

Interreg Europe HIGHER PROJECT -

**“Better Policy Instruments for High Innovation Projects in
the European Regions”**

ACTION PLAN

Project Partner

Lithuanian Innovation Centre (LIC)

Lithuania



August 2018

Part I – General information

Project: Higher: Better Policy Instruments for High Innovation Projects in the European Regions

Partner organisation: LIC (Lithuanian Innovation Centre)

Other partner organisations involved (if relevant):

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NUTS2 region: Lithuania

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Part II – Policy context

The Action Plan aims to impact:

<input checked="" type="checkbox"/>	Investment for Growth and Jobs programme
<input type="checkbox"/>	European Territorial Cooperation programme
<input type="checkbox"/>	Other regional development policy instrument

Name of the policy instrument addressed: InoGeb LT

Part III – Details of the actions envisaged

ACTION 1

IMPLEMENTING NEW METHOD TO MONITOR EFFICIENCY OF INOGEB LT INSTRUMENT

1. The background

InoGeb LT policy instrument was introduced by Lithuanian government, because there was a significant demand for innovation support services among Lithuanian enterprises. Lithuania significantly lags behind from Western EU countries in regards to R&D expenditure, therefore government has taken necessary actions to adapt Lithuanian companies to new trends and demands. The competent institutions were selected to provide high-quality innovation advisory services in the fields of research, experimental development and innovation (hereinafter – R&D). It is expected that high-quality public consultations would contribute to the increased technological progress and fostered innovations. So far, consulting services provided by various institutions have contributed to the increased number of initiated innovative projects and strengthened collaboration between business and public entities in Lithuania.

However, given that Lithuanian government intends to continue the InoGeb LT measure in the future, relevant authorities have made a conclusion that it is necessary to find a method to evaluate the actual value of the instrument and find the way to improve it. Managing authorities have shown the lack of sophistication in evaluating the effectiveness of innovation support instruments. Monitoring and evaluating public support instruments are fundamental activities which lead to further and faster development of innovation ecosystem and help to optimize resources.

During the consultations with the government and the roundtable discussion, experts have identified the problem that the implementation of InoGeb measure lacks a sustainable monitoring process. They have

assumed that it is essential to assess whether InoGeb LT measure was in line with market needs, whether there is a sufficient variety of topics of innovation support and advisory services. The quality of the innovation support services and advice on innovation should not be taken for granted, government needs to evaluate if beneficiaries were satisfied with the services they have received. Moreover, during the measure evaluation process it is necessary to pay attention how the beneficiaries are selected and the appropriateness of funded projects - if the recipients of support services were the ones that needed them the most. All in all, the main task is to find a way to estimate whether the activities supported by InoGeb LT and their implementation were effective and to identify the details that could be improved.

This evaluation process should help to solve the significant challenges in innovation ecosystem – how to improve the quality and increase the effectiveness of public support services with the same limited resources.

As the policy instrument InoGeb LT is both for innovation support services providers and for beneficiaries, main stakeholder groups were identified at the beginning of the project implementation and have participated in stakeholders' meetings. In these meetings participants have agreed that to develop potentially more efficient public support service which fits specific needs of local SMEs Lithuania should involve an external expertise about the best method to monitor the efficiency of public support instruments.

As a result, during Innovation Summit event in Vilnius, one section was dedicated to discuss how to improve operational issues of the Policy Instrument, other two were dedicated for project partners to present their Good Practices related to the project. HIGHER project partners from other regions have great examples of policy instruments evaluation and monitoring systems from which experts of Lithuanian Innovation Centre have been inspired. For example, partners from Spain presented their good practice “Monitoring process for Smart Specialisation Communities”, they have emphasized that Catalonia has implemented multi-level – projects, instruments, smart specialisation process and impact - research and innovation monitoring process, where a relevant authority assesses the overall performance of each level as well as impact of the strategy on different economic sectors and on national research and innovation system (for more information visit: https://www.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/GoodPractice_CataloniaMonitoring.pdf). The specialists from Lithuanian Innovation centre were interested in the indicators that Spanish institutions use to evaluate the impact of support instrument for specific Smart specialization areas. In Catalonia this evaluation is executed by aggregating the Innovation & knowledge and Sustainable growth indicators by sectoral area and technology (for more details please visit: http://catalunya2020.gencat.cat/web/content/00_catalunya2020/Documents/angles/fitxers/MonitoratgeRIS3CATen.pdf). The specific details of this good practices were discussed with partners from Spain, for example how to monitor the implementation process of particular instrument and smart specialisation. Later, these discussion with recommendations from foreign partners were transferred into local stakeholders’ meetings, where experts agreed that a new approach based on periodical tech and market surveillance and continuous feedback with the stakeholder could make a significant impact on InoGeb LT instrument and improve the quality of public support services.

Colleagues from the Slovenia presented their good practice: “Strategic Research and Innovation Partnerships for S3 (SRIPs)” where they described how the research and innovation discovery process happen and who must be involved when new programmes are created or changes in old instruments are implemented (for more information visit: https://www.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/GoodPractice_Slovenia.pdf). Slovenian research and innovation system is based on a stable and participatory governance structure involving quadruple helix stakeholders. Strategic partnerships facilitate the promotion of system-wide and long-term cooperation of stakeholders within an individual smart specialization area, namely cooperation between stakeholders, cooperation of stakeholders with other entities, and cooperation with the state. This system plays a key role in defining niche areas of intervention, monitor progress and ensure continuity in networking and collaboration. This good practice emphasizes that when new instruments are implemented the responsible institution should be aware of its impact on different priority areas. Lithuanian experts were interested in the idea, that responsible entities should be employed in order to ensure the facilitation

process of every smart specialization priority. These entities could be responsible for evaluating the impact of InoGeb LT instrument on different smart specialization priority areas and encouraging the improvement process of public support based on a cooperation between various stakeholders. Also, these entities could execute analysis of entrepreneurial discovery process which are essential in order to discover the evolution of current sectoral areas and identify emerging activities with high export and growth potential.

These both examples differ from each other but both are directed to improve research and innovation system by uniquely-designed monitoring process. Both examples fit the need of Lithuanian innovation ecosystem and could be a guidance which leads to the successful changes in InoGeb LT policy instrument. These good practices prove that it is crucial to have an evaluation and monitoring system that involves all relevant stakeholders which are the key players in innovation ecosystem, however, the active cooperation among stakeholders from different activity areas is of at least the same importance.

2. Action

The significant part of action is to propose and implement an evaluation and monitoring system of InoGeb LT policy instrument which would be emphasized on quality and efficiency of innovation support services. On the basis of good practices provided by other project partners (UAB Research Park and Association of Urban Municipalities of Slovenia) Lithuanian Innovation Centre would develop proposals for governing authorities on how a proper forecast and ex-ante evaluation of the proposed changes in the S3 strategy and instrument should be elaborated and implemented. Lithuanian Innovation Centre would suggest new indicators that could be used to evaluate the impact of policy instrument for different smart specialization areas. Furthermore, the idea of new entity responsible for the facilitation process of every smart specialization priority will be considered with experts. Lithuanian Innovation Centre in collaboration with relevant stakeholders and the Ministry of Economics should follow these steps to implement particular action:

1. Together with the main stakeholders Lithuanian Innovation Centre will analyse which indicators should be taken into consideration while evaluating the impact of proposed policy to InoGeb LT instrument and whole S3 strategy. This step should encourage the bottom-up initiative, because only support providers and beneficiaries could name the indicators that reflect the actual value they provide or get. The ex-ante evaluation would involve the SWOT analysis of the proposed changes for InoGeb LT instrument.
2. After the proper evaluation of initiated changes on InoGeb LT instrument will be finished, the different meetings and lobbying with stakeholders and policymakers will be initiated. Every year Lithuania has approximately 5 (or even more) meetings where experts review the Smart specialization strategy. Every stakeholder from each quadruple helix sector could initiate the proposals for managing authority which would be discussed in one of those meetings. The proposals might range from an alteration of priority areas to initiation of a new support instrument. As a result, the selected policy changes to improve InoGeb LT instrument will be proposed for managing authorities with the information about the methodology and relevant indicators that should be applied to monitor the further execution of the policy instrument.
3. The final step would be the policy implementation process. During this step the responsible authorities will focus on strengthening the Smart Specialization strategy. The new monitoring and implementation system will be created where 6 professionals will coordinate different priority areas of the Smart Specialization and contribute to their successful implementation. The professionals will be responsible for facilitating the cooperation between science and business and for monitoring and reporting about the progress of the new system.

3. Players involved

The Ministry of Economy - responsible for approving the alteration in InoGeb LT policy instrument.

6 External professionals – responsible for facilitating Smart Specialization strategy and monitoring implementation process.

LIC - responsible for making evaluation study of proposed policy changes and initiating dialogue between external stakeholders and public authorities.

Agency for Science, Innovation and Technology – the institution responsible for implementing new policy instrument.

9 project partners (Lithuanian Innovation Centre, 5 science and technology parks and 3 business confederation) – are providing services for business entities.

4. Timeframe

Internally defined deadline for amendments to be made - 01.06.2019. But external aspects should be considered – such as bureaucratic burden which could lead to the suspension of amendments to a later date.

5. Costs (if relevant)

- The costs of new workplaces for 6 professionals of different priority areas: about 96 000 EUR
- The costs of new monitoring system which could be updated into online system based on informational technologies.: about 30 000 EUR.
- Stakeholder meeting organization: about 4000 EUR.

6. Funding sources (if relevant):

ERDF dedicated for InoGeb LT policy measure (Budget: http://www.esinvesticijos.lt/lt/patvirtintos_priemones/inogeb-lt)