



GOOD PRACTICES - CASE IDENTIFICATION /1ST LEVEL ANALYSIS

GOOD PRACTICE No. 6.

1. Good Practice title:

Scheme for marketing and foreign market entry of SMEs in the ICT sector

Category: 4. social and technological innovation in microfinance

2. Territory of implementation/application (country/region/...)]

6 convergence regions of Hungary: North Great Plain, South Great Plain, Western Transdanubia, Central Transdanubia, South Transdanubia, North Hungary. Excluded: Central Hungary

3. Timeframe:

year of introduction:

year of termination: (leave 0000 if ongoing)

4. Brief description of the promoting organization:

Promoting organisation: Managing Authority for the Economic Development and Innovation Operational Programme at the Ministry for National Economy, Hungary. The Managing Authority (MA) is responsible for the overall management of the Economic Development and Innovation Operational Programme 2014-2020 in Hungary (EDIOP). EDIOP is financed from ERDF, ESF and co-financed by the Hungarian state budget. Total financial frame is EUR 8 813 million. EDIOP includes eight thematic priorities: 1. SME competitiveness; 2. R&D&I; 3. ICT; 4. Energy; 5. Employment; 6. Training; 7. Tourism; 8. Financial instruments including loan, guarantee and equity products. Total volume of financial instruments is EUR 2 235 million. Financial instruments are managed through a holding fund system. The EDIOP MA contracts the holding fund manager, which in turn contracts financial intermediaries that are in direct contact with SMEs.



5. Main objective of the initiative:

The objective of the scheme is to increase the international competitiveness of the Hungarian ICT sector by providing support to SMEs for their foreign market entry and strengthening their export potential. The scheme focuses on software and IT service export since these segments have high-value-added and currently they contribute below 25% to the total ICT export. Hungarian ICT export is dominated by hardware and telecommunication equipment which has low value added. The scheme provides non-refundable and refundable assistance (combined scheme).

6. Brief explanation of the initiative:

In the ICT combined scheme SMEs receive non-refundable grants from EUR 6 700 to EUR 133 300 and loan from EUR 8 300 to EUR 166 700. The grant component cannot exceed the loan component in approved projects. Projects may include market analysis, market survey, development and customisation of ICT services, development of new product versions, setting up testbeds, development of user manuals, participation at international exhibitions, workshops, B2B events, matchmaking events, marketing activities, localisation of products (language versions), intellectual property rights.

7. Target group and measures to involve the target group:

Target group of the combined scheme is micro, small and medium enterprises engaged in the ICT sector (defined by a list of NACE codes including inter alia software programming, game programming, IT consultancy, data processing, web portal service, fixed-line, wireless and satellite telecommunication). Applicants must have at least 2 closed business years and at least 1 employee. The project must be realised in one of the 6 convergence regions of Hungary.

8. Innovativeness:

The scheme is specifically developed for SMEs in the ICT sector, SMEs operating in other sectors cannot apply for the call. No such calls were launched under preceding programmes.

9. Outcomes:

The scheme is new, no projects have been approved yet.