

JOINT STATEMENT OF THE NATIONAL EVENT OF LATVIA "The Synergies with Research and Innovation Funds"

organised by

European Commission, Joint Research Centre (Stairway to Excellence Initiative)

Latvian State Education Development Agency

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The development of efficient national/regional research and innovation strategies for smart specialisation (RIS3)¹ allows Member States (MSs) and their regions to identify a limited number of research areas and industrial activities with high innovation potential. In turn, this can ensure a more effective use of public funds while stimulating more effectively private investments.

In this context, *the Stairway to Excellence (S2E)*² project aims at facilitating synergies between different European Research and Innovation (R&I) frameworks and funding programmes, such as European Structural and Investment Funds (ESIFs), Horizon 2020, COSME, ERASMUS+, Creative Europe and so on. Supporting synergies will deliver additional gains in terms of innovation results, close the innovation gap and thus promote economic growth and job creation.

The S2E national event - jointly organised by the European Commission, Directorate General Joint Research Centre (JRC) and the Ministry of Education and Science, Latvian State Education Development Agency - took place in Riga on 15 April 2015 as part of the effort being done by the Stairway to Excellence Project in capacity building in the EU13 Member States³. The event brought together different stakeholders and provided a platform for a better understanding of Latvian innovation ecosystem while raising awareness of the actions needed to enable synergies and drawing lessons for the future actions.

The Latvian National Event provided a successful and effective venue for engaging different stakeholders and discussing forward-looking results in relation to the R&I activities. More than 60 participants joined the event from several academic/research institutions, public and private sector, and managing authorities.

As an indication of the commitment to this topic by the Latvian Authorities, the event was opened by the Minister of Education and Science of the Republic of Latvia, Ms. Mārīte Seile. Moreover, a number of international experts from other European countries (namely Sweden, Estonia, the Netherlands, Belgium and Norway) presented their experience on innovation governance, policies and the creation of synergies. All these inputs offered insightful elements for discussion in the different panels and participatory sessions throughout the event.

¹ <http://s3platform.jrc.ec.europa.eu>

² <http://s3platform.jrc.ec.europa.eu/stairway-to-excellence>

³ EU13 indicates those 13 Member States which have joined the European Union since 2004.

Main Issues under the Different Topics

1. Consensus for Better Coordination & New Opportunities

The challenge to integrate different funding programmes always requires good communication between different types of stakeholders. It, in the table discussions, was noted that open and enhanced dialogue could help in overcoming possible barriers and generating the consensus needed for making collaboration effective. Indeed, in the course of the discussions, the Ministry of Education and Science of Latvia was asked to provide timely information and improve already developed coordination tools.

General comments and recommendations on the Latvian innovation ecosystem are briefly summarised below:

- Latvian national authorities are fully committed to the smart specialisation approach. The event helped to reinforce the mutual awareness between research community and national authorities.
- There is a special need to improve current coordination tools that could help private industry to get more involved into the innovation ecosystem.
- The Country Profile⁴ prepared by the S2E analytical team shows that Latvia has close research collaboration with neighbouring countries (e.g. Estonia, Lithuania and Finland). This appears in line with macro-regional initiatives conducted at the European levels such as the Baltic Sea strategy. However, it was expressed the need by Latvian stakeholders to improve research collaborations with central and Western Europe and build up a more effective international value chain.

Key Issue 1: Need for improved coordination and mutual trust

Potential Actions: Latvia has already established coordination tools to foster business involvement into the innovation ecosystem. As a potential action, these tools can be enhanced to align with the objectives of current EU funding schemes (common goals, trust...) & exploit ESIF opportunities.

Key Issue 2: The need for improved research collaboration with the Central and Western European countries (EU15).

Potential Actions: e.g. enhancing the network & learning (and adapting) from good practices across Europe.

- The opportunity raised by the new legislative framework allowing the combination of different European and national funding sources represents a chance to confront directly the issue of more effective communication, consensus building as well as the establishment of common goals and mutual trust between stakeholders.

- Making an effort on learning from best practices and peers around Europe and enforcing simplification of the procedures were raised as recommendations to overcome the challenge of integrating national and European funding programmes. In doing so, introducing

a result-oriented approach rather than the current process-oriented model could provide effective in enhancing the innovation ecosystem in the country.

⁴ Available at <http://s3platform.jrc.ec.europa.eu/facts-figures>

2. Upstream activities

Latvia has put a notable and successful effort to improve the quality and participation of collaborative research activities. However, capacity building activities are still very relevant since research infrastructure, human resources in S&T and existing research networks appear lagging behind compared to EU15 Member States.

During the event three generic goals were underlined by the participants; namely, (1) improving research excellence, (2) increasing collaboration between academy and industry and (3) making RIS3 effective. More specifically, the following issues emerged from the discussion:

- The existence of a possible trade-off between participation in Horizon 2020 with respect to ESIFs. Indeed, funds from the latter are easier to access and in turn this could affect negatively participation in Horizon 2020. A way forward – based e.g. on the experience presented by the University of Leuven – was to introduce ESIF funding conditional on a declaration of intent to compete in the following period for other innovation funding (such as Horizon 2020).
- Administrative burden and complicated bureaucracy (centralised decision making, intense paperwork etc.) were highlighted as outstanding obstacles in relation to ESIFs application. Tackling these issues will help to amplify the mutual trust and responsibility between stakeholders while increasing transparency of the overall process.
- There is a need of more timely and harmonised information on ESIF opportunities. In turn, this will allow potential stakeholders to properly prepare their participation to open calls.
- In general, there was a call for making an effort in the management of ESIFs to introduce more flexibility and a more result-oriented approach (i.e. by selecting novel result-based indicators and reinforcing constant information sharing between the managing authorities and the participants to funding programmes).

Key Issue 3: Capacity building for excellent science

Key Issue 4: Administrative burden and complicated bureaucracy to get ESIF funding

Potential Actions: e.g. alignment with EU R&I funding programmes, result-oriented evaluation & simplification of administrative burden.

3. Downstream activities

The country profile showed that Latvia's participation in FP7 was quite low until 2012⁵. However, from that moment on, the participation rate increased notably until the end of FP7 funding programme. Exploring this phenomenon and learning from it was recommended.

⁵ Available at <http://s3platform.jrc.ec.europa.eu/facts-figures>

Throughout the discussions it was recommended to look at the roles of current policy instruments and settings such as the Technology Transfer Office and thus exploit their full potential (i.e. micro-funding for start-ups, support for local market oriented programmes and so on).

The following suggestions were raised in the event:

- Following the results highlighted in the S2E Country Profile report, it appears that the bridging role between industry and research is mostly undertaken by universities. This should be supported by e.g. incubation centres.
- Research funding would need to provide more support to projects in the phase of commercial exploitation of research results while the institutions would need to take the lead in generating the right conditions for such innovations to occur. Enhancing the autonomy of public universities and research centres seems to be crucial for the achievement of this goal.
- The long-term availability and design of ESIFs is a critical issue. In the longer run, ESIFs should be allocated with a reinforced thematic commitment with the aim of raising uncovered innovation potential while nowadays stakeholders tend to see this funding scheme as a source for short-term horizontal funding. Therefore, clearer engagement to sustainable R&I investments are needed by creating the right incentives and schemes for participants. As an example, creating a budget allocation within research institutes for supporting participation in competitive international funding programmes was recommended.
- Geographically-bounded programmes (e.g. BONUS, BSR INNONET cooperation and so on) should be better exploited. Alignment between these programmes and national funds could raise overall impact of R&I spending.
- Beyond the specific allocation on the fundamental division between basic research and applied/industrial research, innovation funds can be allocated to activities without pre-defined standard research fields. This allocation system may prove to support novel innovation investments & start-ups more effectively.
- The Danish model of "Idea Entrepreneurship Centre"⁶ was mentioned as a good example to better motivate university staff and students.
- Public institutions would need to procure researchers and expertise while there was a general call for increasing the number of PhD holders.
- Performance-based funding should be supported. Ideally the audit would be based on the performance and achievements. Good performance should be awarded with long-term funding.

Key Issue 5: Low rate of participation in international research collaboration
Key Issue 6: Long-term availability (sustainability) of ESIF

Potential Actions: e.g. establishment of incubation centres, enhanced autonomy for public universities, institute-dedicated budget, alignment of national funds and performance-based funding.

⁶ For instance see <http://idea-sdu.dk/en/>

4. The Way Forward

- To go beyond the current participants and to create broader network involving all potential stakeholders.
- The European Commission will disseminate relevant information to help Latvian stakeholder to build capacity and international networks.
- To establish information system for all involved stakeholders to inform on examples of synergies to take place in Latvia.
- To assess the state of play in a 12-month period of the key issues and actions proposed in this statement.