

JOINT STATEMENT OF THE NATIONAL EVENT OF LITHUANIA

"The Synergies with Research and Innovation Funds"

organised by
European Commission, Joint Research Centre (Stairway to Excellence Initiative)
&
**Ministry of Education and Science of the Republic of Lithuania, Research and Higher
Education Monitoring and Analysis Centre (MOSTA)**

30 Oct. 2015, Vilnius-Lithuania

The development of efficient research and innovation strategies for smart specialisation (RIS3)¹ requires Member States (MSs) and their regions to identify a limited number of research areas and related industrial activities with high innovation potential. 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 (ESIF), Horizon 2020, COSME, ERASMUS+ and Creative Europe, aiming at minimizing 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 of the Republic of Lithuania, Research and Higher Education Monitoring and Analysis Centre (MOSTA) - took place in Vilnius on October 30, 2015 as part of the effort by the S2E Initiative, to assist capacity building in the EU13 Member States³. The event brought together different stakeholders and provided a platform for a better understanding of the Lithuanian innovation ecosystem while raising awareness of the actions needed to enable synergies and drawing lessons for future actions.

The Lithuanian National Event provided an effective venue for engaging different stakeholders and discussing forward-looking results. More than 50 participants joined the event from several academic/research institutions, public and private sectors, and as well as Horizon 2020 National Contact Points (NCPs) and Managing Authorities (MAs). As an indication of the commitment to this topic by the Lithuanian Authorities, the event was opened by the Lithuanian Vice-Minister of Education and Science, Ms. Svetlana Kauzoniene. Moreover, a number of international experts from other European countries (Italy and Romania) as well as European Initiatives 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. General comments and recommendations are summarised below.

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

1. Stakeholder Involvement

Creating synergies based on the integration of different funding programmes needs well-structured communication channels between different types of stakeholders, including public authorities, universities and businesses. There is a need to establish an open and enhanced dialogue between these stakeholders and enhance consensual collaboration.

Hurdles to creating synergies and possible actions to address them

Key Issue 1: *Lack of collaborative governance*

Potential Actions: *Establish an independent body with strong strategic intelligence capacities, above the ministries (e.g. reporting to the Prime Minister).*

- Both inter-institutional and transnational cooperation are ineffective in Lithuania. For example, Horizon 2020 activities coordinated by NCPs, ESIF allocated by MAs, national programmes and transnational cooperation under EU Strategy for the Baltic Sea Region (EUSBSR), and moreover, programmes for business in general, SMEs and PROs are all separate streams of planning and actions, without collaborative linkages. Most of the existing incentives aimed at facilitating better cooperation and coordination (coordination councils, monitoring committees, etc.) have so far been ineffective.

- Another issue to be noted is that open/collaborative governance methods based on

stakeholder involvement, co-creation and co-delivery are not common practice in Lithuania, except for two strategies, RIS3 and *Lithuania 2030 – Lithuania's Progress Strategy*⁴, which lays down a national vision, priorities for development, and implementation guidelines by 2030.

- It was stressed that most of the research success is based on individual efforts rather than the fruit of the institutional research strategy and implementation framework. There is an urgent need to improve this institutional structure.
- Development of an integrated communication platform between all Governmental bodies responsible with R&I programmes, where redundancies and lack of correlations to be immediately identified and fixed.

Possible actions to address these hurdles:

- Before leapfrogging with transnational coordination of policies and governance, Lithuania needs to improve its inter-service coordination, especially between the key

Key Issue 2: *Lack of coordination between H2020, ESIF, and national/regional authorities*

Potential Actions: *Improving coordination within and between Ministries and Agencies is even more urgent than international coordination.*

⁴ https://lrv.lt/uploads/main/documents/files/EN_version/Useful_information/lithuania2030.pdf

ministries responsible for the development and implementation of R&I activities.

- There is a need to facilitate formal and informal cooperation platforms, including links to International initiatives under the framework provided by the smart specialisation platform (S3P). One example could be to achieve better collaboration between the bodies in charge of Horizon 2020 and ESIF, up to the point of merging those departments.
- The establishment of an independent body with strong strategic intelligence capacities at a higher Governmental level can overcome the lack of collaboration between Ministries.

2. Upstream actions and how to build capacity for excellent research

Barriers against creating synergies through upstream actions

On the topic of synergetic funding with a particular focus on building capacity (including human capacity) and raising awareness so as to enhance participation in research funding programmes (in particular Horizon 2020), especially for SMEs, two obstacles were identified in the table discussions.

- At the level of the individual researcher, the current career/salary system does not motivate researchers from public organisations to participate in Horizon 2020 collaborative research projects, and also causes too many public researchers to move to the private sector as well as "brain drain" to other countries.
- One of the key issues is to change the current mind-set. The whole innovation ecosystem, particularly the knowledge triangle, should be taken into consideration. Enhancing innovation and addressing the needs of value-chains can only be possible when education, research and the market are planned and act together. This requires long-term planning to build up a new enterprise culture.

Key Issue 3: The career system does not motivate researchers from public organisations to participate in Horizon 2020

Potential Actions: Review young researchers' remuneration scheme; Solve the *teaching-vs.-research* dilemma; Create incentives for universities to engage in business-science networks.

Policy recommendations addressing these barriers

- Review the criteria for the researchers' career system, remuneration system (especially for researchers at the start of their career), as well as typical researchers' contracts.
- Create incentives for necessary changes at institutional level. This may include a transition to competitive/performance-based salary system for researchers.
- Researchers should be allowed to choose between two career directions: teaching or research-performing, with emphasis on applied R&D and collaboration with business. The researchers' career rules and performance requirements should be revised accordingly to adapt for different types of researchers' careers.

- Create incentives for universities to engage in business-science networks, facilitate networking, and reinforce existing science-industry partnerships and their linkages with EU counterparts, along the entire innovation value chain. Facilitate the creation of innovation labs, living labs, and interdisciplinary teams working on R&I issues in the universities. Scale up the innovation voucher schemes.

3. Downstream activities and how to better exploit research results

Barriers and obstacles for downstream actions

Key Issue 4: PROs projects are less oriented towards marketable results, spin-off or prototype/product creation.

Potential Actions: Facilitate applied R&D projects implemented by PROs by creating incentives at national level (using institutional funding criteria, researchers' career systems, etc.).

ESIF funding for 'close to market' projects should give priority to projects which are the result of research funded under Horizon 2020.

- In order to convert research results into marketable products/goods, a "pipeline" of strong R&D projects is needed, with applicable results. For this there is a need for a well-designed strategy, which is missing in the Lithuanian universities and public research centres. Thus it is quite difficult to generate a long-term alliance and/or consortium not only between business and researchers but also between research performers themselves. The fragmentation between researchers is based on the fact that they are coming from different research domains and different research institutions and they do not have a collaboration culture. Therefore there is no instrument addressing the missing links between different researcher groups; namely, fundamental research, applied research and pre-competitive

research.

- Another barrier mentioned in the table discussions is low SME motivation to participate in Horizon 2020 projects; for example, due to high coordination cost, delayed commercialisation, availability of national funds with higher success rate, and lack of financial incentives (e.g. co-funding) to SMEs.
- Moreover projects implemented by Lithuanian public research organisations (PROs) are less oriented towards marketable results - spin-off or prototype/product creation. Hence, there is a lack of effective incentives addressing the science-business links, including the lack of legal framework and targeted incentives for industry-oriented PhD theses.
- Economic clusters are not functional and act only on opportunities, not on a strategy basis
- European research funding programmes (especially Horizon 2020) need to further support scientists during the application process with ad-hoc administrative skills (call application, etc.).

Key issue 5: Low motivation for SMEs to participate in H2020 projects

Potential Actions: Create a wide system of incentives (compensation of application costs, international meetings, VAT costs).

Facilitators and policy recommendations:

- Creating a wide system of incentives for SMEs to participate in the Horizon 2020 programme can facilitate close-to-market research. For example, financial incentives such as compensation of application costs, international meetings, VAT costs should become available to SMEs; mature R&D performers should be encouraged to apply for Horizon 2020 instead of ESIF.
- ESIF funding for ‘close to market’ projects should give priority to projects which are the result of research funded under Horizon 2020.
- Exploiting the European platforms and initiatives can help to lead and coordinate research objectives. Also these platforms would support the establishment of new collaborations with more advanced Member States.
- A bottom-up approach, specifically through functional and aligned clusters, can be an efficient way to achieve excellent research and more market-oriented research activities.
- Administrative support should be provided to researchers while applying to the funding programmes. The Horizon 2020 applications particularly take too much time and require specific skills. Improving the current project management offices can address this problem successfully.
- On the issue of PROs projects insufficiently oriented towards marketable results, measures should be introduced to facilitate PROs applied R&D programmes and projects, by creating incentives at national level (using institutional funding criteria, researchers’ career systems, etc.).

The Way Forward

In addition to encourage collaboration between and within Ministries and Agencies, the European Commission will disseminate relevant information to help Lithuanian stakeholders to build capacity and international networks.

Other steps to be taken include:

- To establish an information system for all stakeholders to inform on examples of synergies to take place in Lithuania.
- To assess the state of play in 12-months of the key issues and actions proposed in this statement.