



INVESTMENT COMPACT FOR
SOUTH EAST EUROPE



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Western Balkans Regional Competitiveness Initiative

Presentation for:

Steering Platform for Research for the Western Balkans Countries

Sarajevo, Bosnia and Herzegovina

1 December 2011

Pilot projects in 2011



Implementation of 'triple helix' partnerships between entrepreneurs, researchers and public sector



Horizontal policy framework for innovation



SME vouchers



Competence Technology Centre (CTC)



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Bosnia and Herzegovina – Triple helix projects



Bosnia and Herzegovina project team:

Ministry of Civil Affairs, Ministry of Foreign Trade and Economic Relations, other stakeholders: ministries responsible for research at entity level (FBiH and RS), chambers of commerce and representatives of the universities of Mostar and Banja Luka.

Actions:

- Review of triple helix best practices
- Survey of 150 agri-food firms in Bosnia and Herzegovina on their innovation needs
- Study visit to Belgium (Flanders) – agrifood and high-tech clusters
- Series of three workshops (Sarajevo, Banja Luka, Mostar) to identify three partnerships between entrepreneurs, researchers and public sector
- Projects identified

Next steps:

- Completion of projects
- Organisation of conference where results of projects will be presented



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Examples of triple-helix projects:

- Processing field peas into starches and proteins: University of Banja Luka, an entrepreneur, and the Agricultural institute in Banja Luka.
- Production of Omega-3 enriched additives to food and feed: University of Bihać, Teleoptic (dairy product company), and Cantonal ministry of agriculture.



FYR Macedonia – Innovation strategy



Project team:

Ministry of Economy, Ministry and Education and Science, representatives of the private sector and academics (e.g. National Centre for Development of Innovation and Entrepreneurial Learning)

Actions:

- Review of strategies in OECD members and SEE
- Survey of 500 firms
- Assessment of the national innovation system
- Draft strategic objectives produced
- Skopje innovation forum

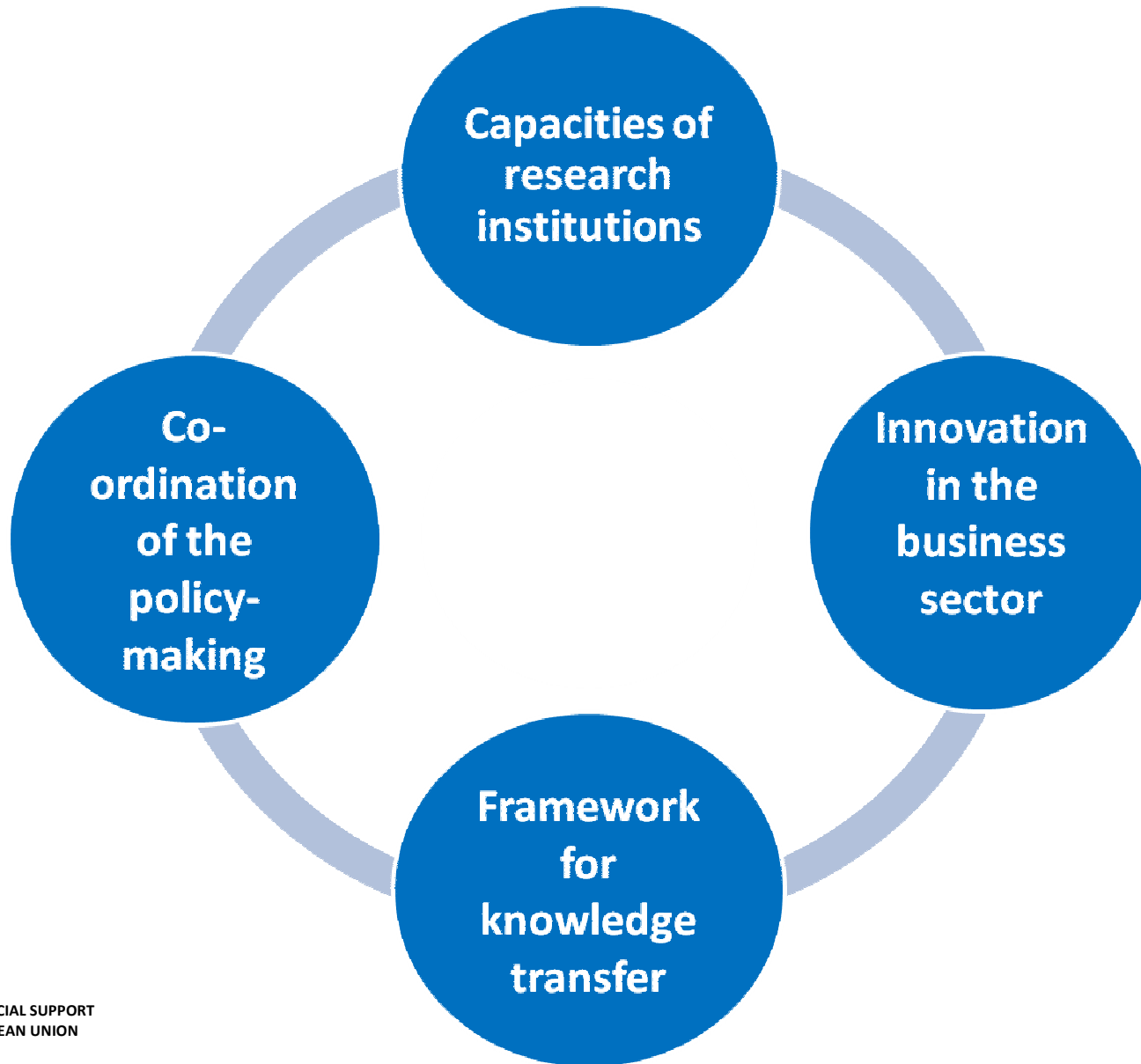
Next steps:

- Agreement on strategic objectives
- Development of measures and actions which would underpin the strategic objectives
- Preparation of innovation strategy document



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Montenegro – SME voucher scheme



Montenegro project team:

Directorate for Development of SMEs, Ministry of Economy, Ministry of Science, Investment Development Fund, Employment Agency, University of Montenegro, Business associations

Actions:

- Review of best practices
- Survey of 150 export-oriented firms on innovation needs
- Study visit to Slovenia
- Development of feasibility study
- Official announcement of scheme for export-oriented SMEs

Next steps:

- Call for applications
- Distribution of vouchers
- Monitoring and evaluation of pilot phase
- Decision to expand



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Montenegro – SME voucher scheme: Recommendations



Prerequisite for a Voucher Scheme in Montenegro

- Commitment (human and financial) and coordination on behalf of all institutions involved in the voucher scheme
- Clear administrative and brokerage system

SME or Innovation Pilot Voucher

- SME Voucher

Beneficiary Companies

- National priorities of export development and strengthening of SME sector competitiveness
- The Directorate decided to focus the voucher scheme on exporting SMES
 - => **Exporting SMEs**

Voucher Size

- International experience
- 15-day consultancy project in Montenegro >= EUR 4,000
- Experience with Montenegrin firms suggested that the scheme was likely to be less appealing if the contribution rate was set at 50% or higher rather than 25%
 - => **EUR 3,000**

Eligible Services

- Results of the survey in terms of weak areas perceived by SMEs and areas in which SMEs require assistance
 - => **Management or Marketing Services**

Eligible Costs

- International experience
 - => **External fees excluding VAT or other taxes**

Eligible Service providers

- Absence of a national accreditation system
 - => **BAS List and International Locally Registered Companies**

Brokerage and Capacity Building

- Strong need for brokerage identified in the survey
- A key success in the Slovenian schemes
 - => **Brokerage and capacity building (training of local business centres)**

Monitoring

- Anti-fraud measures including random audits of at least 25% of projects

Serbia – Competence Technology Centre



Serbia project team:

Office of the Deputy Minister for European Integration, Ministry of Economy and Regional Development; Other stakeholders consulted – Serbian agri-food businesses and researchers

Actions:

- Review of best practices in development of competence centres
- Survey of 180 agri-food companies
- Study visit to Slovenia
- Two focus group meetings in Belgrade
- Assessment of innovation needs in the agrifood sector

Next steps:

- Survey of innovation performance by businesses and researchers in biomedicine sector
- Focus group of Serbian businesses and researchers in biomed sector
- Feasibility study on what key services a competence technology centre would offer and organisational structure in either agrifood or biomed sector

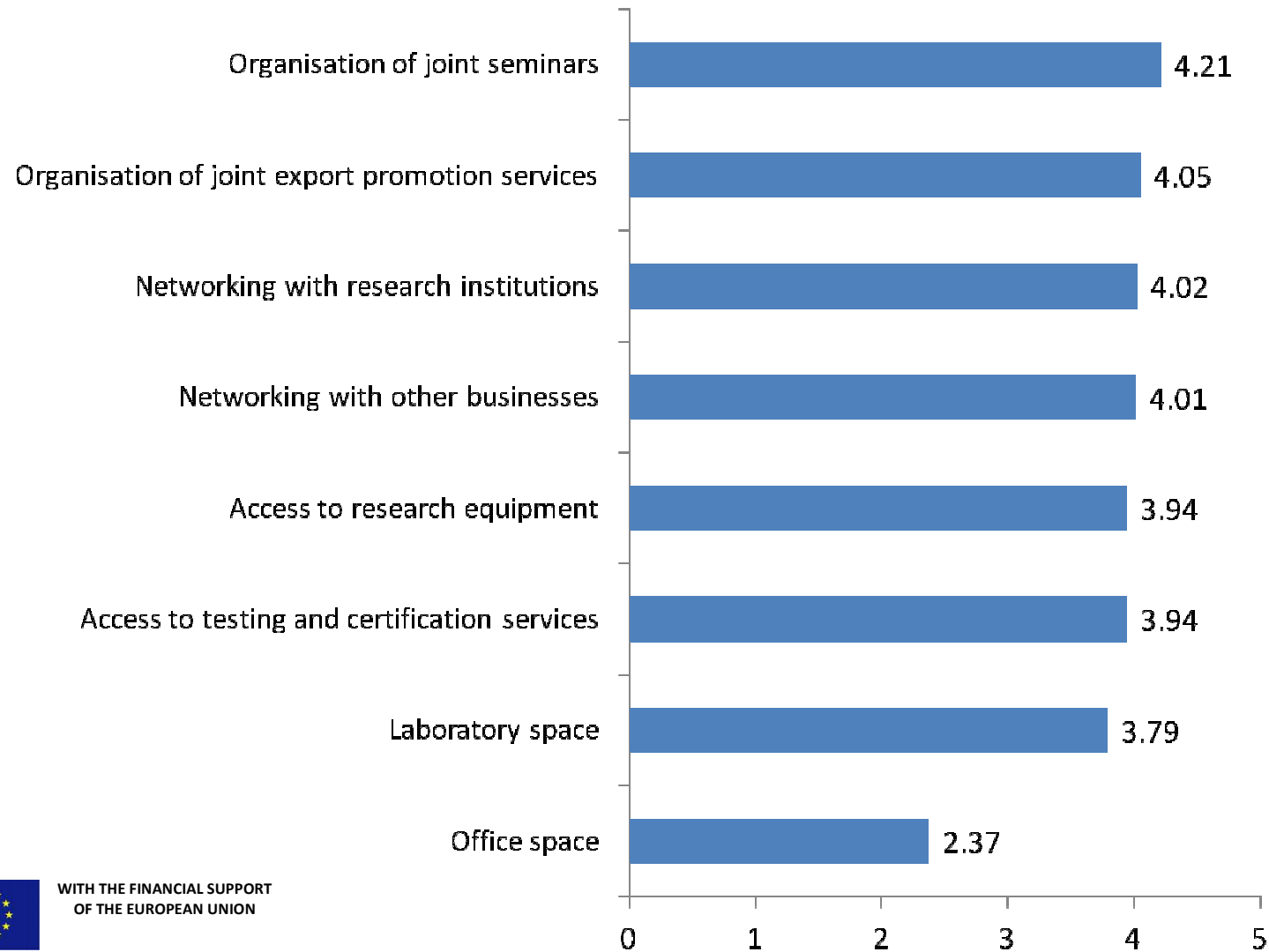


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Average rating of centre features



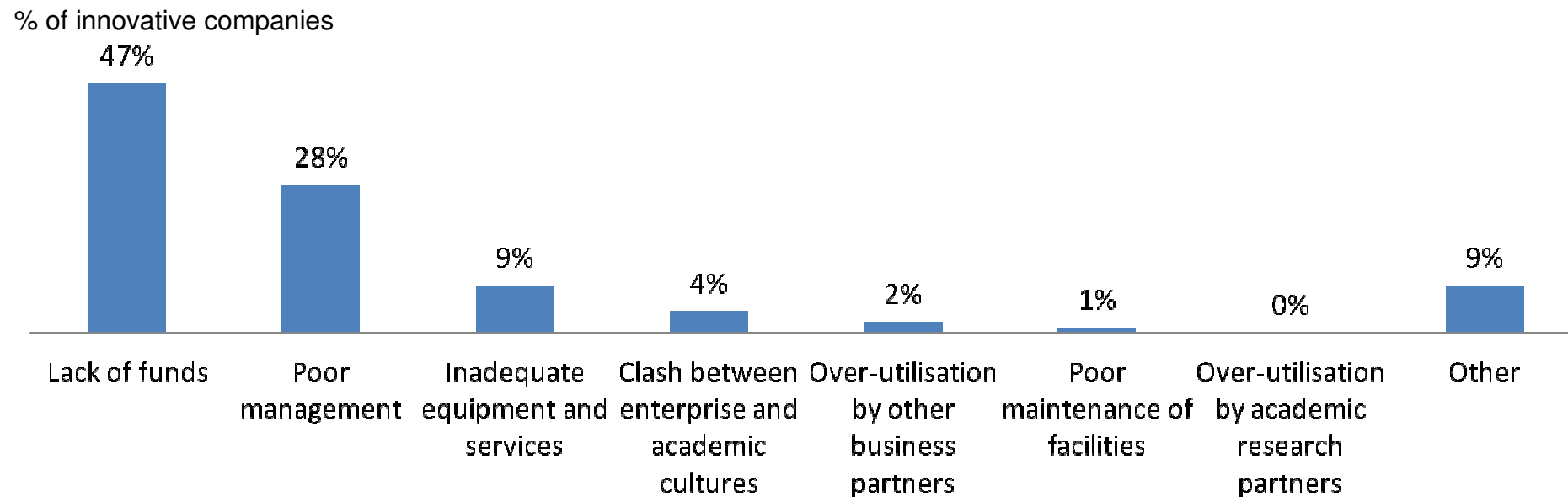
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Serbia – Competence Technology Centre



Potential risks in establishing a competence centre



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RCI Working Groups

Working Group on Human Capital

- Reviewed practices to measure skills gaps and policy responses at horizontal and sector specific levels

Working Group on Innovation

- Exchanged lessons learned in implementation of pilot projects



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RCI Pilot Projects in 2012

Albania

- Business Plan Competition

Croatia

- Guidelines on innovation strategy development and mechanisms to monitor innovation activity

Kosovo under UNSCR 1244/99

- Support for an innovation strategy



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South East Europe Ministerial Conference

- 10-year anniversary of the Investment Compact for South East Europe (SEE)
- Transfer of management of the SEE Investment Committee (SEE IC) to the RCC Secretariat from the OECD
- Agreed on a economic vision inspired by Europe 2020



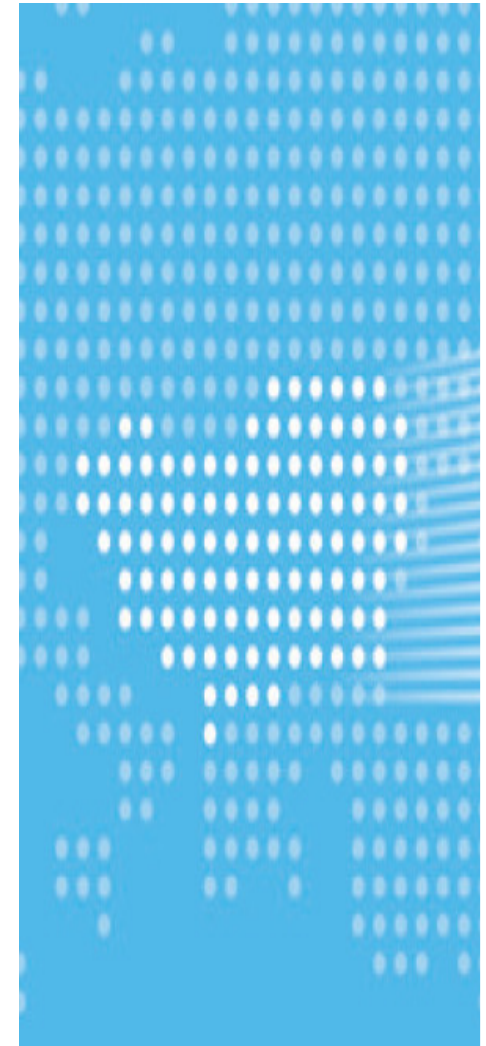
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SEE 2020 Economic Vision



- **Smart growth:** developing an economy based on knowledge and innovation
- **Sustainable growth:** promoting a more efficient, greener and more competitive economy
- **Inclusive growth:** fostering a high-employment economy delivering social and territorial cohesion based on skills and competencies
- **Integrated growth:** achieving a well-functioning integrated common market and ensuring critical mass to compete in a challenging global environment
- **Governance for growth:** strengthening rule of law and reducing corruption alongside balanced territorial development



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Thank you for your attention

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