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Innovation Policy and Performance in Transition: Lessons from 5 reviews

Theme 5: Financing and support of innovative entrepreneurs

Better Policies for More Innovation
Assessment – Implementation – Monitoring
Minsk, Belarus, 17 - 18 November 2015



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Country-specific recommendations within the IPRs

Armenia



- Developing better information regarding entrepreneurship and supporting initiatives
 - Identifying good practices, strengthening analytical evaluation capacities
 - Joining the Global Entrepreneurship Monitor surveys → comparison with other countries
 - Developing information and awareness campaigns

- Supporting innovative entrepreneurship through the Armenian diaspora
 - Developing a framework for business angel financing
 - Involving the diaspora in the implementation of monitoring and coaching schemes for entrepreneurs

Country-specific recommendations within the IPRs

Armenia



- Providing a strategic orientation for entrepreneurship support
 - Defining strategic targets, evaluating and updating them regularly, coordination mechanisms
 - Involving beneficiaries and other sources of expertise
 - Setting up a body with clear responsibilities and competencies
 - Identifying synergies among various programmes, best practices

Country-specific recommendations within the IPRs

Belarus



- Expanding and diversifying the system of financial support to innovation
 - Granting targeted tax relief for innovation-related activities
 - Introducing new, early stage policy instruments and guarantee schemes for eligible recipients
 - Developing a well-functioning private infrastructure of early stage financing

- Accepting increased levels of risk and being more tolerant of possible failures
 - Introducing a non-repayable grant scheme
 - Introducing acceptance that not all funded projects are successful
 - Introducing modifications in evaluation procedures

Country-specific recommendations within the IPRs

Kazakhstan



- Encouraging a commercial orientation of applied research
 - Giving higher priority to proposals that also receive funding by commercial companies
 - Strengthening the links between publicly-financed R&D organizations and companies
 - Engaging business interests in decisions related to R&D through science-industry groups
 - Creating technology transfer offices in research organisations
 - Developing the necessary infrastructure for scientific knowledge

- Developing pre-incubation initiatives
 - Setting up funding programmes that target early stages of technology development
 - Extending incubation initiatives to the wider business community

Country-specific recommendations within the IPRs

Kazakhstan



- Aligning technology parks to their advanced industrialized counterparts
 - Integrating technology parks into the national innovation system and facilitating it
 - Promoting collaboration in innovation through horizontal programmes

- Providing additional support to the development of management skills
 - Providing short business courses for managers
 - Developing a high-growth coaching programme for managers
 - Providing commercial training for the management of business incubators
 - Introducing modules on business in the curricula of all undergraduate courses

- Developing the brand image of technoparks and business incubators

Country-specific recommendations within the IPRs

Tajikistan



- Raising awareness of the potential of entrepreneurship
 - Introducing entrepreneurship education
 - Offering capacity-building and training to would-be entrepreneurs

- Facilitating the use of existing assets
 - Enlarging the types of assets that are legally acceptable as collateral
 - Providing systemic support to innovations in the financial sector

- Additional policy support for high risk projects to secure financing
 - Diversifying the supply of financial services
 - Expanding programmes for the provision of loans on preferential terms
 - Making financial support conditional on participation in trainings

Country-specific recommendations within the IPRs

Tajikistan



- Putting in place a mass-scale, micro-credit-based entrepreneurship support scheme
 - Liaising with international donor organizations, best practices
 - Implementing the scheme by following the sectorial priorities
 - Special support to young people, start-ups and spin-offs

- Encouraging Tajiks working abroad to support the domestic economy
 - Creating support instruments to target returning migrants with entrepreneurial ambitions
 - Building on international experience and good practices
 - Connecting domestic banks to international money transfer organizations

Country-specific recommendations within the IPRs

Ukraine



- Focussing efforts to improve the regulatory environment for start-ups and SMEs
 - Tailoring legislation to improve the ease of doing business, reducing administrative burdens
 - Encouraging female entrepreneurs, training initiatives
 - Facilitating entry/exit of firms
 - Monitoring and evaluating these efforts in an annual progress report

- Developing a new fund to support small innovative businesses
 - Considering other funding possibilities
 - First new fund of limited size that could later be increased after proven efficiency
 - Tolerance of failure, less risk aversion
 - Engaging international know-how in the administration of this fund

Country-specific recommendations within the IPRs

Ukraine



- Developing the venture capital industry
 - Improving framework conditions for SMEs → more investment opportunities
 - Engaging the private sector in public technology programmes → PPPs
 - Informing on potential commercialization opportunities
 - Supporting business angel financing and networks
 - Creating communication platforms

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Recommendations from the 5 IPRs in comparison

Similarities

Recommendation	Armenia	Belarus	Kazakhstan	Tajikistan	Ukraine
Simplifications in regulation	X	X	X	X	X
Developing venture capital	X	X			X
Diversification of financial sources		X			X
Supporting SMEs and start-ups	X	X	X	X	X
Coordination mechanisms	X	X	X	X	X
Better information	X	X	X	X	X
Developing best practices	X	X	X	X	X
Better monitoring and evaluation	X	X	X	X	X
Developing business angel financing	X				X
Tolerating risks and failure		X		X	X
Differentiation in public funding	X	X			X
Modernising programmes	X	X	X	X	X
Commercialization	X		X		X
Developing management skills	X		X	X	X
Better financial/scientific infrastructure		X	X	X	X
Involving other sources of expertise	X	X	X	X	X

Recommendations from the 5 IPRs in comparison

- All countries were recommended to:
 - Simplify their regulations and legal frameworks
 - Especially support SMEs and/or start-ups
 - Develop coordination mechanisms and best practices
 - Establish better information systems
 - Intensify their monitoring and evaluation processes
 - Modernise their investment programmes
 - Involve other sources of expertise
- Most countries were advised to differentiate public funding and to diversify financial resources (i.e. venture capital)

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Conclusion and recommendation for second stage IPRs

- National R&I policy makers did...

▶ take note of our policy recommendations, i.e. addressing strengths and weaknesses of their National Innovation Systems

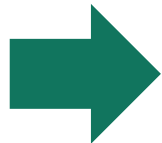
- ...and subsequently...

▶ develop a mix of policy measures addressing different aspects of their National Innovation System.

The next step would be to focus more on practical implementation of those policies/guidelines and to develop tailor-made follow-up actions

Conclusion and recommendation for second stage IPRs

- Financing and support of innovative entrepreneurs is a question of utmost importance in gaining global competitiveness, jobs and growth
- Armenia, Belarus, Kazakhstan, Tajikistan and Ukraine still have room for improvement in this field
- The country-specific recommendations within the IPRs show strong similarities between all 5 targeted countries
- On the other hand, there are many country-specific recommendations that are very different from each other
- No easy one-size-fits-all solution



We should become more specific rather than remaining at a generic policy level , further develop the country-specific monitoring and reviews, but we should also consider pooling and common actions

Conclusion and recommendation for second stage IPRs



Some recommendations appear/tend to be rather generic and do not necessarily reflect the peculiarities of the National R&I systems. Almost all recommendations remain at a rather abstract policy level and do not address implementation and practical aspects. However, those IPRs were not expected to do so. It should be addressed by second stage IPRs.

- Potential improvements in future activities:
 - Address practical aspects of implementation, regulations simplification, policy coordination mechanisms, monitoring and evaluation processes, programme modernization, public funding and other financial resources
 - Consider transforming the rather sporadic deployment of UNECE ToS ICP into a more intense and continuous exchange/cooperation

Thank you very much for your attention!



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