grant/Non Grant Schemes, Sardinia 19th – 20th June 2013, www.difass.eu/downloads, 1.07.2014.
- [16] S. Martins, "Bejaglobal Combined Access to Loans and Grants for Innovative Rural Start Ups", DIFASS Good Practice Fact Sheet No 22, Workshop Theme: Mixed Grant/Non Grant Schemes, Sardinia 19th – 20th June 2013, www.difass.eu/downloads, 1.07.2014.
- [17] M. Gorosko, "Prototron Fund", DIFASS Good Practice Fact Sheet No 17, Workshop Theme: Mixed Grant/Non Grant Schemes, Sardinia 19th – 20th June 2013, www.difass.eu/downloads, 1.07.2014.
- [18] DIFASS, "Good Practice Workshop – Theme 4: Mixed Grant/Non Grant Schemes. Policy Recommendation Summary", 19-20 June 2013 – Sardinia, Italy, www.difass.eu/downloads, 1.07.2014.