HORIZON 2020

Thank you for your letter of 15 December 2011 seeking the Scottish Government views on certain issues arising from the Committee’s deliberations on the future European Framework Programme for Research and Innovation, Horizon 2020. Please find below my response to the specific questions raised by the Committee.

Q. The participants in the discussion were of the view that the Scottish Proposal Assistance Fund (SPAF), which was eliminated in the last spending review was instrumental in getting SMEs engaged in the application process for EU funding. Does the Scottish Government have any proposals to provide an alternative source of funding/application assistance?

A. Although the Scottish Proposal Assistance Fund (SPAF) no longer exists, the support that was once offered through SPAF it now delivered by the enterprise agencies through a range of support mechanisms.

To align the support available to SMEs, Scottish Enterprise integrated SPAF into its Innovation Support Service. The ISS offers free tailored assistance to all businesses in Scotland needing advice and guidance on innovation activities. For SMEs wishing to participate in the current EU Framework Programme (FP7), this can include a specialised FP7 project surgery or two days of consultancy help to develop an FP7 project idea or proposal. For businesses seeking to participate in collaborative Research and Development (R&D) programmes for the first time, provided they are eligible, there is also a small amount of financial support available through Scottish Enterprise’s Innovation Support Grant for their first project application. Highlands and Islands Enterprise also offer similar support to companies through its account management and Research and Development programmes.
Recent data suggests a 17% increase in the engagement of Scottish SMEs in FP7 when compared against participation in previous Framework Programmes 5 and 6.

Q. The EU target for SME participation in the Framework Programme (FP) is 15%. In the FP7 programme Scotland secured only 13.5% participation of SMEs. Does the Scottish Government have a strategy to address this shortcoming in the next funding programme?

A. The information on SME participation levels in FP7 has been updated since the evidence meeting on 15 November. The latest available data shows an increase in Scottish SME participation to 18.44%, which is above the 15% threshold target set by the EU. In total 149 of a total of 808 FP7 projects undertaken from the start of the programme in 2007 until the end of October 2011 involved participation by Scottish SMEs. In terms of financial uptake, the share of EU funding received by our SMEs is circa €31.6 million of the total Scottish funding allocated (to date) of €304 million.

Whilst these figures are encouraging the Scottish Government's objective remains to strengthen our performance. To help influence to encourage and stimulate engagement of the science base and industry with the European agenda and raise Scotland's profile in Europe, the Scottish Government has established a multi-agency steering group, consisting of Scottish Government, Scotland Europa, Scottish Funding Council and our enterprise agencies, Scottish Enterprise and Highlands and Islands Enterprise.

Additionally, organisations such as Scotland Europa and Enterprise Europe Network continue to play a critical role in raising awareness and providing focused support on EU R&D opportunities. This co-ordinated approach has generated interest outwith Scotland; for instance Scotland Europa has been invited to address an InterTradedIreland/InvestNI/Enterprise Ireland joint conference as a best practice example.

Q. One of the shortcomings of the current programme was considered to be the awareness levels amongst SMEs and other commercial ventures, as well as amongst the academic community, as to the opportunities afforded by EU funding. What measures does the Scottish Government intend to introduce to address this deficit?

A. To raise awareness amongst our business base and encourage participation in European funded programmes our key partners work collaboratively to provide a co-ordinated approach and offer a range of support. Scotland Europa, whose membership base includes University, business and public sector organisations, provides assistance by offering one-to-one meetings with companies; advice and signposting to information resources; free FP7 proposal writing Masterclasses; and access to Europe's largest business database for Scottish applicants looking for partners to work with on projects.

New initiatives to increase engagement in EU Framework Programmes are also being introduced. For example, the Scottish Funding Council is providing £250,000 funding this year in support of Pools Engagement in European Research (PEER). This new programme supports research pools to submit an application for FP7 funding and, as part of that process, engage and build partnerships with a Scottish SME. Each pool must provide evidence that a Scottish SME is participating in the FP7 project.

In addition the Scottish Funding Council is currently discussing with the sector and key stakeholders what form the recently announced single knowledge exchange office for
Scotland might take. Within this initiative there may be scope for a Scotland-wide office to improve support for business and academic collaborations on EU funding bids.

I hope that this response provides the Committee with the information it requires.

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