

# Smart Specialization interim assessment and preparation for the next period



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2019.06.27

# Smart specialization in Lithuania

## Strategic goal:

Increase the impact (and share) of high value added, knowledge-intensive and highly-qualified labour intensive economic activities in the GDP by structural changes of the economy

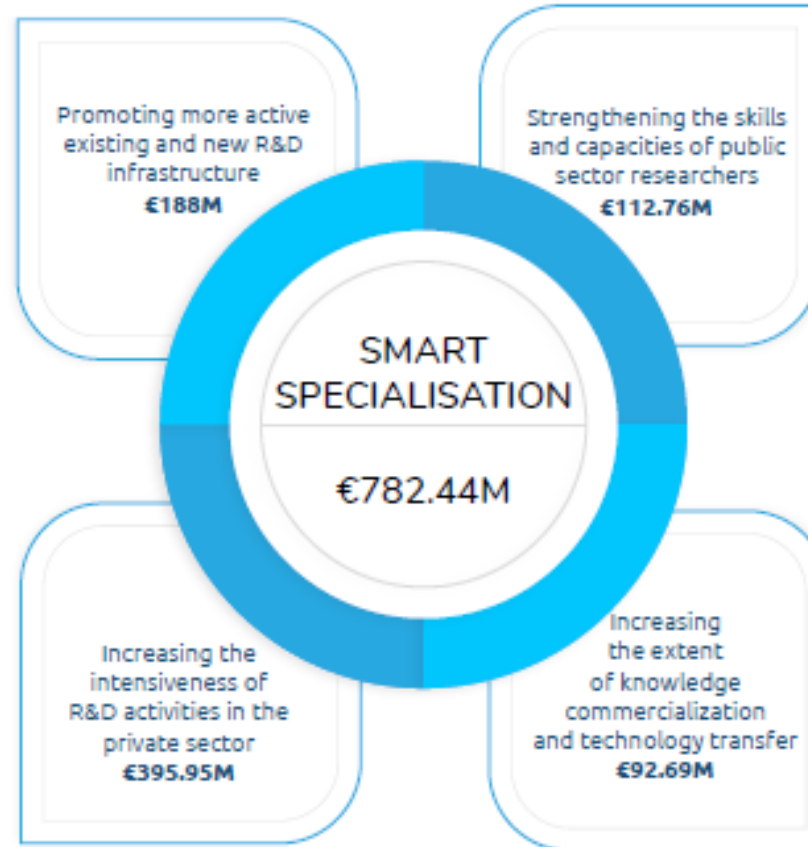
## Objectives:

- Create innovative technologies, products, processes and/or methods and, using the outputs of these activities, respond to global trends and long-term national challenges
- Increase competitiveness of Lithuania's legal entities and their opportunities for establishing in global markets – commercialisation of knowledge created in the implementation of the Priorities



# Policy mix

Development of R&D infrastructure and its integration into European infrastructures  
**€188M**  
 TG:R



Development of competences of scientists and other researchers  
**€42.96M**  
 TG:R

Development of research competence of scientists, other researchers and students through applied research activities  
**€69.80M**  
 TG:R

InoHUB <b>€18.32M</b> TG:B	Intellect LT-2 <b>€47.76M</b> TG:B	
Smartinvest LT+ <b>€4.3M</b> TG:B	Inopabent <b>€3.04M</b> TG:B/R	Intellect <b>€174.2M</b> TG:B
SmartPark LT <b>€24M</b> TG:B	Precommercial procurement LT <b>€29.36M</b> TG:B/R	Inocluster LT <b>€5.88M</b> TG:B
Smartinvest LT <b>€7.12M</b> TG:B/R	Innovation vouchers <b>€1.1+5.0M</b> TG:B/R	Technoinvest <b>€22.6M</b> TG:B
InoConnect <b>€1.45M</b> TG:B	Inogeb LT <b>€16.04M</b> TG:B/R	Smart FDI <b>€28.84M</b> TG:B
		Inostart <b>€9.40M</b> TG:B

Facilitation of R&D results commercialization and internationalization  
**€13.05M**  
 TG:B/R

Targeted R&D in the smart specialisation fields  
**€44.89M**  
 TG:R

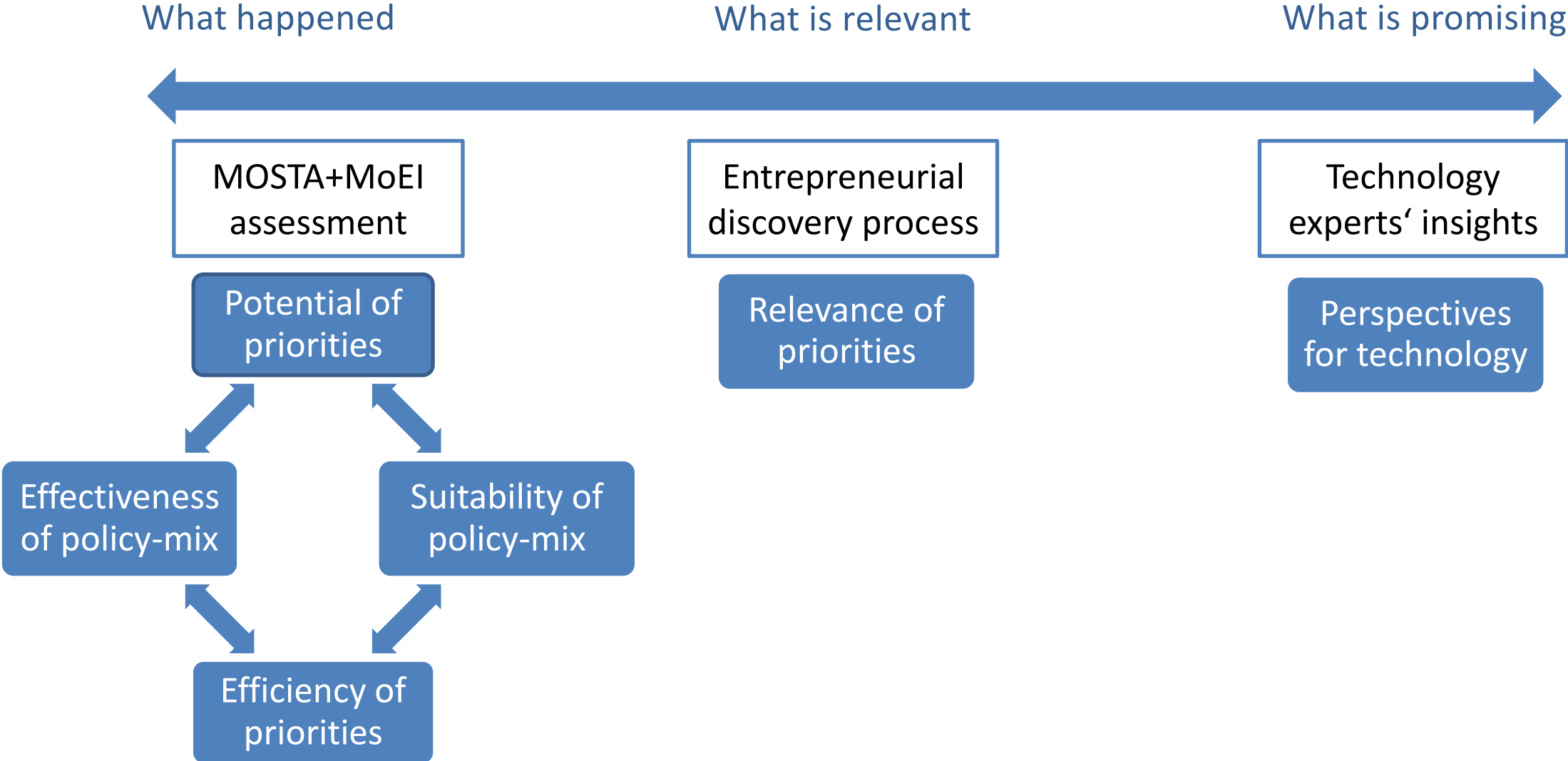
Development of excellence centres  
**€34.75M**  
 TG:R

- RDI infrastructure
- Venture capital
- Innovation support services
- R&D grants

- R&D based FDI, internationalisation
- Public-private RDI collaboration, public sector RDI commercialisation
- Innovation demand building
- R&D human resources (grants)

Target group (TG):  
 B: Business  
 R: Research and higher education organizations, public sector institutions

# Concept of interim evaluation



## General observations (Dec 2018)

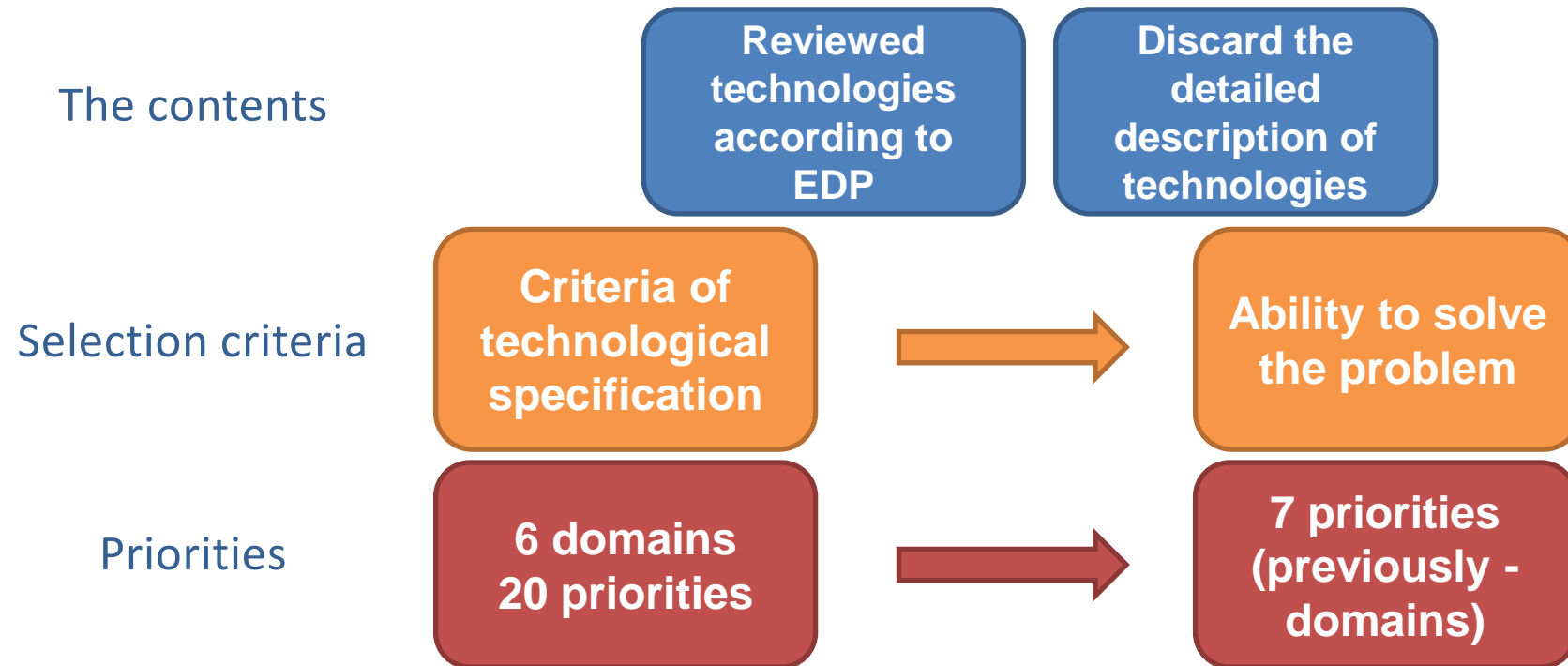
- **Concentration of investments** is currently not achieved due to the low funding intensity
- Currently, **816 projects** have been funded according to different priorities
  - **no more than 100 projects** have been accumulated in one priority
  - only 9 priorities are currently attracting **more than 10 million** EUR
- **45% applications are non-funded**; most of the projects are not funded due to non-compliance of their activities with R&D

**5 priorities do not show sufficient performance**, namely E2: Energy from biomass, waste treatment; E4: Solar energy; E3: Digital construction; M3: Biorefining; T2: International transport corridors)

# Key discoveries and recommendations

- **RIS3 is implemented slowly:** at the end of 2018, only 272.71 m€ were allocated (currently it is >400 m€), most RIS3 products and performance indicators have "0" values or values close to "0"
- **A detailed thematic description of the specificity of priorities in the documents is an obstacle** to the submission of applications for projects that are geared towards innovation breakthroughs
- **There are no super priorities,** the distribution of the actual funding does not imply that focusing on a smaller number of priorities/technologies could be expected to have a greater impact
- Better engage / include target groups in RIS3
- Update RIS3 technology list/RIS3 priorities
- Change project selection mechanism. Invite applicants to compete for Specific Challenge, Scope and Expected Impact
- Discuss the concept of broader priority axes/areas (among other scenarios)

# Changes to the RIS3

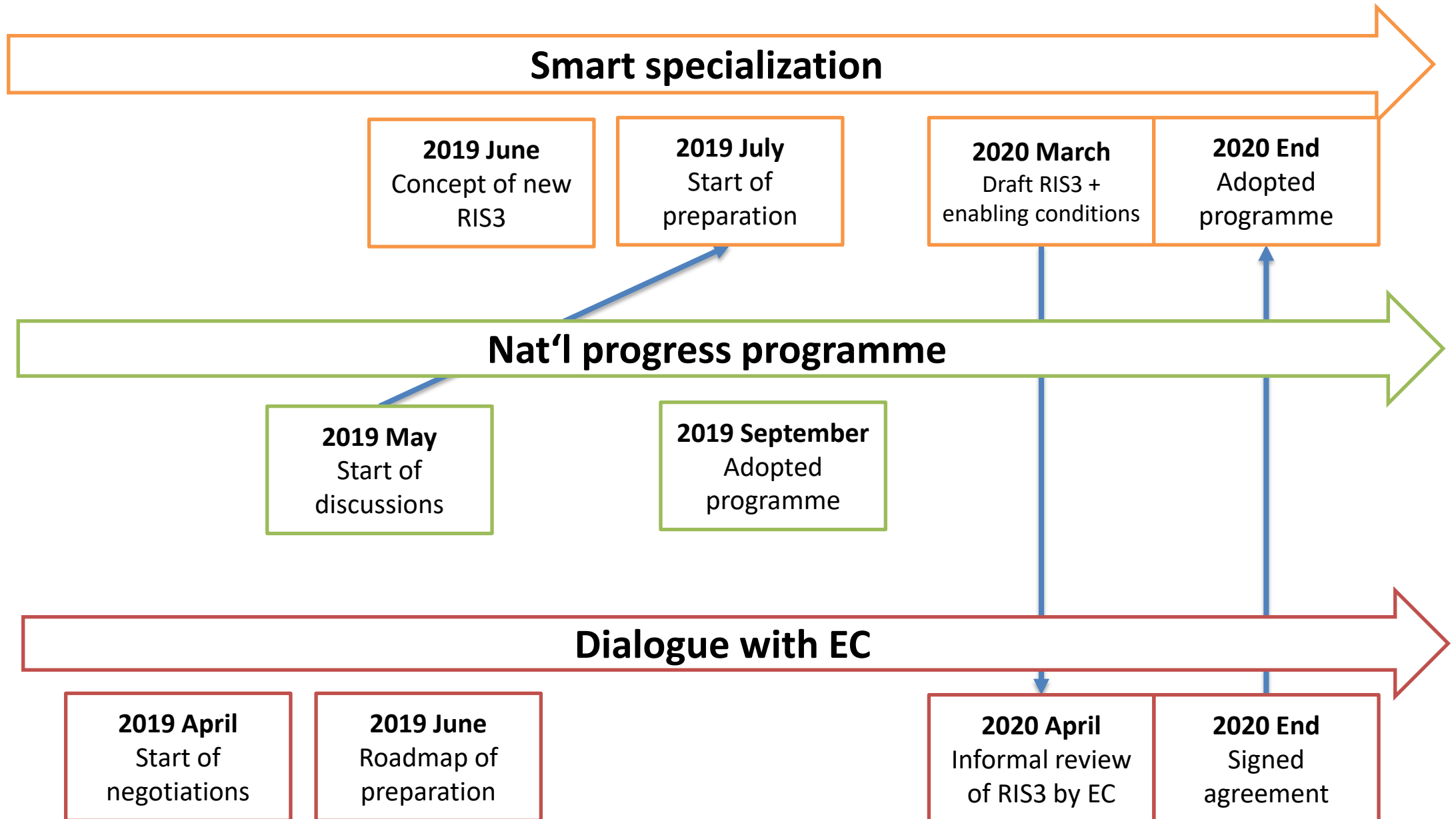


## Priorities from the end of 2019

1. Agro-innovation and food technologies
2. Energy and a sustainable environment
3. Health technologies and biotechnologies
4. Information and communication technologies
5. Inclusive and creative society
6. New production processes, materials and technologies
7. Smart, sustainable and integrated transport



# What's next?



# Enabling conditions

- 1. Up-to-date analysis of bottlenecks for innovation diffusion, including digitalization (in progress)**
  - Interim S3 evaluation
  - Ongoing evaluation of 1OP and 3OP by MoEI and 1OP by MoESS
  - MoEI ex-ante evaluation of digitization
  - MoF ex-ante evaluation of funding STI system after 2020
- 2. Existence of competent regional / national institution or body, responsible for the management of the smart specialisation strategy (fulfilled)**
  - STI council under the Prime Minister
  - S3 coordination group (ministries, implementing agencies, science and business)

# Enabling conditions

3. **Monitoring and evaluation tools to measure performance towards the objectives of the strategy (in progress)**
  - Building on existing system
  - Lessons form 2014-2020 period
  - Integration of more data on SMEs
  - Integration of skills monitoring
4. **Effective functioning of entrepreneurial discovery process (in progress)**
  - Ongoing regular consultation with panel leaders
  - Interim evaluation with full-scale EDP
  - Introduction of facilitators, reporting to the coordinating body

# Enabling conditions

5. **Actions necessary to improve national or regional research and innovation systems (in progress)**
  - National progress programme
  - European Semester country report
6. **Actions to manage industrial transition (fulfilled)**
  - Roadmap of Industry digitalization (by MoEI) including vision, SWOT, actors, policy mix and actions
7. **Measures for international collaboration (fulfilled)**
  - Baltic Sea Region strategy and action plan
  - Priority list of countries for collaboration in technology and innovation (by MoEI)  
(economic collaboration -> collaboration in STI -> ranking -> priority list)
  - Map of research collaboration with topics (almost finished by MOSTA)  
(excellence in research assessment -> panel discussions -> ranking -> priority list)

# Additional actions (under consideration)

## 1. Up-to-date priorities:

- The content of priorities has been evaluated and should not be updated until 2022-2023
- Possibility to have two-grade priorities

## 2. Skills integration:

- Integration of firm-level occupations and skills
- Internal discussion regarding broader policy mix

## 3. More horizontal approach:

- Horizontal integration in National progress programme – contribution of other strategic goals



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