

InnoBridge – Bridging the innovation gap through converting R&D results into commercial success in a more effective and efficient way

Action Plan by

Partner organisation	Sofia Development Association
Other partner organisations involved (if relevant)	Applied Research and Communications Fund
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version 5: final

May 1, 2019

Note: The final Action Plan version is based on the project developments so far and especially on the implementation of the tested actions in version 2 and 3, included in the 2018 annual programme of the Fund for Innovations. The funding needed for the pilot actions is solely related to the Fund for Innovations (matching public-private one).



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1. Policy context

1.1 Aim of the Action Plan

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- × **Other regional development policy instrument**

Name of the policy instrument addressed:

Sofia Public-Private Fund for Innovations

1.2 SWOT Analysis of Policy Instrument tackled

The **Fund for Innovations** is **the first public-private funding instrument for innovations in Bulgaria**, designed, among other things, to fill in some gaps in the Operational Programme for SMEs. The Fund attempts to bridge this “lack-of-finance” and “eligibility” gap for cultural enterprises by fostering a public-private initiative for funding cultural and artistic projects and products with a specific focus on innovation as a novel dimension in culture and cultural entrepreneurship.

The policy instrument mobilizes city resources (financial, human, organizational) through publicly co-financed innovation initiatives, contributes to the generation and diffusion of knowledge (mentoring, public-private partnerships, etc.) and promotes the institutional process in support of innovation activities by developing recommendations for regulatory rules, acts and local policies to explicitly influence the undertaking of innovation by Sofia businesses and organizations. In particular the Fund aims to support Sofia Municipality grant-making programmes and other measures allowed by the Local Self-governance Act like competitions, awards, scholarships, etc.

Since its establishment in 2013 the Fund has identified and piloted **three points of intervention**:

- 1/ support for individuals vs. SMEs or NGOs;
- 2/ securing possibilities for real life demonstrations in urban environment;
- 3/ open innovation: interaction with users, designers, engineers, ICT on identified urban issues.



These could be classified as support measures/services to **one major measure: Testing models, alternative or additional to the measures supported by the Structural Funds, for fostering innovation in Sofia.**

The portfolio of support services within the measure **Testing models, alternative or additional to the measures supported by Structural Funds, for fostering innovation in Sofia** include:

- Small-scale financial support for individuals in creative and cultural industries (CCI) - 60 K EUR / year;
- On-going mentoring to beneficiaries – an in-kind service, amounting to 25K EUR/year if monetized;
- Public and media outreach and promotion – an in-kind service, amounting to 250K EUR/year if monetized;
- Innovation competitions - 60K EUR/year.

SWOT analysis of the Measure: "Testing models, alternative or additional to the measures supported by Structural Funds, for fostering innovation in Sofia" validated by the InnoBridge partners:

STRENGTHS	WEAKNESSES
<p>S1: Focusing on resources as a broad concept and not only on money</p> <p>S2: Human resources and low level of administration burden</p> <p>S3: Human capacity and professional organization</p> <p>S4: Open programme regarding the area of activity of the applicant</p> <p>S5: Very simple application process with no administrative burden</p> <p>S6: Flexibility of single support services</p> <p>S7: Thinking in terms of resources instead of economy</p> <p>S8: Big effects without investing much money</p> <p>S9: Strong ability to mobilize the local community</p> <p>S10: Good instrument that affects the whole brand of Sofia City</p> <p>S11: Very potential community created; take</p>	<p>W1: Small scale with a relatively small size of the grant (2 000 BGN)</p> <p>W2: Critical mass</p> <p>W3: No measuring/monitoring system for the success of applications; difficult to measure</p> <p>W4: Short budget period</p> <p>W5: Low Budget</p>



good care of it	
OPPORTUNITIES	THREATS
<p>O1: More science and business cooperation</p> <p>O2: Lump sum for simplification of applications</p> <p>O3: Create and innovative model that can be applied to other regions</p> <p>O4: Better coordination with national programmes</p> <p>O5: Following the successful pilot period, the message of this instrument will be spread out and more people will know about it – use this possibility to develop the financing of the instrument</p> <p>O6: The focus on two sectors where the instrument has reached target groups that were left aside</p> <p>O7: Sharing resources within municipality</p>	<p>T1: Keep high the enthusiasm of the target group in the medium term</p> <p>T2: Not sustainable in the long-term if the Fund does not prove its success, positive impact and results</p> <p>T3: Too high self-satisfaction; you need to be able to “kill your babies” if necessary</p> <p>T4: Lack of continuity</p> <p>T5: Even though the ideas are good, they might need additional funding in the future in order to survive</p>

The Action Plan is built upon the:

- recommendations by the InnoBridge partners as per the final SWOT;
- recommendations by EURO CITIES following their study visit to Sofia city;
- Vision for the Sofia Fund of Innovations as per the Peer Review documentation and the Regional Stakeholders Group;
- Role of Sofia city as coordinator of the European Urban Agenda (Digital Transition Partnership);
- Role of Sofia Development Association as coordinator of implementation of Sofia Smart Specialization Strategy;
- Sofia city’s horizontal policy on promoting open data;
- The pilot implementation of tested measures in 2018.



2. Action 1: Enhanced interactions with businesses and universities

2.1 The Background

Sofia Find for Innovations is recognized by the InnoBridge partnership as innovative, community/brand creating and resource-efficient support instrument for testing, piloting, prototyping and demonstration activities that bring innovations closer to market. The Fund already has broad range of beneficiaries and collaborators by supporting open innovation processes with stakeholders from education and research, serial entrepreneurs, designers, engineers, social groups, etc.

Further peer discussions and recommendations within the SWOT validation suggested that **stronger science and business cooperation** would add value and be a good opportunity for fostering innovations empowered by talents and creativity, and for sharing key innovation skills among business, academic and societal actors.

As a starting point the InnoBridge partners have acknowledged some key strengths of the Fund such as its strong ability to mobilize the local community. The lack of Critical mass of projects and success stories as well as insufficient regional stakeholders' pool/interactions and private fund-raising accumulated since launching the instrument is perceived as current weaknesses. Partners draw up attention to the risk (threat) for the Fund being perceived unsustainable in the long run unless it proves its success, positive impact and tangible results.

Building up more collaborative links with universities and SDA-academia-business synergies is a way to amplify the Fund's critical mass.

In the course of the InnoBridge Peer Review workshops Sofia partners identified several takeaways of sharable experiences and Good Practices:

- **Kampusareena – Tampere region:** tut.fi/en/kampusareena/ twitter @kampusareena #kampusareena #kampusklubi
Acts as *Hub of Hubs* that bridges gaps between industry, science and education. It is a university campus facility (both physical infrastructure Kampusklubi ® and a virtual platform) providing broad range of expertise, services, networking events, pool of talents and job opportunities. The



funding of this instrument came from ERDF in the past, now it is self-sustainable.

- **Uni-Business challenge contests - Castilla y Leon:**
<http://www.redtcue.es/desafio>

The contest is held under the TCUE-Plan of the region to foster promotion of small university-business projects for solving pre-defined business challenges. It is a good example of matching business needs with university knowledge by the mediation of the FUESCYL foundation. Projects developed under this contest are focused on the thematic priorities identified in Castilla y León RIS3. The Contest is supported by private sponsor, the Bank of Santander.

- **Entrepreneurial Campus Contest - Castilla y Leon:**

<http://www.redtcue.es/campus>

A TCUE-Plan initiative able to mobilise mature university projects into start-ups and spin-offs. The projects developed under this contest fall into the thematic priorities identified in Castilla y León RIS3 aiming to promote entrepreneurship spirit in the university, to identify entrepreneurial ideas and projects emerging from universities with the potential to be interweaved into new companies. Awards include funding for the new companies, mentoring and trainings. The Contest is funded by private sponsor, Bank of Santander.

- **Situational picture of innovations - Tampere region:**
<http://www.pirkanmaa.fi/innovation/?lang=en>

An information management process carried out on annual basis to gather information by different regional actors and sources, to process the data and interpret it in multi-actor workshops. The initiative supports regional decision-making, monitoring of short to medium-term trend and strategy building.

2.2 Measures

Action 1 involves 4 different and complementary measures:

Measure 1: Innovation Competitions

Objective of the measure: Enhanced collaborations of SDA with Bulgarian and foreign universities and businesses; broadening participation in innovation activities; internationalizing start-up perspectives.

The action aims to transform the focus of Sofia Public-Private Fund for Innovations from grant-making to “innovation through competition” - large-scale competitions/challenge events with the active involvement of businesses and universities. This transformation is building upon the very successful hackathon formats SDA has organized and implemented recently. They have proven very efficient in fostering innovation and invigorating the local ecosystem through competition with loose format, open for participation to a broad array of people, organisations, businesses vs. the strict eligibility criteria in grant making. Challenge formats also limit the investment risk and allow the investment awards to be given on the basis of solutions, not project proposals. Moreover, the challenges are real city problems Sofia wants to address thus this format provides direct link between invention/start-up/ideas and their prototyping and real-life testing and commercialization. The role of Sofia Municipality will therefore be to set the task, fund and assist in prototype development and utilize the result.

Measure 2: Financing innovative start-ups programme

Objective of the measure: Structural support for Sofia RIS3 implementation, in addition to the “innovation through competition” approach.

The program is a specialized guarantee scheme of Sofia Municipal Guarantee Fund for SMEs, jointly with SDA, developed in implementation of the Innovative Strategy for Smart Specialization of Sofia. It aims at facilitating the access of start-up innovative enterprises to financial resources in connection with the realization and development of their business projects.

The emphasis is on the following priorities: living in a smart urban environment and mobility; cyber-physical systems; future cloud technologies; future networking solutions; health and a healthy lifestyle; data protection, security and trust; intelligent energy systems and intelligent spaces.

Priority is given to women entrepreneurs, entrepreneurs younger than 35 or older than 50. The programme provides guarantees of up to 50% of the credit risk for start-ups.

Measure 3: Start-up Accelerator Sofia

Objective of the measure: to combine pre-seed financial support for innovations with ongoing support – mentoring, marketing and communications assistance, access to networks and events.

The Start-up Accelerated programme will be managed institutionally by SDA but it combines the efforts and expertise of many stakeholders: universities, business clubs and chambers of commerce, municipal enterprises. It will support both start-ups and physical persons with entrepreneurial ideas who would be helped to set up a start-up. The financial support is 5,000 Euro, and the ongoing mentoring and critical support lasts for one year.

Measure 4: Annual report on Sofia Innovative performance

Objective of the measure: Enhanced analysing, sharing, prospecting and showcasing of Sofia city's innovative activities supported by the Fund and SDA to grow community and create impact through a participatory information management process.

These opportunities have been also identified by the InnoBridge peer partners based on key strengths of the instrument: thinking in terms of resources instead of economy as community mobilising approach; important weaknesses related to too small grants and short budget periods to manifest steady impact despite high satisfactions of beneficiaries; and threats of having too high self-satisfaction thus not evolving/experimenting an already innovative and cool instrument.

A step towards building up more flexible and recognisable instrument that is also reflective to beneficiaries, donors and citizens' needs is to upgrade information management of the Fund and SDA from being an organisational activity to a stakeholder-based process. Opening and sharing data by wider stakeholders help governance processes by filling up gaps in hard and soft data, finding new sources of knowledge, building consensus on on-going and future priorities for Sofia city, appealing ambassadors of the brand of Sofia as cultural innovation platform.



2.3 Players involved

Universities: Sofia University, Technical University, University of Architecture and Construction, UNIBIT and others

Sofia Tech Park

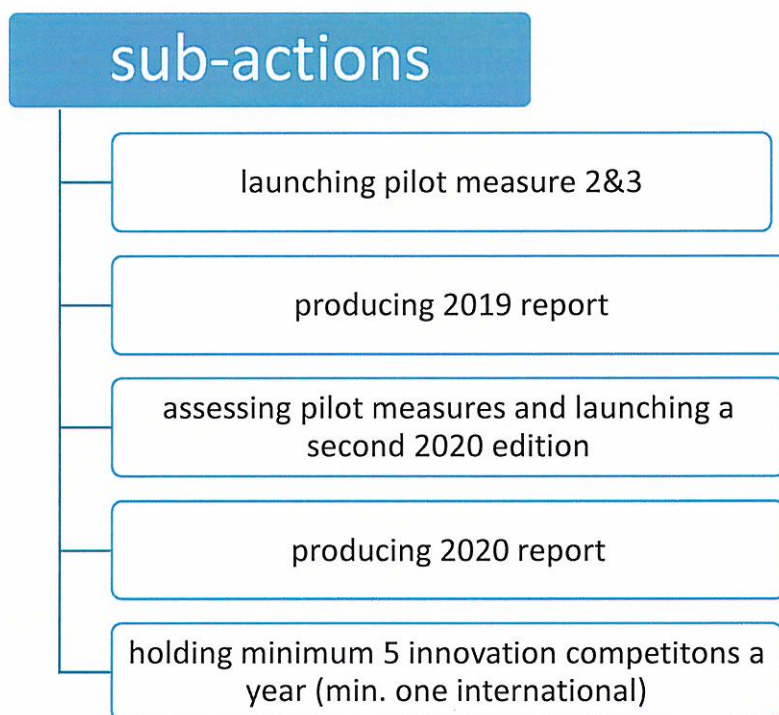
Sofia municipal enterprises (Sofia Guarantee Fund for SMEs, Sofia Investment Agency, etc.)

Sofia Municipality

Business associations: Bulgarian Chamber of Commerce and Industry, Confederation of Employers and Industrialists in Bulgaria

EC and Commissioner Maria Gabriel

2.4 Implementation steps





3. Action 2: Working with young people to foster entrepreneurship and innovation

3.1 The Background

Objective of the Action: Collaborations with schools and young people to design new initiatives in support of innovations and entrepreneurship.

Almost all secondary schools in Sofia city are public, with relatively centralised curricula set by the Ministry of Education, Youth and Science. Municipalities have little administrative leverages to affect learning processes and themes in schools. 'Municipality–schools' collaborations can offer complementary and very attractive events and participation formats to foster innovative teenage projects and learning to encourage talents as early as possible. It is part of the holistic approach on building critical mass and setting up a unique brand of Sofia city as creative, sustainable and cultural innovation hub. It also provides dimension on collaborating with national programmes and strategies thus bridging national and municipal levels of governance and impacts on community.

Teaching about entrepreneurship and its fundamentals is not systematically performed in educational institutions at the primary and secondary level. Since external expertise is expensive and/or difficult to find and offer, successful initiatives should rely on trainers of the educational institution who have been trained on at least the basic concepts of entrepreneurship. Enterprise education should be addressed to students, teachers, school heads and should be oriented to practice through targeted training opportunities, enterprise promotion and start-up events. Concentration is achieved by bringing all the stakeholders together into one single 'functional' environment.

Sofia Innovation Lab is inspired by three InnoBridge project good practices:

- FabLab EvoraTech is a small-scale workshop offering (personal) digital fabrication. The fab lab program was initiated to broadly explore how the content of information relates to its physical representation and how an under-served community can be powered by technology at the grassroots level. A fab lab is generally equipped with an array of flexible computer-controlled tools that cover several different length scales and various materials, with the aim to make "almost anything".
- The University of Applied Sciences in St. Pölten and Accent Gründerservice GmbH established the Creative Pre-Incubator Program (CPI) Lower Austria to support potential entrepreneurs in the pre-startup phase and

strengthen the entrepreneurship mentality. The support is a combination of professional workshops and individual coaching with weekly meetings.

- The Małopolska Innovation Festival is series of bottom-up events coordinated by the region to present success stories of regional entrepreneurs and scientists (especially transfer of knowledge between science and business).

Sofia Innovation Lab (SofiaLab®) opts to combine these three main functions: a physical space equipped with certain computer-controlled tools and appropriate for gatherings/co-working; ongoing support programmes for potential entrepreneurs; and ongoing bottom-up events demonstrating local innovation, entrepreneurship and knowledge transfer.

Other InnoBridge experiences to consider:

- Study visit in Gyor demonstrated active work with scholars: “Junior University”, MOBILIS Science centre carrying out exhibitions and contest to schools and kindergartens, educational programmes (incl. engineering for girls), events on communicating business/technology topics to scholars.
- The experience of Tampere University of Technology, TALLI, the guiding concept of which is to combine a space, events bringing people together and available guidance.

3.2 Measures

This Action 2 involves 1 measure:

Measure 1: SofiaLab establishment

Objective of the measure: To create and equip a dedicated public space to foster innovation, particularly among the youngest citizens – students; to enhance international partnerships.

Opening a new physical space – Sofia Innovation Lab - as an up-to-date community facility specializing in the development of new entrepreneurial skills for the new generation. Sofia Innovation Lab should also guarantee the involvement/participation of disadvantaged young people. Communication events where business/technology topics are communicated to scholars – like



Sofia Science Fair. SofiaLab will also apply for membership in the European Network of Living Labs (ENoLL).

3.3 Players involved

Sofia municipal schools

Sofia Municipality

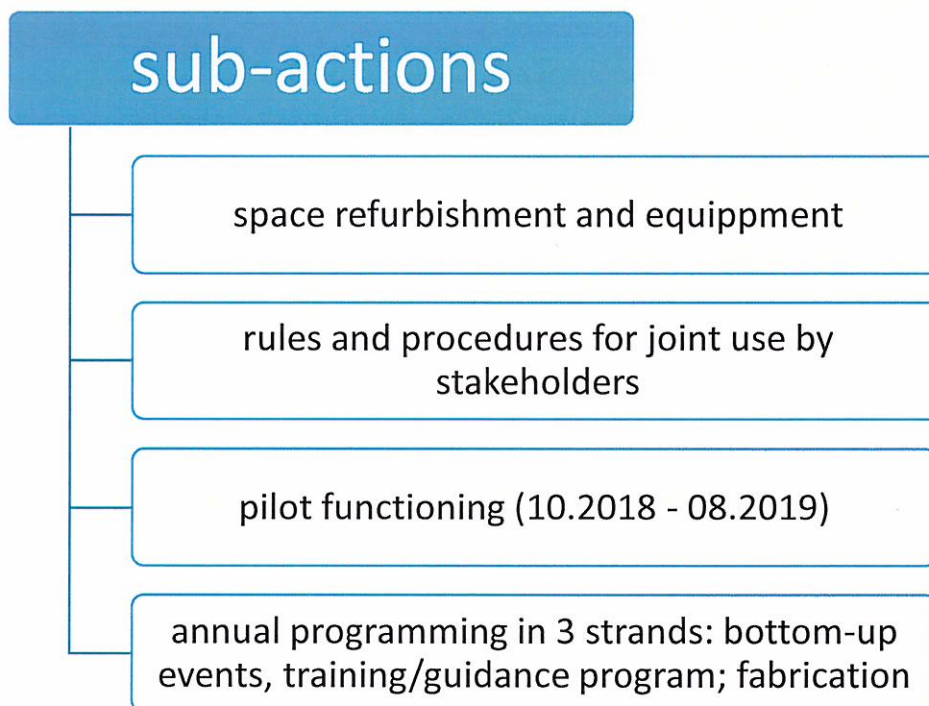
Ministry of Education

Regional Education Office – Sofia City

Sofia University and other relevant universities

Business/ICT companies, research institutes, NGOs

3.4 Implementation steps



4. Action Plan implementation timeline, output targets and influenced budgets (non-structural funds)

ACTIVITIES	Output target	Influenced amount (Euro)	2018	2019												2020												2021		
			phase1	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3			
			Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March				
ACTION 1: Enhanced interactions with businesses and universities																														
Measures																														
Innovation through competition: large scale (international) hackathond/datatons	min. 1 international and 10 local annually; 5 start-ups to TRL level 7	300.000																												
Innovative start-up guarantee programme (RIS3 priorities)	6 supported start-ups annually	300.000																												
Accelerator Start-Up Sofia (funding and mentoring)	10 start-ups annually	100.000																												
Annual report of Sofia innovative performance	1 report annually, min.20 report quotes/earned media	50.000																												
Action 2: Working with secondary schools students and teachers																														
Measures																														
SofiaLab refurbishment and equipmet	1 new public space with innovation equipment	200.000																												
TOTAL																														
		950.000																												



5. The Action Plan at a glance

The aim of the Action Plan is to impact a regional development policy instrument – Sofia Public-Private Fund for Innovations. The Action Plan includes two actions: Enhanced interactions with businesses and universities; and Working with Schools and Teachers. The implementation of the Action Plan started in 2018, with the annual programme of the Sofia Public-Private Fund for Innovations, adopted by Sofia Municipal Council with Decree N102/22.02.2018, item 22. Upon the completion of its implementation it will affect 1,150,000 Euro directly or indirectly by March 2021, all from sources different that the structural funds. An additional performance indicator was identified: “number of SMEs innovative solutions supported by the policy instrument, that reach technology readiness level 7 (system prototype demonstration in operational environment) till 2021 – 5”.

6. Signature¹

Date: 01. 07.2019

Signature: _____

/ Svetlana Lomeva, executive Director, SDA/

Stamp of the organisation (if available): _____



¹ The Action Plan was adopted by the Managing Board of Sofia Development Association, consisting of Sofia Municipal Council members and chaired by the Sofia Municipal Council Chairperson.