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**Report on generation of project ideas and project
development for innovation funding with focus
on chemicals in the framework of the Regional
Innovation Strategies in Mazovia Region**



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List of abbreviations

BEI	<i>Business environment institutions</i>
RIS, RIS Mazovia	<i>Regional Innovation Strategy for Mazovia 2020. Innovation support system and smart specialization of the region, constituting an annex to Resolution No. 23/15 of the Mazowieckie Voivodship Assembly of 16 March 2015 with the amendment</i>
ROP VM 2014-2020	<i>Regional Operational Programme for Mazowieckie Voivodeship 2014-2020</i>
S3Chem	<i>Project „Smart Chemistry Specialisation Strategy” funded by the Interreg Europe Programme</i>
SMV	<i>Self-government unit of Mazowieckie Voivodeship</i>
EU	<i>European Union</i>

1. Introduction

Present report is prepared as part of the implementation of the "Smart Chemistry Specialisation Strategy" (S3Chem), a project funded by the Interreg Europe Programme. The report concerns generation of project ideas and project development for innovation funding with focus on chemicals. In order to ensure the comprehensive approach to the analysed subject, report describes types and the scope of participation and support for public entities, support networks and clusters in the process of project generation. Report includes also a description of the process of applying for co-financing of projects. Putting the emphasis on the significance of the role of the entities' network and clusters in the process of project preparation and applying for their funding is also of great importance to the chemical industry. Report identifies examples of already implemented projects in this field, from the stage of applying for co-financing, to the implementation stage.

On abovementioned basis, conclusions and recommendations were developed in the scope of generating ideas for projects in the chemical industry, including expectations of entities towards interregional cooperation, weaknesses and strengths of the application process and recommended actions aiming at the improvement of the process of applying for co-financing of projects.

Attention shall be drawn to the fact that the chemical sector is the third biggest sector in Poland and the second in the region in terms of the significance, ranked after the food industry. This is reflected in the provisions of the Regional Innovation Strategy for Mazovia¹ and in the smart specialisation of the region, in strategic documents related to it there is a noticeable focus of areas of specialization, priority directions of measures and objectives on the chemical industry and the bioeconomy² as the most developed sectors resulting in the distinction of Mazovia compared to the rest of Poland³. Given this, the chemical industry is a sector in which Mazovian Voivodeship, through generation of innovations, has the chance to maintain its competitive advantage as well as establish it in Europe.

¹ *Regional Innovation Strategy for Mazovia 2020. Innovation support system and smart specialization of the region, constituting an annex to Resolution No. 23/15 of the Mazowieckie Voivodship Assembly of 16 March 2015*

² *Priority research directions within the smart specialisation of the Mazowieckie Voivodeship, version 2.0, Warszawa 2017*

³ *Regional Innovation Strategy for Mazovia 2020... p. 17 and 111.*

2. Generating of projects

The management theory distinguishes various methods of project generation, among others methods based on a heuristic approach, spontaneous searching for ideas, or methods of forced contrasting. Within each of these methods there is a number of patterns of activities that contribute to the process of generating of ideas. Analysing the role of public institutions, cooperation networks and clusters in this process, attention shall be drawn to the fact that communication and information, as well as specialist knowledge of representatives of entities applying for co-financing play an important role. This was observed in the research with both the institutions involved in the implementation of the ROP MV 2014-2020 and the beneficiaries, conducted for the purposes of preparing present report. The need to fill a niche on the market using the so-called strategy of the blue ocean⁴ (involving occupying previously undeveloped market segments) dictated measures taken by the beneficiaries of funds from the ROP MV 2014-2020, reflected in the statement of one of the respondents, presented below.

For us it was difficult to fit. We were wondering if the idea we had would fit in with the subject. Fortunately, it worked. We are a specific waste industry. We are looking for solutions that are not available on the market. We would like to create such installations that could become pilot projects. However, it could be implemented, (...) let us say: from our point of view and our sector, on the market there is the shortage of such installations. Packaging of dangerous substances is now being sent to the incinerator.

Statement of the beneficiary of funds from the ROP MV 2014-2020

This is also confirmed by representatives of the Managing and Intermediate Institutions of the ROP MV 2014-2020, who indicated the significance of information and promotion activities in the process of generating ideas and developing conditions for entrepreneurial discovery. The role of these institutions in the analysed issue, therefore, is not the participation in generating the projects itself, but is based on creating conditions conducive to creative thinking and searching for ideas. This task is implemented by abovementioned institutions with the use of comprehensive educational, training and promotional activities in the form of providing the information about news related to the Programme on the website and in social media, organising meetings, trainings and workshops, or running contact points.

⁴ See in: R. Mauborgne, W. Chan Kim, Strategy of the blue ocean, Harvard Business Review 2004.

Generating ideas for projects is also inextricably linked to initiatives such as clusters and networks. It is indicated that entities of this kind favour the so-called open innovation, including inside-out open innovations⁵. Given above, participation of numerous entities within clusters or networks creates conditions necessary to build social capital and transfer know-how between companies, often significantly reducing the costs of innovation in cooperating enterprises. An undeniable added value of such cooperation is the construction of social capital, especially important in Poland due to its low level (on a national scale) of such capital. Enterprises and institutions clustered within clusters and cooperation networks therefore benefit from a bilateral, free flow of ideas and ideas. Respondents participating in the research for this report pointed out that the knowledge used to generate ideas was derived from online sources, indicating that the important source of knowledge were organisations to which the beneficiaries belong. They constitute a versatile source of knowledge concerning comprehensive scope, according to the surveyed representatives.

In general [we obtained the information - editor's note] from the Internet, from the office, from magazines issued for the cosmetics industry, from the Polish Association of Private Employers of the Cosmetics Industry where we are associated: they send us information concerning legal aspects.

Statement of the beneficiary of funds from the ROP MV 2014-2020

It is difficult to define the quality of cooperation between beneficiaries and public institutions. Respondents (beneficiaries of the Programme) often stated that they did not contact public institutions during the call for proposals because these duties were performed by an external company hired for them. It was also noted that mutual interactions require mutual understanding - as it was indicated, knowledge concerning used technology does not have to be possessed by the official, being the basic knowledge for the applicant. Similarly, in the case of entrepreneurs - the method of filling in the documents is a scope of knowledge that is still being acquired by them, given the fact that company representatives often apply for support for the first time, therefore they do not yet have the experience as an applicant.

Describing the process and defining all the needs for someone from the institution is not necessarily as obvious as it is for us.

Statement of the beneficiary of funds from the ROP MV 2014-2020

Surveyed beneficiaries also paid their attention to the involvement of public institutions, which affects the quality of the applicant's service and assistance.

⁵ Portal Harvard Business Review Polska: <https://www.hbrp.pl/b/otwarta-innowacyjnosc-recepta-na-trudne-czasy/lCaVBmUx> (access: 12.06.2018).

*We mainly consult with the Mazovian Unit of EU Programmes
Implementation, with legal counsels, law offices and accounting offices, and
these are not public institutions that work until 15:00 and then goodbye.*

Statement of the beneficiary of funds from the ROP MV 2014-2020

The surveyed representatives of the institutions responsible for implementing the ROP MV stated that their task was to promote cooperation that would facilitate the generation of projects. They said, however, that it was necessary to observe the principle of transparency and impartiality. This is why the internal organization of the Managing and Intermediate Institutions is important, allowing for the separation between bodies responsible for promotion and information, and bodies responsible for the coordination of procedures.

*We, as managing authorities and my department that is responsible for
programming, do not participate in the preparation of projects, ensuring the
principle of transparency. Instead, we program: we strongly encourage such
cooperation through the criteria in which we promote cooperation,
partnership and clusters.*

Statement of the representative of the managing institution of the ROP MV 2014-2020

According to the surveyed representatives of the Managing and Intermediate Institutions, the support offered in this respect is sufficient in relation to the needs of potential beneficiaries. In their opinion, however, it would be profitable to consider the accreditation of consulting companies that offer their services in the preparation of application forms. It was stated that in numerous occasions people involved in the provision of such services do not have adequate substantive knowledge, therefore activities related to the accreditation and monitoring of the activities of such companies could serve to better orientate potential beneficiaries in the consulting services market. However, it should be noted that the Mazovian accreditation system of the Business Environment Institutions has been operating in the Mazowieckie Voivodship since 2016. Research, however, indicated a lack of awareness of respondents in this area. It might be concluded that it is not efficiently popularized, therefore measures should be taken in order to take additional actions in this scope (among others raising the awareness of potential beneficiaries concerning the existence of such mechanism with the use of the emission of advertising spots on the Internet or leaflets).

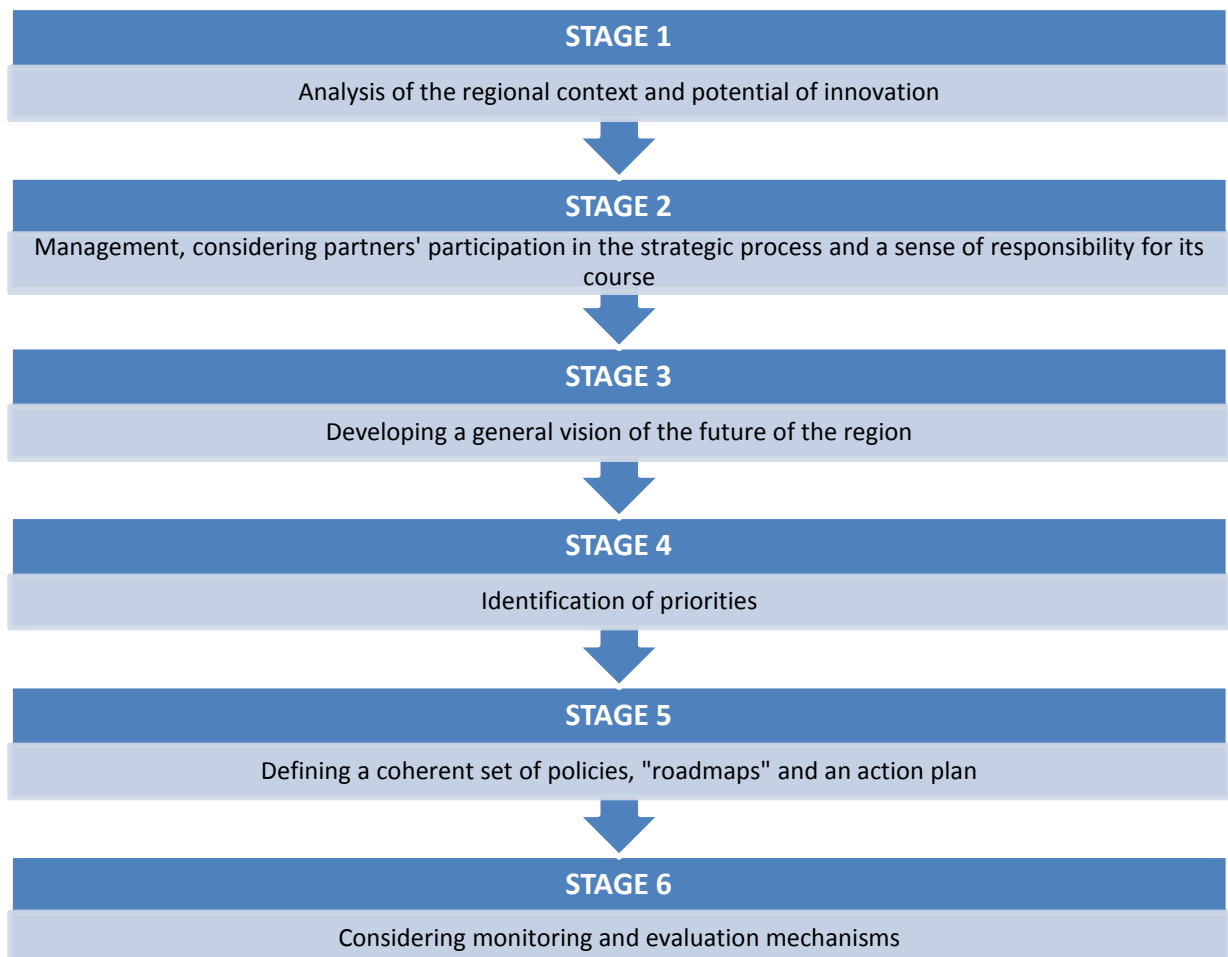
3. The process of applying for co-financing of projects in the area of the chemical sector and related sectors

3.1. Identification of priorities

The determination of priorities and priority actions in the context of regional strategies of smart specializations is the result of two processes:

- top-down, related to the definition of broadly identified objectives in accordance with the policy of the European Union, and
- bottom-up, being the selection of proposals for smart specialization, areas for experimentation and future development resulting from the entrepreneurial process of discovering⁶.

Development of the Regional Innovation Strategy for Mazovia includes six stages, indicated in the diagram below:



Source: own research based on *Guide to Research and Innovation Strategies for Smart Specialisations (RIS 3)*, Luxembourg, May 2012.

⁶ *Guide to Research and Innovation Strategies for Smart Specialisations (RIS 3)*, Luxembourg, May 2012, p. 24.

Defining the priority actions was therefore preceded by a comprehensive analysis of the regional potential of Mazovia. In the Mazowieckie Voivodeship these directions were the result of the efforts of working groups for the smart specialization of the Mazowieckie Voivodeship. The aim of their development was to direct the support of research and development projects on the most promising sectors in order to increase the level of region's innovation. Within each area, specifying research directions and objectives have been identified.

The compliance of the project with the priority directions of activities is therefore the criterion for access in competitions organized under the RPO MV 2014-2020, under measure 1.2 Research and development activities of enterprises. As indicated in the document, these directions may also serve as a criterion for access in other organized competitions⁷.

The widest possible participation of stakeholders in the process of developing specializations and directions defined in their framework ensured the fact that needs of the groups were taken into consideration.

3.2. Stages of applying for co-financing of project

The application process for co-financing of innovation may be divided into several fundamental stages. The main difference that determines the mechanisms of applying individual projects is the selection procedure - competitive or non-competitive⁸. Under the thematic objective 1, concerning the obligatory support within the regional smart specialization, only the projects planned for selection under the competition procedure are undertaken in the RPO MV 2014-2020. The first stage which should be distinguished in the process of applying for funds within the competitive procedure is the **application for co-financing**. This should be preceded by ongoing monitoring of information on planned and announced competitions. Each year, by November 30, institutions managing programmes co-financed by the EU are required to submit a schedule for the call for proposals under the competition procedure for the following year, providing potential beneficiaries with facilitations to optimally distribute work related to the preparation of the application. The period before submitting the application shall also be preceded by the participation in trainings and information meetings where potential beneficiaries could obtain information useful during the preparation of documentation. Information about trainings and meetings is provided to interested parties via the official websites of individual Programmes⁹. Information along with the website address that allows

⁷ Priority research directions within the smart specialisation of the Mazowieckie Voivodeship, version 2.0, Warszawa 2017, p. 3.

⁸ In accordance with the Act of 11 July 2014 on the rules for the implementation of programmes in the scope of cohesion policy financed in the 2014-2020 financial perspective (Journal of Laws, 2017, item 1460, 1475), only projects with strategic importance for the socio-economic development of the country, region or area, or projects related to the implementation of public tasks can be selected in non-competitive mode.

⁹ List of websites at <https://www.funduszeuropejskie.gov.pl/> (access: 12.06.2018)

registration for the training is also available in each notice of the call for proposals under the RPO MV 2014-2020.

The next stage of applying consists of **submitting the application for co-financing of the project**. In the case of a negative assessment of the application, it is possible to employ the appeal procedure (lodging a protest) on the principles described in the competition regulations and art. 54 of the Act of 11 July 2014 on the rules for the implementation of programmes in the scope of cohesion policy financed in the financial perspective 2014-2020¹⁰.

Positive assessment of the application for co-financing is related to the subsequent stages of application, i.e. with **the signing of the contract and the implementation of the project** aimed at achieving identified objectives and indicators of the result. These activities involve reporting and the need to submit to audits of eligible institutions in the scope of spending funds and the correct implementation of the co-financed project. The beneficiary is also required to comply with information obligations in accordance with the Guidelines for information and promotion of cohesion policy 2014-2020 operational programmes¹¹, The Corporate identity manual and *The Information and Promotion Guide for Applicants and Beneficiaries of the 2014-2020 Cohesion Policy Programmes*¹². Moreover, it should be noted that the beneficiary is obliged to maintain the effects of the project for a period of 3 years from the completion of its implementation¹³. Ensuring a durability period is one of the elements that the beneficiary is declared to achieve at the stage of submitting the application for co-financing.

The most significant from the point of view of the beneficiaries is **the stage of accounting for the project**. It can be conducted in several forms: the subsidy can be none-recurring¹⁴ or paid in parts: in the form of a refund of incurred expenses, or in the form of an advance payment (i.e. before the beneficiary makes the expenditure). The accounting for projects occurs with the use of an individual account of the beneficiary in the ICT system in which the applications for payment are sent to the managing authority of the Programme.

To sum up, attention shall be drawn to the fact that the application for co-financing is not limited to mere submitting the application, but is connected with the entire process, preceded by a series of activities, and determining following activities necessary for the correct implementation of the project.

¹⁰ *Journal of Laws, 2017 item 1460, 1475.*

¹¹ *Guidelines for information and promotion of cohesion policy 2014-2020 operational programmes, Minister of Development and Finance, Warsaw, November 3, 2016, reference number MR/H 2014-2020/15(2)/11/2016, <https://www.funduszeuropean.gov.pl> (access: 12.06.2018).*

¹² <https://www.funduszeuropejskie.gov.pl> (access: 12.06.2018).

¹³ *In the case of investments concerning production and infrastructure, durability is equal to 5 years.*

¹⁴ *It usually occurs in smaller projects, the implementation of which is a fast process.*

3.3. The role of public institutions in the process of preparing projects and applying for the co-financing

As indicated in the previous part of the report, the role of public institutions in the process of preparing projects and applying for co-financing is mainly connected with ensuring conditions conducive to generating projects. This is facilitated by the participation of stakeholders in organized trainings, including trainings in the form of workshops and information meetings, organized by Information Points for European Funds. To facilitate this process, interested parties are provided with information through the website and social media. Therefore, public institutions positively affect generating projects by providing current information and information, and by education activities.

Among the activities undertaken by public institutions in the above-mentioned scope, emphasis shall also be put on the involvement of stakeholders within two bodies: working groups for smart specialization and the BEI Forum.

As part of **the working groups on the smart specialization of Mazovia**, in accordance with the regulations of working groups, support is provided to the RIS Managing Authority in creating and monitoring the development potential of the region's economy and recommending activities undertaken under the regional innovation system, in particular in the field of smart specializations¹⁵.

The fundamental tasks of the working groups include:

- development of priority research directions (research agendas for areas of smart specialization);
- cooperation in creating implementation programmes for RIS;
- participation in the monitoring process of RIS;
- verification of areas and participation in the RIS update process;
- consulting support instruments under RIS;
- Identifying barriers and threats to the region's economic development in connection with areas of smart specialization.

Recommendations, proposals and conclusions developed as the result of the group's work are submitted to the Coordinator (appointed official of the Department of innovations in Department of Regional Development and European Funds of the Marshal's Office of the Mazowieckie Voivodeship in Warsaw).

The groups are open, i.e. any interested entity that is involved in its activities in the implementation of innovative undertakings may participate in the work of groups. Due to the involvement of stakeholders in described manner it is possible to ensure the continuity of the entrepreneurial

¹⁵ Regulations of working groups on intelligent specialization of the Mazowieckie Voivodeship, item 1, para. 3.

discovery process and the effective implementation of the concept of smart specialization¹⁶. Given existing needs, the entities participating in the group's work have the opportunity to create task teams and select the Leader among themselves.

It is also necessary to draw the attention to the **BEI Forum**¹⁷, being an initiative of the Mazowieckie Voivodeship Self-government. The forum is mainly composed of representatives of the Business Environment Institutions from the Mazovia region. To the self-government, entities that cooperate as part of the BEI Forum are partners in the process of supporting the implementation of the Regional Innovation Strategy. Meetings are organised regularly, creating a space for the implementation of strategic RIS objectives in the area of development of pro-innovation activities. They are also an opportunity for exchange of substantive opinions, contributing to the process of elaborating support principles directed at BEI.

The information function is also connected with the necessity of publishing with the appropriate, legally specified timeframe in advance of the schedule of the call for proposals under the competition procedure, for the next year, announcements about planned calls for proposals under the competition procedure and the regulations for the call for proposals.

Moreover, the role of public institutions in the described process is related to the coordination of the implementation of programmes in a manner which would enable the implementation of the region's needs related to regional smart specialization, defined in the *Regional Innovation Strategy for Mazovia 2020. Innovation support system and smart specialization of the region*¹⁸.

3.4. The role of the cooperation network of entities and clusters in the process of preparing projects and applying for their co-financing

Clusters and cooperation networks have a positive impact on generating innovation because of the already mentioned open innovation. The effect of scale and synergy helps to develop innovative ideas. The task of the Managing and Intermediate Institutions was to promote such cooperation. The promotion of cooperation took place by rewarding additional points for cooperation in the form of clusters.

The surveyed representatives of clusters indicated that, as part of cooperation with other entities, they were able to generate projects: applications that at the time of the research were waiting for the assessment were submitted. Respondents stated that personal connections are important in this

¹⁶ *Ibidem*, item 1, para. 4.

¹⁷ <https://innowacyjni.mazovia.pl/dzialania/institucje-otoczenia-biznesu/forum-iob-2.html> (access: 29.06.2018)

¹⁸ *Regional Innovation Strategy for Mazovia 2020. Innovation support system and smart specialization of the region, constituting an annex to Resolution No. 23/15 of the Mazowieckie Voivodeship Assembly of 16 March 2015 with the amendment*

respect. This human factor was considered the most significant for the development of this type of cooperation, which was confirmed by the statement of the clusters' representative, quoted below:

(...) today's cooperation is not based on institutional activities, but on personal connections. Lack of people who understand the topic in a given institution can cause a complete disruption of cooperation; if the systemic solution and appropriately educated staff who understands the idea of clustering and cross-sector cooperation are not implemented then it can die (...).

Statement of the representative of a cluster from the chemical sector

Quoted statement confirms the fact that the representatives of clusters operating in the chemical industry are aware that the idea of clustering is not only connected with institutional links, but to a large extent is also based on social capital, ideas flow and cooperation. The surveyed beneficiaries stated that the role of clusters in the generation of ideas and project preparation also includes the organization of meetings with representatives of consulting companies involved in acquiring European funds.

There are organised cluster meetings to which representatives of companies that obtain EU funds are often invited.

Statement of the beneficiary of funds from the ROP MV 2014-2020

The role of clusters and cooperation networks therefore stems not only from the internalization of know-how owned by cluster members, but also in creating a strong group, with which it is possible to reduce the costs necessary for the achievement of objectives (e.g. to use the services of business environment institutions); cooperation can therefore help to reduce the costs of generating innovation.

4. Case study and best practices

4.1. The increase of the competitiveness of the Bell PPHU company through investments in innovative production technologies

The project was co-financed from the European Regional Development Fund under the ROP MV 2007-2013, under Priority I "Creating conditions for development of innovation potential and entrepreneurship in Mazovia" for Measure 1.5 "Development of entrepreneurship". The total value of the project was PLN 4 735 500, and the co-financing amount was 29.99% of project costs (PLN 1 154 615).

The representative of the entity implementing the project indicated that various sources of information on the possibility of receiving funding were used, among which mentioned might be Internet sources, including the site of the Regional Operational Programme of the Mazowieckie Voivodeship 2007-2013. Such information was also available in magazines related to the cosmetics industry. The source of information was also the Polish Private Employers' Union of the Cosmetics Industry, in which the company is associated, and as a member of this body receives current information on topics related to the development of the chemical and cosmetics industry.

The application was submitted with the help of an external company supporting the company in developing the application for co-financing. It should be noted that this project is the first venture of the BELL company financed from the ROP MV. The decision to apply was made after analysing the market demand for specific products.

This was the first of projects, [the decision to apply was made - editor's note] based on inquiries from external clients and the play-know department because we also do for other brands. There were questions about products, about the development of own brand.

Statement of the representative of the BELL company

Preparing the application for co-financing it was necessary to estimate the needs of the enterprise, therefore various departments were involved in the analysis of the needs. It can be noticed that the company thought about what the possible co-financing will be for. The involvement of the consulting company to conduct the process of preparing the application for co-financing and the necessary documentation ensured the elimination of problems that could occur. Of a significance is the fact that the activities of the consulting company were supplemented with the ongoing support of an employee of the BELL company, whose task was to dispel the doubts of the employees preparing the application and to provide help in the scope of technology. The role of the consulting company was limited to preparing a correct application in terms of legal regulations. Given this, it was possible to

avoid clichéd, general wording, instead describing the technology in the most precise way, which resulted in submitting an application of high substantive quality. The biggest limitation that was encountered at the application stage were application deadlines: the time between the announcement of the call for proposals and the deadline for submitting documents was, in the opinion of the respondents, too short.

The company did not cooperate with other entities in terms of the described project. It shall be pointed out, however, that in later projects such cooperation took place with the Warsaw University of Technology (with the Faculty of Chemistry). Such cooperation allowed for merging science and business.

It passes through such a "machine", such decisiveness. The Faculty of Chemistry should have combined classes: theory and work in companies. [Cooperation - editor's note] it is such a combination of industry and university.

Statement of the representative of the BELL company

The fundamental objective of the undertaking was to increase the competitiveness of the company on the domestic and international markets. The consequence of the undertaking is modernization and extension of the range of BELL. Due to the implementation of the Project it was possible to launch two new products on the market, thus expanding the target group to which company's products have been targeted so far. The venture also allowed the company to expand into new markets. It was possible because of the purchase of the following devices:

- multi-screw bottle machine with electric drives with a license for the production of packaging,
- two injection molding machines with electric drive,
- complete filling line for fluids and mascaras,
- tube filling machine,
- horizontal sleeve machine¹⁹.

The researched representative of the company stated that no problems were encountered; as the subsequent applications were submitted it was possible to develop a flow chart that significantly improved the procedure for applying for funds.

¹⁹ <http://bell.com.pl/>

4.2. Development of new technology for the production of construction Olkit

The indicated project is conducted by BOLID as part of measure 1.2. Research and development activity of enterprises under ROP MV 2014-2020. The total value of the project equals to 178 227 PLN, of which 69% (99 981 PLN) consists of EU funding from the European Regional Development Fund. The project envisages the purchase of a research service for the development of a new, significantly improved technology, production of construction Olkit. The company's representatives pointed out that since the development of technology on which they based their activities, significant changes have occurred, proving it necessary to adapt to the changing realities of the market.

At the stage preceding the submission of the application, the company carried out an analysis related to financial and human resources, which allowed it to apply for the best targeted support. Due to the fact that the company does not have a suitably qualified scientific research staff and does not have equipment to carry out advanced chemical analyses, the most optimal support for the company was a subsidy for the purchase of a service.

First it is necessary to have an interesting project, to assess the chances. The application, i.e. the application for co-financing, has a lot of aspects that are needed to know and in this way, after passing the formal and substantive evaluation, you have or do not have the means.

Statement of the representative of the BOLID company

The company obtained knowledge about the possibility of financing from the newsletter of ROP MV 2014-2020. The company's representative stated that the employees responsible for obtaining funds regularly complement and broaden their knowledge. They also indicated the important role of experience in applying for EU funds, which allows the refinement of applications for co-financing and elimination of errors that appeared earlier in the submitted documentation. The representative of the company also pointed out that applying for European funds involves the necessity of making a multi-track analysis of the company's capabilities and needs, which results in the submission of an effective and correct application in terms of its content.

It was also stated that during the implementation of the project no major problems were encountered, which stemmed from a proper understanding of the needs of the company, objectives, fulfilment of which was contributing to the support, and the substantive knowledge possessed by employees.

The representative of the company said that the project was not implemented in the partnership; however, the partnership concerned other projects in which cooperation was established with the Wrocław University of Technology. It was added that partnership in other projects is determined by

the know-how of the potential partner and the apparatus that is needed to implement the intended project. Partnership is therefore concluded in order to complement each other's potentials. Nevertheless, in this case, the partnership proved to be unnecessary. The service, which was the subject of the project, was purchased from Collegium Mazovia with its headquarters in Siedlce.

Research has reflected the fact that during the implementation of the project there were no significant difficulties encountered, which proves a good analysis of the business needs and intentions of the company.

4.3. A commission to research for the development of an innovative blocker type of cosmetics

The project titled *A commission to research for the development of an innovative blocker type of cosmetics* was implemented as part of a project co-financed from measure 1.2 R+D activities of enterprises under ROP MV 2014-2020 (project types: Voucher for innovations). The total value of the project amounted to PLN 159,900, with the co-financing equal to PLN 97,500 (approximately 61% of eligible costs).

The project was conducted by the Beauty Box sp. z o.o. [Ltd.] from July 1, 2016 to April 30, 2017. The process of applying for funds was preceded by a comprehensive analysis of the company's market needs. As a result, decision-makers in the company stated that it is necessary to broaden the range of products and services offered by the company with cosmetic items. Therefore, it was decided to carry out research, the effect of which was to develop an innovative formula of skin care preparations with problems of discoloration, resulting from photoaging caused by skin exposure to UV radiation.

The developed technology is innovative in relation to other cosmetics operating on the cosmetics market due to combining the unique capabilities of nanometals and the vitamin C derivative AA2G which is distinguished by the fact that within three months it lightens discolorations by 7.70%. In addition, intensely whitening substances have been used in the recipe, i.e. Phenylethyl Resorcinol, adenosine and kojic acid. The obtained results of research on new technology were applied in the Beauty Box sp. z o.o. [Ltd.] and implemented for production. It is worth mentioning that in order to adapt the new product to the needs of recipients in the best possible manner, the company anticipated the involvement and inclusion of future users in defining the needs and expectations towards a new product.

Due to the fact that the Beauty Box sp. z o.o. [Ltd.] does not have its own research department, the company decided to commission the research to an external entity. Research in the scope of the project has been entrusted to the College of Engineering and Health in Warsaw. The implementation

of co-financed projects allowed for the achievement of objectives of the ROP MV (increase of R+D activity of regional enterprises), as well as the goals that the applicant set for implementing the project (strengthening the market position and company development).

4.4. Best practices

Conducted analysis makes it possible to draw conclusions that determine the success of the project. However, it should be enriched with a general approach to the issue of applying for funding under programmes co-financed from European Union funds, in order to present a comprehensive reflection of the difficulties faced by applicants and beneficiaries, and possibilities to counteract these problems.

The first aspect necessary to indicate is an **innovative idea**. Nevertheless, the process of applying for funds for a given purpose should be preceded by a **thorough and in-depth analysis of the needs, possibilities, objectives of the company's operation, the needs of the recipients of a given product or service and the entire company's environment**. Only this provides for **the choice of the optimal source of financing** - loans, subsidies for the purchase of a service or subsidies for independent research or investment activity. Such an analysis makes it possible to take into consideration all the most important aspects related to applying for funding; as shown by the *case study*, it allows for answers to the question, among others, whether the company has adequate human resources to prepare the application for co-financing.

The second most important aspect is to **obtain ongoing knowledge concerning the possibilities of co-financing**. The surveyed representatives achieved this in a variety of manners, indicating the use of the ROP MV newsletter, websites and industry magazines. In the opinion of the surveyed company representatives, the cooperation with other entities, both in the formal field (membership in unions, associations and chambers of commerce) and informal (acquaintance with persons from other companies) was crucial. Experience in the field of joint implementation of projects is also noteworthy, which may become a symptom to undertake joint implementation of the project.

Taking into consideration the specifics of the I Priority Axis of ROP, it is necessary to consider the need for innovation of the product being the subject of the project described in the application for co-financing. Innovation of the proposed solutions was clearly visible in all three case studies, which made it possible, at least to some extent, to increase their potential for successful implementation.

In terms of best practices, attention shall also be drawn to the **planning of application activities** of enterprises and other entities interested in obtaining support. The preparation of a high-quality application for co-financing and taking into account all aspects of the company's activity and the project planned for implementation requires time. Therefore, it is important, even in the absence of separate units responsible for acquiring external funds, to appoint a person responsible for following

the schedule of the call for proposals under the competition procedure both from the ROP MV and national programs. Given above, it would be possible to estimate by the interested parties the remaining time to the planned announcement of the competition by the Managing Authority or the Intermediate Body, which is related to the time remaining for the preparation of competition documentation. Such activities may contribute to a better division of work on the application within the enterprise, more efficient preparation and avoiding typical errors which are often a result of lack of time and the accumulation of a large number of documents.

Best practices include the **selection of a reliable consulting company** in the event of the willingness to outsource the preparation of an application to an external party. The accreditation system of business environment institutions, operating in the Mazowieckie Voivodship since 2016, may be conducive. Decision-makers in enterprises should, therefore, seek the potential contractor of the service relating to preparing the documentation not only through the prism of the price of the service, but also considering the experience and opinions on the potential contractor. In this manner numerous mistakes might be avoided in the prepared documentation. Furthermore, the professionalism of the consulting company would affect the quality of cooperation between the company and the service contractor, which can have a significant impact on the final state of the prepared documentation.

Attention shall be drawn also to other issues that may contribute to a positive process of obtaining funding. They are associated with the stage of accounting and reporting. The experience of the contractor conducted for the purposes of preparing this report shows that the lack of accuracy in accounting or reporting, postponing the accounting process, lack of information in applicable law, lack of documentation, reluctance to submit to audits, or project implementation not consistent with the provisions of submitted documentation often result in imposed financial corrections on the beneficiary and obligations to return the funds. Therefore, **it is profitable to involve a person who has substantive preparation and practical experience** in the field of settling projects co-financed from EU funds. If the enterprise does not have the possibility to engage such a person, it is considered to be a best practice to outsource tasks related to external entities that have adequate human resources. **Current contact with the Managing Authority** in order to clarify doubts related to the implementation of the project, participation in information meetings and training for beneficiaries should also be considered a best practice, contributing also to the avoidance of mistakes resulting in financial penalties.

Compliance by the beneficiary with the indicated best practices and recommendations (as shown by analysis of examples of projects described in this chapter and the experience) may affect the undisturbed implementation of co-financed projects.

5. Conclusions and recommendations

5.1. Weaknesses and strengths of the process of applying for co-financing of projects

Weaknesses	Strengths
<ul style="list-style-type: none"> • complicated application procedure: necessity to prepare extensive documentation 	<ul style="list-style-type: none"> • the possibility of using funds for a wide range of purposes
<ul style="list-style-type: none"> • necessity to have substantive knowledge in the scope of preparation of applications for co-financing 	<ul style="list-style-type: none"> • broad offer of support, the possibility of using loans, subsidies, subsidies for the purchase of services, etc.
<ul style="list-style-type: none"> • limiting by the guidelines on the eligibility of expenses, the need to comply with the imposed financial discipline 	<ul style="list-style-type: none"> • financial flow, and, consequently, the possibility of financing activities that the institution would otherwise not be able to finance
<ul style="list-style-type: none"> • low co-financing rates in some projects resulting from public aid grants 	<ul style="list-style-type: none"> • an opportunity to adapt and develop the Polish economy to the countries of Western Europe, the increase of the competitiveness of Polish enterprises
<ul style="list-style-type: none"> • dishonesty and lack of professionalism of some of the consulting companies 	<ul style="list-style-type: none"> • clearly defined criteria for receiving support
<ul style="list-style-type: none"> • the requirement to obtain declared indicators for a specified period and the need for long-term storage of documentation 	<ul style="list-style-type: none"> • supervision of external institutions over the process of spending funds, preventing them from being used for purposes incompatible with their intended use
<ul style="list-style-type: none"> • the need to constant expansion of knowledge in the scope of changing legal regulations 	<ul style="list-style-type: none"> • in terms of European funds - the opportunity to protest the decision of rejection of the application
<ul style="list-style-type: none"> • long-term application assessment procedures 	<ul style="list-style-type: none"> • prospective insight at the development of the company
<ul style="list-style-type: none"> • the necessity to provide own contribution 	<ul style="list-style-type: none"> • the lack of the need to have financial guarantees in order to apply for co-financing

5.2. Measures improving the process of applying for co-financing of projects

The main measure supporting the improvement of the process of applying for co-financing of projects, according to representatives of institutions implementing ROP MV 2014-2020, is the **extension of the mechanism enabling the accreditation of consulting companies** that provide services consisting in preparation of applications for subsidies on behalf of enterprises. Such

mechanism has been operating in the Mazovia since 2016 and may contribute to limiting the possibilities of unreliable companies that do not have adequate substantive support, thus providing services that do not meet the requirements for applications for co-financing under programmes co-financed from European funds. Such measure may also be conducive to limiting the number of applications rejected or those left unanswered. The respondents believed that commissioning consulting companies to prepare an application for co-financing on behalf of an enterprise interested in obtaining funds for the implementation of projects is rather popular. Potential applicants, without having proper knowledge related to applying for funds, outsource this task to an external company, in the belief that these activities will be performed by professionally prepared persons. Potential beneficiaries, however, are not aware of the existence of an accreditation mechanism, which affects their decision to choose a specific consulting company, which is the reason why the institutions responsible for implementing the ROP MV should resort to broader measures, including actions aimed at popularising it through social media or sponsored articles. The spectrum of possibilities with which the BEI accreditation can be promoted is very wide²⁰.

The surveyed representatives of the institutions involved in the implementation of the ROP MV 2014-2020 stated that in order to improve the process of applying for co-financing, it is necessary to **conduct intensive information activities for applicants and beneficiaries on an ongoing basis**. Such activities, including informing interested parties about the remaining allocation until the end of the programming period and the expected date of its exhaustion for individual actions and sub-measures, may affect better planning of actions on the part of representatives of entities intending on applying for European funds. It would also have a positive impact on the use of the allocation, given the fact it can mobilize potential beneficiaries to apply for support in fast manner.

The beneficiaries also drew their attention to the fact that in order to improve the process of applying for EU funds, the assessment time would have to be shortened and applicants should be provided with feedback on the stage at which the application was assessed during the evaluation process. Beneficiaries indicated that other changes would also be important, including the introduction of unambiguous guidelines for the implementation of projects co-financed from the European Union funds. It was pointed out that the current form of the guidelines determines interpretative inaccuracies. In order to avoid such inaccuracies in the future, it should be taken into consideration to create comprehensive guides, including a description of the process of applying for funding and proper implementation of the project, with particular emphasis on the obligations incumbent on the beneficiaries. Such guides should be prepared in an attractive form for the

²⁰ It may include, among others, dissemination of sponsored articles, infographics and audio-visual materials in the printed press, on radio, television and the Internet, including information on the website of the Mazovian Voivodeship Office, on Twitter, Facebook, YouTube, distributing leaflets and posters, promoting information during trainings and information meetings, distribution of information with the use of mailing lists and newsletters, etc.

recipient, i.e. in addition to creating materials in the traditional (printed) and electronic form, audio-visual material should be prepared, for example in the form of a tutorial. It is also recommended to continue the activity in organizing information meetings, trainings and workshops for potential applicants and interested beneficiaries.

It is also worth noting that the interest in submitting applications, especially in the area of smart specialization of the region, is at a considerably high level. It shall be expected that this interest will continue from the forthcoming financial perspective. Given above, in order to provide support for the needs of all interested entities in the scope of innovation development, **a large promotional and information campaign should be conducted, informing about the possibility of obtaining support in a transferable form on preferential terms.** This would enable the development of innovation, for example among entities, which due to the possible exhaustion of allocation or failure to meet conditions in the scope of types of potential beneficiaries or the inclusion of a project in a specific action are not eligible for support in the form of subsidies.

Moreover, it would be beneficial to consider **planning of separate events related to the chemical industry and bioeconomy as part of the Open Days of European Funds.** This activity can also be supplemented by events in the form of fairs or an innovation festival; during these events workshops, information meetings, seminars and conferences may take place, as well as networking and benchmarking meetings, which in result may affect the broadening of entrepreneurs' knowledge in the field of innovation and encourage them to establish cooperation in this area.

6. Expectations towards interregional cooperation

Interregional cooperation is crucial for generating ideas. In the definition adopted by the European Commission, its aim is strengthening *EU regional development through the transfer of know-how and exchange of experience between regions*²¹. Its existence is therefore one of the factors stimulating innovation on a regional and European scales.

The surveyed representatives identified numerous needs and expectations regarding the development of interregional cooperation. According to them, the condition for the development of interregional cooperation is the development of regions. Only with a stable economic situation in individual regions it would be possible to establish optimal conditions for the development of interregional cooperation. It was added that interregional cooperation should be further developed because it provides an opportunity for local enterprises, often offering products or services qualitatively equivalent to those offered by entities from other European countries, to expand outside of the country. Therefore, beneficiaries of funds from the ROP MV 2014-2020 drew their attention to the issue which constitutes the foundation for the idea of interregional cooperation.

If I am better than others in given area, [I would like if - editor's note] these potential stakeholders would be interested in using what is ours and Polish, and not necessarily look at the other side of the Odra River.

Statement of the beneficiary of funds from the ROP MV 2014-2020

An important aspect that appeared in the respondents' opinions was the issue of providing more financial resources for the development of interregional cooperation. This reflects a large scope of needs in this area; despite directing the stream of funds under the European Territorial Cooperation mechanism, potential beneficiaries interested in the development of this cooperation indicate that the amount of these funds is still insufficient. It was also pointed out that this type of cooperation should be promoted, as in the case of some entities that could be interested in such activities, information on the available funds is provided too late.

(...) more broad communication with entities that could take part in such co-financing. I think that this information is accessible somewhere, although with companies like us, who do not have a specialist on a daily basis, it's hard to find such funding. As we learn about funding, it is already too late and after the calls.

Statement of the beneficiary of funds from the ROP MV 2014-2020

²¹ http://ec.europa.eu/regional_policy/pl/policy/what/glossary/i/interregional-cooperation (access: 29.06.2018).

The respondents also indicated that interregional cooperation should take advantage of the strong position of the Mazowieckie Voivodeship in the chemical sector, which would in turn enable it to gain a competitive advantage in Europe. Understanding the potentials of individual regions would also make it possible to increase their competitiveness on European industry markets. The necessity to provide funds for interregional cooperation under the Regional Operational Programmes was signalled both by the beneficiaries of the Programme as well as by representatives of institutions involved in the implementation, confirmed by the statement quoted below:

I would like to cooperate with companies that have a high technological level. Sometimes we do not know who presents what. If there was such a regional program that states that we support [some sector], because this region is good at it, then we would have an agreement.

Statement of the beneficiary of funds from the ROP MV 2014-2020

There would have to be separate resources, the condition of which would be the interregional cooperation, that would be the engine. So we have separate resources and an access to these funds is possible only within interregional cooperation. Of course, there is a lot of such funds, but outside ROP.

Statement of the representative of the managing institution of the ROP MV 2014-2020

According to the surveyed entities, in order to develop competitiveness and strengthen interregional cooperation on an European scale undertakings should start at the national level, i.e. the establishment of cooperation between enterprises from different regions which activities complement each other. Such solution would ensure the growth of the importance of small entities which, focusing for example on the form of clusters and cooperation networks, could also develop beyond the country's borders. Given above, respondents stressed the fact that interregional cooperation should be accompanied by the idea of clustering. Attention was also paid to the insufficient, in the opinion of the respondents, development of clusters in Poland. While in the previous financial perspective of the European Union there was a noticeable increase in the number of functioning clusters, associations did not survive over the time.

Someone has to initiate meetings. There used to be such associations. We met and knew each other at the forum of associations. It was the basis of understanding, exchange of information and experience, and now there is no such thing.

Statement of the beneficiary of funds from the ROP MV 2014-2020

To sum up, potential stakeholders observed the need to provide more funds for interregional cooperation and the need to ensure funds for this purpose under the Regional Operational Programmes. It may be beneficial to consider the future financial perspective (2021-2027) during programming, for example by including bonuses of entities which projects aim at the development of interregional cooperation or are intended for implementation in a partnership.

Research has reflected the fact that potential stakeholders are aware of the importance of associations for the exchange of know-how for the growth of innovation. A moderate (in comparison to Western European countries) process of cooperation development proves, however, that it is necessary to further support the creation and development of clusters from public funds.

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