



ACTION PLAN

FOR THE PROMOTION
OF INNOVATIONS
OF SMES

in Vidzeme Planning Region

Valmiera, 2018

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ABBREVIATIONS USED

- ALTUM** – state development financial institution
- B2B** – business to business
- BI** – business incubator
- CFCA** – Central Finance and Contracting Agency
- EEA** – European Economic Area
- ME** – Ministry of Economics
- EU** – European Union
- MES** – Ministry of Education and Science
- MC** – Ministry of Culture
- RSS** – Rural Support Service
- LEEEIA** – Latvian Electrical Engineering and Electronics Industry Association
- IDAL** – Investment and Development Agency of Latvia
- LICTA** – Latvian Information and Communications Technology Association
- LRATC** – Latvian Rural Advisory and Training Centre
- LUA** – Latvian University of Agriculture
- MW** – Ministry of Welfare
- LCTI** – Latvian Chamber of Trade and Industry
- AMEMI** – Association of Mechanical Engineering and Metalworking Industries
- MK** – the Cabinet of Ministers
- SME** – small and medium-sized merchant, that meets the definition provided in the European Commission Regulation No. 800/2008 Annex No. 1.
- SEA** – State Employment Agency
- R&D** – Research and Development
- RATIO** – Project “Regional Actions To Innovate Operational Program” funded by the European Union’s INTERREG Europe program
- RTU** – Riga Technical University
- SSO** – Specific Support Objective
- SIA** – Limited Liability Company
- MEPRD** – Ministry of Environmental Protection and Regional Development
- VUAS** – Vidzeme University of Applied Sciences
- VPR** – Vidzeme Planning Region
- IES** – Institute for Environmental Solutions
- MA** – Ministry of Agriculture

INTRODUCTION

The action plan is developed **with the goal to initiate and to implement such measures the introduction of which:**

- 1) **would improve the implementation instruments of Latvian regional policies** – action programmes for the support of innovations of small and medium-sized enterprises in rural regions,
- 2) **would improve the measures of the specific support objective 1.2. of the Operational Programme “Growth and Employment”**,
- 3) **would create preconditions for developing the innovation environment**, using other available resources for this goal.

The recommendations and actions included in the plan are based on the results of thematic work group discussions organised within RATIO project, the good foreign practices acquired, as well as on the conclusions of study “Development of innovative small and medium-sized enterprises in Latvia and Vidzeme region” implemented within the RATIO project.

During the development of the action plan work groups were organised, in which directors and development experts of Vidzeme Planning Region, entrepreneurs, representatives of state institutions (ME, IDAL, MW, SEA, RSS), business support organisations (ALTUM, BI, LRATC), representatives of non-governmental organisations (LICTA, LEEEIA, AMEMI, Association of Light Industry Companies) and professionals of research institutions (VUAS, RTU, LUA, IES) took part. The suggestions provided by the participants of these discussions are included in the range of measures to be implemented.

The action plan includes the priority lines of action and activities or measures that are implemented or initiated by the Administration of Vidzeme Planning Region (hereinafter referred to as VPR). VPR Administration implements these activities and measures independently or in cooperation with national and VPR local government authorities, education and research, business support institutions, merchants, non-governmental organizations and other interested parties.

The action plan also includes the most important recommendations of advisory character. Initiator for implementing them may be VPR Administration, as well as any other institution of state, regional or local level. Expanded outline of recommendations is included in the study “Development of innovative small and medium-sized enterprises in Latvia and Vidzeme region” implemented within the RATIO project.

The priority actions included in the plan are focused on policies and the improvement of their implementation instruments (especially the improvement of specific support objective 1.2.1 instrument), improving environment of innovations (activities of advisory support structures and improvement and development of infrastructure provision and accessibility), activation and motivation of SMEs for collaboration with the representatives of the research sector for the creation of new innovations and for their implementation in the activity of enterprises, as well as for the development of products and processes.

The following detailed information is provided for each priority action:

1. Substantiation (or problems stated and suggestions summarized within the RATIO project, which serve as arguments) for choosing the particular priority action.
2. Specific activities to be implemented.
3. The involved parties or institutions that are involved and/or should be involved in the implementation of priority actions, as well as the role of these organizations.
4. Time frame, in which the identified priority actions should be implemented.
5. Costs/investments or the necessary financial resources for the implementation of the identified priority actions.
6. Financial sources or available programs, instruments that help to implement the priority actions within the provided time frame.

It is planned to implement the priority actions included in the plan within the time period of five years, i.e. until year 2022 (including).

Control (monitoring) plan of the action plan implementation with control indicators are an integral part thereof. The action plan has been approved at the RATIO project work group meeting.

Action plan and its control (monitoring) plan has been approved by Development Council of Vidzeme Planning region.

1. GENERAL INFORMATION

Project: “Regional Actions To Innovate Operational Programmes” (RATIO)

Partner organization: Vidzeme Planning Region

Other involved partner organizations:

- Ministry of Economics
- Investment and Development Agency of Latvia
- Ministry of Environmental Protection and Regional Development
- Central Finance and Contracting Agency
- Higher and vocational education institutions, research institutions
- Latvian Association of Local and Regional Governments
- Association of Large Cities
- Associations of industries
- Latvian Chamber of Trade and Industry
- Business support organisations
- Small and medium-sized enterprises

Country: Latvia

NUTS2 region: Latvia

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2. THE FRAMEWORK AND GOAL OF THE ACTION PLAN

The action plan is developed with the goal to initiate and to implement such measures the introduction of which:

- 1) would improve the implementation instruments of Latvian regional policies – action programme for the support of innovations of small and medium-sized enterprises in rural regions,
- 2) would improve the measures of the specific support objective 1.2. of the Operational Programme “Growth and Employment”,
- 3) would create preconditions for developing the innovation environment, using other available resources for this goal.

The plan includes six actions that are directly focused on improving the policy instruments (actions A.1, A.2), the operational programme “Growth and Employment” 1.2. specific support objective measures (actions B.1, B.2, B.3) and development of innovation environment (action C.1). Additionally recommendations are included.

The implementation of actions will have positive effects on the management of the existing resources and support instruments, including the introduction system, as well as the cooperation between the involved parties will be improved. Part of the actions (in particular within block B and C) will be implemented through the development and introduction of new EU funds, programmes and other projects funded by the support instruments.

When developing the action plan several examples of good practice identified within RATIO project were considered, as well as the transfer options of their elements, and also policy instruments and documents of national and regional level were considered, and they are:

- the National Reform Program of Latvia “Europe 2020” for the implementation of the strategy (NRP of Latvia);
- Regional Policy Guidelines 2013-2019;
- Operational programme “Growth and Employment”;
- Vidzeme Planning Region Development Program 2015-2020;
- Vidzeme Planning Region Sustainable Development Strategy 2030;
- Science, Technology Development and Innovation Guidelines 2014-2020.

3. ACTIONS AND RECOMMENDATIONS

Within the study the most significant developed suggestions are summarized by structuring them into three blocks. Each block includes priority actions – measures, which Vidzeme Planning Region updates or starts solving in the nearest future (in 2018 to 2019) by involving and addressing the corresponding partners, as well as implements the monitoring of their implementation within stage 2 of the RATIO project till year 2020. The action plan section 3.4 also includes the most important recommendations of advisory character.

Block A for the improvement of actions and recommendation policies (particularly the SSO 1.2.1.) and their implementation instruments;

- A.1. priority action – suggesting of SSO 1.2.1 measure 1.2.1.2. amendments to improve the opportunities of SMEs to attract highly qualified employees
- A.2 priority action – suggesting of SSO 1.2.1 measure 1.2.1.2. amendments to increase the innovation activity of SMEs

Block B For the improvement of the environment of actions and recommendations (development and improvement of coordination, consultative support structure activities, information and infrastructure provision and accessibility).

- B.1 priority action – improvement of coordination system and implementation mechanisms
- B.2 priority action – improvement of knowledge, information and data accessibility and quality required for SMEs innovations.
- B.3 priority action – expansion of innovations and technological development range of measures and improvement of competency acquisition options, by involving the existing employees of innovation system and using the existing infrastructure.

Block C Recommendations and actions for activization and motivation of SMEs:

- C. 1. priority action – activization and motivation measures of SMEs

3.1. BLOCK A

For the improvement of actions and recommendation policies (particularly the SSO 1.2.1.) and their implementation instruments;

This block includes actions that provide improvement of the instrument for the implementation of policies, that is related to the promotion of innovations of SMEs in Vidzeme Planning Region. In particular, the improvement of the operational programme “Growth and Employment” 1.2.1 specific support objective “To increase private sector investments for R&D”.

The block includes two priority actions with specified corresponding activities.

A.1. PRIORITY ACTION

SSO 1.2.1. measure 1.2.1.2. amendments suggestion to improve opportunities of attracting highly qualified employees for SMEs



1. BACKGROUND

Description of the problem

Attraction of highly qualified employees for SMEs is currently possible, using the existing support instrument – measure 1.2.1.2. “Support for improvement of technology transfer system and innovation vouchers for SMEs”. Provisions of the named support instrument allows to receive support for the attraction of highly qualified employees not only to merchants, that conform to the definition of a start-up in accordance with the regulatory enactments in the field of activity of start-ups. Until January 2018 only one company in Latvia has been classified as a start-up in accordance to the requirements of the regulatory enactments¹. In the time period from 2012 to 2014 the proportion of innovative companies in Latvia, that implemented at least one innovation in the report period, was 25.5% of the total number of companies². None of them qualified for receiving support for the attraction of highly qualified employees.

Within the discussion of RATIO project thematic work groups it was mentioned that Operational Program “Growth and Employment” within the activities of the specific support objective 1.2 measure 1.2.1.3. “Support for the attraction of highly qualified employees” was initially planned. This measure was excluded from the list operational programme, explaining that support for the attraction of highly qualified employees will be provided within measure 1.2.1.2. “Support for improvement of technology transfer system and innovation vouchers for SMEs” (support for the attraction of services and specialists necessary for the development of new products and technologies of SMEs). ME also explained that the assessment on the necessity of support for attracting highly qualified employees and its implementation type will be included in the relevant initial assessment of the measure.

The Cabinet of Ministers Regulation No. 692 “Rules for implementing the operational programme “Growth and Employment” 1.2.1 specific support objective “To increase private sector investments for R&D” 1.2.1.2. measure “Support for the improvement of technology transfer system”” provides that the actions to be supported for attracting highly qualified employees are provided not only for merchants that conform to the start-up criteria, that have been provided by the regulatory enactments for the support of start-up activity. In accordance with the Cabinet of Ministers Regulation No. 692 Clause 49 the total available funding for the attraction of highly qualified employees is EUR 3 529 411.76, but as this support is classified as minimised support (for one company within 3 years the support amount cannot exceed EUR 200 000), it is possible that the planned amount of start-ups involved in the activity program will not qualify for receiving the support, thus it is possible that the entire funding will not be used within the planned measure.

The Law on Aid for Start-Up Companies (in force from 01.01.2017.) Section 4 provides the criteria of merchants that may candidate for the support of this program. Until January 2018 only one company in Latvia (SIA “Dirpito”) has been classified as a start-up in accordance to the requirements of the regulatory enactments³.

¹ <http://www.liaa.gov.lv/lv/fondi/2014-2020/jaunuznemumu-atbalsta-programmas/atbalstito-jaunuznemumu-registrs>

² http://www.csb.gov.lv/sites/default/files/nr_37_inovacijas_latvija_16_00_lv.pdf

³ <http://www.liaa.gov.lv/lv/fondi/2014-2020/jaunuznemumu-atbalsta-programmas/atbalstito-jaunuznemumu-registrs>

The source and essence of the suggestions

The participants of RATIO project thematic work group (representatives of industry associations and businesses) have expressed their view that measure 1.2.1.2. provisions in force substantially limit the ability of SMEs to obtain support for attraction of highly qualified employees, and therefore it is necessary to change the conditions of the program to ensure the possibility of attracting such employees not only to start-ups, but also to other SMEs that create and introduce innovations.

Examples of good practice, which conform to this proposal – analogue or similar type program or support measures for the attraction of highly qualified employees to SMEs within the RATIO project partnership were not identified. The proposed solution follows the results of the study implemented within the project and the suggestions of the discussion members of work groups.



2. MEASURES/ACTIVITIES

- To prepare and to submit a proposal to the Ministry of Economics on the necessity to amend the Cabinet of Ministers Regulation No. 692 "Rules for implementing the operational programme "Growth and Employment" 1.2.1 specific support objective "To increase private sector investments for R&D" 1.2.1.2. measure "Support for the improvement of technology transfer system" Clause 43.1¹, which would allow to receive financial support for the attraction of highly qualified employees not only to start-ups, but also to other SMEs that create and implement innovations.
- If upon assessment of the suggestions to amend the Cabinet of Ministers Regulation No. 692 "Rules for implementing the operational programme "Growth and Employment" 1.2.1 specific support objective "To increase private sector investments for R&D" 1.2.1.2. measure "Support for the improvement of technology transfer system" Clause 43.1¹ it is stated that by extending the range of support recipients the plans of SSO 1.2.1 would not be reached, upon implementing the interim assessment of Operational Programme "Growth and Employment" and taking into consideration the current number of start-ups in Latvia at that time, to assess the necessity to review the distribution of the available funding between the activities provided in the Cabinet of Ministers Regulation No. 692 subclauses 41.1., 41.2., 41.3., 41.4., 41.5., 41.6. and 41.7., by diverting the funding to those activities, for the implementation of which a larger number of SMEs apply.



3. RELATED PARTIES

The responsible institution:

Vidzeme Planning Region Administration – prepares and submits proposals to the Ministry of Economics.
Other parties involved and their role:

- industry associations, Employers' Confederation of Latvia and LCTI – provide their assessment to ME on the amendment project of the Cabinet of Ministers Regulations.
- Latvian Association of Local and Regional Governments and Association of Large Cities – provide their assessment to ME on the amendment project of the Cabinet of Ministers.
- ME – inclusion of the proposal on the amendments to the Cabinet of Ministers Regulations in the agenda and development of the Cabinet of Ministers Regulations. The provision of feedback to VPR on the progress of proposals included in the activity.
- CFCA – cooperation institution.
- IDAL – the responsible institution, which provides allocation and provision of support to SMEs.



4. TIME FRAME

2018 - 2020



5. COSTS/INVESTMENTS

VPR, ME and IDAL administrative costs.



6. FINANCIAL SOURCES

SSO 1.2.1. financing, VPR, ME and IDAL budget.

A.2. PRIORITY ACTION

SSO 1.2.1 measure 1.2.1.2 suggestion of amendments to increase the innovation activity of SMEs



1. BACKGROUND

Characterization of the problem

Data of the existing situation study implemented within the RATIO project shows that businesses of Vidzeme Planning Region are willing to implement innovations and technology transfer, but the existing support instruments include conditions that limit the ability of businesses to apply for receiving the support and decrease the involvement of SMEs. They are: the complex and time consuming procedures for receiving the services, service provider choice restrictions, relatively low and thus less attractive support intensity, lack of support to funding the internal research resources of SMEs.

Cabinet of Ministers Regulation No. 692 "Rules for implementing the operational programme "Growth and Employment" 1.2.1 specific support objective "To increase private sector investments for R&D" 1.2.1.2. measure "Support for the improvement of technology transfer system"" Clause 43 provides that IDAL procures service providers for the necessities of merchants. From the aspect of SMEs involved in RATIO project activities and identified within the study such approach significantly extends the development time of product/service, which is decisive for entering the market or retaining competitiveness.

The Cabinet on Ministers Regulation No. 692 Clause 46 provides that the costs are eligible, if they are provided by research organisations and Clause 46.2 provides that the costs are eligible, provided that the service provider – research organisation is registered in EU member state, EEA country or Swiss Confederation. But within procurement procedure IDAL has procured only service providers registered in Latvia, whose services provided not always conform to the essence and field of innovations of SMEs, or are not able to ensure the provision of the necessary result. IDAL has procured service providers in the following tenders : "Technical-economic self-study, industrial research, experimental development and development of the product industrial design" (ID No. IDAL 2017/41 ERAF), "Certification services of a new product or technology" (ID No. IDAL/2017/59 ERAF), "Testing services of a new product or technology" (ID No. IDAL 2017/60 ERAF), as a result the "basket" of choice to SMEs includes only service providers registered in Latvia.

The Cabinet of Ministers Regulation No. 692 Clause 54.1 provides that the maximum permissible funding intensity for one support application is 60% of the outsourced service costs without value added tax, which in the discussions of RATIO project thematic work groups (entrepreneurs and NGO) has been mentioned as too low for the situation in Latvia to motivate the merchants to create, test and introduce innovations, especially in cases when it is not possible to gain complete confidence within self-study about the commercial viability of innovation.

Low activity of SMEs is proven by the results of the operational programme "Growth and Employment" 1.2.1. SSO "To increase sector investments for R&D" 1.2.1.2 measure "Support for the improvement of technology transfer system" programme "Innovation voucher support services" (in 2017 10 projects), which shows that small number of merchants apply for the support. And no applications are received from SMEs, that operate in regions. Consequently, there is a situation in which support instrument is available, but due to the above mentioned factors it is not being used sufficiently actively and effectively. Thus the development of innovative SMEs in the regions is delayed, and the potential of the support instrument is not fully used.

The source and essence of the suggestions

The authors of the action plan and participants of RATIO project thematic work group discussions (entrepreneurs and industry associations) have developed proposals for the amendments to 1.2.1.2. measure

⁴ <http://www.liaa.gov.lv/lv/fondi/2014-2020/inovaciju-vauceru-atbalsta-pakalpojumi/pakalpojumu-sniedzaji>

⁵ <https://www.enterprise-ireland.com/en/research-innovation/companies/collaborate-with-companies-research-institutes/innovation-voucher.shortcut.html>

regulations, upon the implementation of which, the activity of SMEs in the use of support instrument and implementation of innovative activities would be promoted.

The proposals take into account the good practice of RATIO project partners, which was identified within RATIO project partnership:

Enterprise Ireland innovation voucher support program in Ireland⁵ allows merchants to freely choose from the offered service providers (*knowledge providers*) according to their own criteria the most corresponding service provider within 12 months (the implementation period of one innovation voucher project), thus reducing the bureaucratic burden and providing the most appropriate service. Such approach from the point of SMEs is assessed very positively.

The support is provided to the following activities:

- Development of new products/processes/services
- Development of new business models
- Provision of new services and customer interface
- Trainings of innovation management
- Innovation/technology audit

The experience of Usti region (the Czech Republic)⁶ proves that one of the main tasks of a support programme of such nature is to promote long-term cooperation of merchants and research organisations, thus it is preferable that SMEs are able to choose the most appropriate research organisation for cooperation already from the start. In the innovation voucher support program of Usti region the funding to SMEs is provided with support intensity of up to 85%. In the example of good practice the scheme of small grants for the implementation of innovative projects of SMEs (Małopolskie, Poland)⁷ provides funding with up to 90% support intensity, which promotes high interest of SMEs and readiness (within the first address of grant scheme 153 applications have been received for the total funding of 2.2 million euros, which exceeded the initially planned funding by almost three times) in the creation and implementation of innovations.



2. ACTIVITIES/MEASURES

To prepare and to submit a proposal to the Ministry of Economics on the necessity to amend the Cabinet of Ministers Regulation No. 692 “Rules for implementing the operational programme “Growth and Employment” 1.2.1 specific support objective “To increase private sector investments for R&D” 1.2.1.2. measure “Support for the improvement of technology transfer system””:

- To amend the Cabinet of Ministers Regulation No. 692 Clause 43, providing that not only the beneficiary (IDAL) of the funding provides outsourced services to merchants, but also the merchant itself can organise procurement for choosing the most appropriate provider of outsourced service (research institution). The proposal is based on the experience of Ireland partner in the RATIO project.
- To amend Clause 54.1 of the mentioned Regulation, increasing the maximum permissible funding intensity from 60% till 85 to 90% of the outsourced service cost without value added tax for one support application. The proposal is based on RATIO project experience of the Czech Republic and Poland partners.
- To amend the Cabinet of Ministers Regulation No. 692 “Rules for implementing the operational programme “Growth and Employment” 1.2.1 specific support objective “To increase private sector investments for R&D” 1.2.1.2. measure “Support for the improvement of technology transfer system”” providing that within the measure with the help of innovation voucher merchant, that does not conform to the status of a start-up may fund the internal research resources of the company (personnel remuneration), if it has reasoned and corresponding research competence, knowledge and experience.

In addition to the above mentioned, to introduce ME and IDAL with the application forms of Ireland innovation vouchers, to ease the application of SMEs for receiving support and to reduce the bureaucratic burden.

⁶ <http://icuk.cz/en-innovation-vouchers>

⁷ <http://www.rpo.malopolska.pl/skorzystaj/nabory/poddzialanie-1-2-3-bony-na-innowacje--rpmp-01-02-03-ip-01-12-031-16>



3. RELATED PARTIES

The responsible institution:

Vidzeme Planning Region Administration – prepares and submits proposals to the Ministry of Economics.

Other parties involved and their role:

- industry associations and LCTI – provide their assessment to ME on the amendment project of the Cabinet of Ministers Regulations.
- Latvian Association of Local and Regional Governments and Association of Large Cities – provide their assessment to ME on the amendment project of the Cabinet of Ministers.
- ME – inclusion of the proposal on the amendments to the Cabinet of Ministers Regulations in the agenda and development of the Cabinet of Ministers Regulations. The provision of feedback to VPR on the progress of proposals included in the activity.
- CFCA – cooperation institution.
- IDAL – the responsible institution, which provides allocation and provision of support to SMEs.



4. TIME FRAME

2018 to 2019



5. COSTS/INVESTMENTS

VPR, ME and IDAL administrative costs.



6. FINANCIAL SOURCES

SSO 1.2.1. financing, VPR, ME and IDAL budget.

3.2 BLOCK B

**For the improvement of the recommendations and environment of innovation actions
(development and improvement of coordination, consultative support structure activities,
information and infrastructure provision and accessibility)**

This block includes actions that provide activities and measures to improve the innovation environment. The innovation environment is considered: improvement of coordination system, development and improvement of consultative support structure activities, information and infrastructure provision and accessibility.

The block includes three priority actions with specified corresponding activities.

B.1. PRIORITY ACTION

Improvement of coordination system and implementation mechanisms



1. BACKGROUND

Characterization of the problem

In Latvia innovation support instruments are developed centrally, using a “top-down” approach. Within the discussions of RATIO project thematic work group members (VPR local governments, entrepreneurs and NGOs) an opinion was expressed that the policy makers do not properly take into account various actual needs of the regions, the development tendencies of situations and economy, that there is a lack of regional and local level involvement. There are separate, mainly mutually unrelated instruments of various support stages, which are often monitored and developed by various ministries. As it was concluded in the thematic discussions of RATIO, often they are introduced without mutual coordination. For example, when

complementary instruments do not fall in the same time, businesses do not have the ability to implement a sequential set of actions, reaching the maximum best obtainable results.

In accordance with the Cabinet of Ministers Regulations No. 271 of 23 March 2010 (No. 15 3.§) "Regulation of the Ministry of Economics", the Ministry of Economics is the leading state administration institution of economy policy, the tasks and competence of which include the development and implementation of innovation development policy. Representatives of the Ministry of Economics within RATIO project thematic work groups informed that the Ministry of Economics in cooperation with other competent ministries has launched the development of innovation system management model to provide more effective coordination of development and implementation of innovation support instruments. This is a positive aspect, but based on the experience of parties involved in RATIO project thematic work groups, which point to the passiveness of separate significant involved parties, there is concern that there might be weak links in the system right from the outset, which will make it less efficient.

While there is a number of different national, regional and local business structures, a lack of coordination in their activities can be observed, as well as fragmentation, and also there are restrictions of regulatory enactments that undermine the ability of the companies to receive services or the services are made unattractive due to the complex administrative procedures from the point of SMEs and thus insufficiently used.

IDAL has created a network of regional business incubators, which provides services necessary for the development of SMEs start-up business and innovations in all regions of Latvia. But in the business incubators consulting in business matters is provided only to those companies that have signed a contract with IDAL. From the point of entrepreneurs it is a cumbersome aspect. At the same time advisory support in business matters in regions is also provided by other organizations – regional planning business centres, Latvian Rural Advisory and Training Centre, national development financial institution ALTUM, local government business professionals, etc. Although the network of various consultative structures is diverse, from the point of entrepreneurs many of the required services are still unavailable or their quality does not conform to the needs of SMEs, particularly in the areas of smart specialisation. For example, there is a lack of laboratories, co-working premises and measures, information about where and based on what rules research services can be received, access to testing devices can be acquired, the existing consultants are not able to fully comprehend the specifics of the company activity and thus not always are able to offer the most appropriate solutions and programs, etc.

The source and essence of the suggestion

The authors of the action plan and participants of RATIO project thematic work group discussions have developed proposals for measures upon the implementation of which better coordination of innovations and business support instruments and the activity of institutions that implement them would be promoted.

The proposals take into account the good practice of RATIO project partners, which was identified within RATIO project partnership:

The inclusion of the needs of the regions and expansion of opportunities in policies and support instruments were considered in Lazio region in Italy. In Lazio region "Support program "Support to changes for the retention of local business system competitiveness"" has been created and is being implemented⁸. Its task is by applying the principle of "bottom-up" (upward) cooperation and communication with local entrepreneurs to develop programmes and support instruments, that are based on the views of the SMEs of the region and the actual situation, and thus better meet the needs of SMEs. The approach has allowed to create a support programme, based on the development strategy of the specified region and the needs of the existing business industries in the region. Within the first phase of the programme 174 project applications were received, 156 of which matched the quality and innovation criteria of the program. The particular 156 applications include almost all production industries that operate in Lazio region: design, tourism, SPA, food production, agriculture, pharmaceuticals, audiovisual solutions, ICT, movement of goods economy, etc. The experience of Lazio region can be used in the development and implementation process of the new innovation management model, developed by ME.

⁸ http://lazioeuropa.it/bandi/call_for_proposal_sostegno_al_riposizionamento_competitivo_dei_sistemi_impresoriali_territoriali-351/

⁹ <https://www.localenterprise.ie/>

The example of good practice in Ireland shows that upon effective cooperation and distribution of responsibilities between the national and regional business support organizations (*Enterprise Europe Network, Enterprise Ireland, Local Enterprise Offices*) it is possible to ensure effective management model of support programs and the availability of support to SMEs in rural areas. The mentioned model in Ireland ensures that the offices of the local businesses⁹ operate as one/first stop agencies for anyone looking for information and support for starting or developing a business, as well as to promote mutual cooperation between the companies and to ensure availability of information not only about local but also about national support programmes. The offices of local businesses ensure not only the availability of information about the support programs, but also trainings, business consulting (strategic and business planning, marketing, sales, financial planning) and mentoring. Such management model of support programs and availability of support closer to customers in regions should be implemented also in Latvia.



2. ACTIVITIES/MEASURES

- To submit a proposal to the Ministry of Economics to establish interinstitutional work group, which includes at least ME, MA, MES, MEPRD, planning regions, industry associations for the development of management model of national innovation system and for coordinated planning of support instruments, using the “bottom-up” approach. One of the tasks set for the work group – based on the experience of Ireland, to develop and to implement effective model of cooperation between national and regional business support organisations, which provides accessibility and quality of support to SMEs, meets the needs of businesses for knowledge, skills, and also provide financial support.
- To prepare and to submit proposals to MEPRD to include actions and tasks in the next period “Regional policy guidelines”, which provide development, implementation and accessibility of support instruments of innovations of regional level to SMEs according to the smart specialization areas of the region.
- To prepare and to submit proposals to ME and IDAL about the improvement of business incubator services created and provided within operational programme “Growth and Employment” 3.1.1. specific support objective “To promote the creation and development of SMM, especially in processing industry and RIS3 priority sectors” 3.1.1.6 measure “Regional business incubators and indicator or creative industries” in the regional structural units of IDAL, and they are:
 - to improve services, by providing the possibility for SMEs to receive services in less time, applying simplified administrative procedures, i.e. ensuring that decisions on support are assessed and adopted on the spot in the region, rather than in the Central Office of IDAL;
 - to provide support consultations to those starting a business, to self-employed persons, to micro and small merchants in regions;
 - to implement the development and provision of services in synergy with other regional business support institutions, avoiding duplication and ensuring mutual complementarity.



3. RELATED PARTIES

The responsible institution:

Vidzeme Planning Region Administration – prepares and submits proposals to the ME, IDAL and MEPRD, providing the monitoring of the submitted proposals within the involved work groups. VPR forms cooperation with the local governments, SMEs, business support organisations, develops recommendations for policy makers and institutions that implement business support policy for promoting the efficiency of business support.

Other parties involved and their role:

- SMEs, industry associations and LCTI – provides own proposals and suggestions to VPR Administration, involves in discussions about the necessary improvements for the promotion of business and accessibility of support in regions.
- Vidzeme region local governments, Latvian Association of Local and Regional Governments and Association of Large Cities – provides own proposals and suggestions to VPR Administration, involves in discussions about the necessary improvements for the promotion of business development and accessibility of support in regions.

- Decision making and supervisory authorities (ME, IDAL, MES, MEPRD, MA, etc.) – provides assessment of the submitted proposals, provides further guidance of them at institutions, provides feedback to VPR Administration about the initial course of proposals in the regulatory enactments and the planning documents.
- Business support organisations – engages in measures for the increase of business support efficiency of SMEs.



4. TIME FRAME

2018 to 2022



5. COSTS/INVESTMENTS

Administrative costs of VPR and other involved institutions, organisations.



6. FINANCIAL SOURCE

Budget of VPR and other involved institutions, EEA and Norway Financial Instrument.

B.2. PRIORITY ACTION

Improvement of knowledge, information and data accessibility and quality required for innovations of SMEs



1. BACKGROUND

Characterization of the problem

Although there are various support instruments and a large number of institutions operate in Latvia, which hold the knowledge necessary for businesses, study “Development of innovative small and medium-sized enterprises in Latvia and Vidzeme region” proves that from the point of SMEs a united, transparent and comprehensible information resource, that would enable the businesses to find the information, knowledge and contacts they require, does not exist. Entrepreneurs note that there is a lack of information available in one place about the available support instruments and other development resources. Entrepreneurs also indicate that a new or infrequent user finds it difficult to navigate the often hard to find resources published on various websites, that are created using bureaucratic terminology and vocabulary.

As one of the challenges of RATIO project the following fact is mentioned that knowledge, data and information required for the technological development of businesses and innovations in smart specialization areas is currently managed by approximately 190 institutions (universities, research institutes, competence centres, technology transfer centres, etc.) in all Latvia, and 21 of them run in VPR.

At national level IDAL has become one of the leading institutions for provision of information and consultations related to innovations and technology transfer in the planning period of 2014 to 2020. The Cabinet of Ministers Regulation No. 692 “Rules for implementing the operational programme “Growth and Employment” 1.2.1 specific support objective “To increase private sector investments for R&D” 1.2.1.2. measure “Support for the improvement of technology transfer system”” stipulates that IDAL provides development of United Technology Transfer Centre. In accordance with Sub-clause 17.1.5 of this Regulation one of the activities of the Centre is provision of information and consultations to research organisations, researchers and merchants about technology transfer and innovation, including the available support instruments. Sub-clause 17.1.8. of the Regulation provides that the IDAL must develop data and information storage system in areas that cover the assisted activities provided in the document. Although the initiative itself can be considered positive, the activity of Unified Technology Transfer Centre is still in its early stages and data, knowledge and information in this resource is not available to businesses, but it is topical already now. Within the study “Development of innovative small and medium-sized enterprises in Latvia and Vidzeme region” information was gathered about the applied research services offered by the leading Universities of Latvia and Vidzeme University.

¹⁰ <http://polsis.mk.gov.lv/documents/4612>

To address the problem of knowledge and information availability, Vidzeme Planning Region Administration has created Vidzeme Business Support Centre (VBSC) that provides coordinated support to business development in the region. VBSC offers consultations about starting a business for beginners and consultations about the available support instruments for businesses already existing, organizes business promotional measures in the territory of Vidzeme Planning Region. VBSC maintains information portal <http://invest.vidzeme.lv>, which contains information on the available support instruments to SMEs, the current events in business sector, the available investments for real estate in the region. It should be noted, however, that the Centre does not have the competence in maintaining and provision of technology and innovation knowledge database, which it actually should not do, taking into account the goals of resources and conformity of other national and regional institutions.

The source and essence of the suggestions

The authors of the plan and participants of RATIO project thematic work group discussions have developed proposals for measures, upon the implementation of which the storage, circulation and accessibility of knowledge, information and data necessary for innovations of SMEs would be improved.

For this proposal example of good practice within RATIO project partnership has not been identified. The proposed solution follows the suggestions of the discussion members of work groups. It should be noted that the institutions managing knowledge and information that was addressed within the study have expressed interest and willingness to participate in the systems and processes that would promote a more effective communication and collaboration with SMEs and other stakeholders in the common fields of interest.



2. ACTIVITIES/MEASURES

- To prepare and to submit recommendations to ME and IDAL for the improvement of a unified informative portal, which would be linked to information resources (web sites) of other business support institutions, including transparent, structured and easy to find information about:

all available international, national and regional support programmes for entrepreneurs;

the available research resources, directions, all providers of research services in the public and private sector;

the available resources – real estate, scientific, testing and experimental laboratories, etc.

- VPR should improve the informative portal of Vidzeme Business Support Centre, which should include at least the following developments:

To create a link to the site from the local internet sites of the region, national and regional business associations and business support organisations;

To create an informative section about companies that are introducing innovations and technological development activities, to provide publishing of updated information in the newly created section;

To systematize and to publish the information summarized within the study about the applied research services offered by the leading Universities of Latvia and Vidzeme University;

To create and to publish interactive pictogram on support institutions available to SMEs and the nature of their offer.

- To inform and to educate the region's local government development department and business support professionals about the use of information resource and to engage SMEs in the distribution of the accumulated information and knowledge



3. RELATED PARTIES

The responsible institution:

VPR Administration – prepares and submits proposals to ME and IDAL on the development of unified informative portal. Coordinates the improvement of Vidzeme Business Support Centre information portal, provides cooperation with higher education and research institutions.

Other parties involved and their role:

- ME – assessment of proposals and allocation of tasks to IDAL for the implementation of the mentioned proposals.

- IDAL – inclusion of the mentioned proposals in the agenda, summarization of knowledge and information, arranging and continuous provision of accessibility in cooperation with other institutions that manage business support programmes, including, but not only ALTUM, RSS and others.

- Higher education and research institutions – summarization and update of information about the provided services and submission to IDAL.

- Vidzeme Business Support Centre – provides development and maintenance of portal <http://invest.vidzeme.lv/>



4. TIME FRAME

2018 to 2022



5. COSTS/INVESTMENTS

Administrative costs of the involved institutions, development and maintenance costs of the portal.



6. FINANCIAL SOURCE

SSO 1.2.1. funding, budget of the involved institutions, EEA and Norway Financial Instrument.

B.3. PRIORITY ACTION

Expansion of innovations and technological development range of measures and improvement of competency acquisition options, by involving the existing employees of innovation system and using the existing infrastructure.



1. BACKGROUND

Characterization of the problem

Interdisciplinary approach promotes acquisition of new knowledge, development of new products, technology and services and innovations. It is a proven and recognised in the environment of international science and innovations, as well as emphasized in RIS3¹⁰ of Latvia. This approach can be applied upon mutual collaboration and involvement of institutions of different areas and levels in co-working, where each of them takes part in the process with a different set of competencies and investments that helps find new solutions, methods, approaches.

There is potential in Latvia and Vidzeme region (human resources, infrastructure) for initiating and development of such mutual cooperation and for promotion of innovations. Entrepreneurs believe that in regions the creation of co-working space works as one of the promotional mechanisms of initiating mutual cooperation between SMEs and other involved parties and innovations. Companies are interested in such features as *living lab* (research concept, which is user-centric open innovation system that often works in territorial context (e.g., city, agglomeration, region), by integrating at the same time the public – private partnerships with research and innovation processes), *fab lab* (small-sized open type digital production laboratory, in which entrepreneurs and other interested parties can develop the first prototypes, providing access to digital production technologies), *maker space* (shared place of work at school, library or in a separate public/private space to create, to learn, to explore and to share information through various, including high technology instruments) and others. Within the meetings of work groups of the involved RATIO project parties the necessity was identified for more efficient use of co-working space and other premises and equipment potential for the development of creativity and innovation ability of SMEs.

The potential of already created co-working spaces in the region (such as business incubators, Skola6 Cēsis, etc.) is insufficiently used. It is necessary to develop the existing services, as well as to develop new ones, to promote the development of the co-working structures into centres of creative industries with the elements of experimental laboratories. One of the services offered by such structures might be innovative training programmes for SMEs that promote creativity and emergence of new innovations. Experience in the implementation of measures that promote the development of creative abilities is shared by RATIO project Italy partner, and it shows that the development of creative skills positively affects the development of innovations

¹⁰ <http://polsis.mk.gov.lv/documents/4612>

within companies, as well as promotes cooperation between various involved institutions and businesses, including SMEs of various sectors. Cross-sectoral cooperation positively affects emergence of innovations. At the same time there is a number of institutions operating in the region (for example, vocational training institutions, Vidzeme University), the material technical base of which improved within the last 10 years is a significant resource for the development of human resources and promotion of innovations in the region.

To summarize it can be said that there is a necessity and interest of SMEs to develop creativity, that there are resources in the region, there are individual initiatives, but there is no effectively coordinated, synergistic system.

The source and essence of the suggestions

The authors of the action plan and participants of RATIO project thematic work group discussions have developed proposals for increasing the range of innovation and technological development measures and improvement of opportunities to acquire competences, by involving members of the existing innovation system and by using the existing infrastructure.

The proposals take into account the good practice of RATIO project partners, which was identified within RATIO project partnership:

In Lazio region in Italy during the time period from 2012 to 2015 training program for SMEs was implemented, the goal of which was to develop innovations of products, processes and services of SMEs. Innovative training sessions were organized within it to promote the use of creativity as a tool for promoting innovations and developments in SMEs. The focus was innovations of products, services and processes. The trainings are based on active and complete involvement of human resources of SMEs, both in the management and operational level. Training coaches – coaches and business process engineers facilitated the process of human resources, improvement of product development process, activated creative thinking methods with the help of which companies were able to reach innovative, alternative solutions in the development of new or improvement of existing products, processes and services. During the implementation of the programme in Lazio region 14 training sessions were organized, in which 72 employees of 41 SMEs participated.



2. ACTIVITIES/MEASURES

- To identify the sectors, in which for the development of innovations and technologies of SMEs co-working resources are necessary, to identify the needs of SMEs.
- To identify the provision of co-working resources, the availability (the holder, the owner?)
- To identify the manager of knowledge, skills and material technical resources, including the preconditions of private sector, involvement and collaboration (on what terms, on what conditions, for what needs these resources may be used?)
- In cooperation with the potentially involved managers of knowledge, skills and material technical resources to prepare proposals for the development of co-working.
- VPR has to submit the developed proposals to institutions that decide on the support measures and the resources available for their implementation: ME, MC, MES, local governments, which hold or manage the resources applicable for co-working, as well as LCTI, sectors, for which they are planned, co-working measures, associations.



3. RELATED PARTIES

The responsible institution:

VPR Administration – identifies and summarizes the necessary information, submits proposals to the decision-making institutions, LCTI and industry associations.

Other parties involved and their role:

- Decision making and supervisory authorities (ME, MC, MES) – review of proposals, provision for further guidance, monitoring of implementation.
- Higher education and research institutions – summarization and submission of information about the provided services to VPR Administration.
- Vidzeme region local governments – identification of resources applicable for co-working, communication with VPR Administration.



4. TIME FRAME

2018 to 2022



5. COSTS/INVESTMENTS

Administrative costs of the involved institutions, development and maintenance costs of the co-working premises and equipment.



6. FINANCIAL SOURCE

Budget of the involved institutions, EEA and Norway Financial Instrument.

3.3 C BLOCK RECOMMENDATIONS AND ACTIONS FOR ACTIVIZATION AND MOTIVATION OF SMES

This block includes actions that provide activities or measures for the activation and motivation of Vidzeme Planning Region small and medium-sized enterprises (SMEs) with the goal to promote creation and implementation of new innovations.

The block includes one priority action with specified corresponding activities.

C. 1. PRIORITY ACTION

Activation and motivation activities of SMEs



1. BACKGROUND

Characterization of the problem

The European Innovation Scoreboard is formed annually and in the rating of 2017 Latvia was assessed as a moderate or mediocre innovator ranked 24th in the European Union¹¹. About 25% of the businesses in Latvia create and implement innovations¹², however this figure compared to the average indicator of the EU and innovation indicators of other EU states is low. Out of 10 EU innovation dimensions the relatively weak dimensions of Latvia are:

- 1) entrepreneurs as innovators (indicators: product/process innovations, organisation/marketing innovations, SMEs self-created innovations),
- 2) mutual links and cooperation (indicators: cooperation of innovative SMEs with other companies, public-private partnerships in joint publications, private co-funding in public research and development),
- 3) attractive research system (indicators: international co-publications, the most cited publications, foreign doctoral students).

Although statistical data about innovating businesses in Latvia distributed by regions in Latvia is unavailable, it can be assumed that the percentage proportion of innovative SMEs in a region is lower than in a national level, because innovations mostly form, where there are science and technological development centres, but in comparison to the capital in Vidzeme region there are not many of them.

The reasons for the weak results and their causes are addressed in the study implemented within RATIO project. Information and data summarized within RATIO project thematic work groups provide that businesses lack knowledge, has no information where to acquire it, has not formed a dialogue with institutions that create knowledge (universities, research institutes) and it is difficult to create the dialogue, because often productive communication is burdened by the varying approaches of the researchers and entrepreneurs, as well as the various understanding of the cooperation possibilities, types, the conditions of service provision and receiving. Also the statistics point to the low level of cooperation – only every fourth company in Latvia has cooperated with other companies or research institutions¹³.

¹¹ https://www.rvo.nl/sites/default/files/2017/06/European_Innovation_Scoreboard_2017.pdf

¹² http://www.csb.gov.lv/sites/default/files/nr_37_inovacijas_latvija_16_00_lv.pdf

¹³ http://www.csb.gov.lv/sites/default/files/nr_37_inovacijas_latvija_16_00_lv.pdf

To achieve the increase in the number of innovative companies and performance improvement a complex set of diverse measures is necessary. By assessing VPR and the opportunities of its cooperation partners, such measures were included in the plan, the implementation of which requires the following preconditions: existing forerun, financing of EU programs and funds has already been allocated, holds appropriate resources.

The source and essence of the suggestions

The authors of the action plan and participants of RATIO project thematic work group discussions have developed proposals for activation and motivation of SMEs. The proposals take into account the good practice of RATIO project partners, which was identified within RATIO project partnership:

The operation and innovation voucher program of Usti Region Innovation Centre (the Czech Republic), small grant system "Innovation Link" (in Poland), capacity improvement of human resources through creativity in order to promote innovations in SMEs (Lazio, Italy), offices of local businesses (Cork, Ireland) – in all of these RATIO projects the examples of good practice include component of informative and educational measures that promote a better understanding of SMEs about innovations, their nature, as well as provide the activities of cooperation and networking between SMEs and research institutions.



2. ACTIVITIES/MEASURES

- VPR has to submit ME and IDAL proposal to prepare and to implement informative, educational campaign to promote the awareness of SMEs about the concept of innovation, the corporate culture of innovations, their types, approaches, cooperation models and formation of shapes and the development of innovation implementation capacity. In their essence these measures are an integral part of IDAL stipulated functions, which may be implemented within SSO 1.2.2 activities, as well as in cooperation with other institutions, for example, CFCA, RSS and ALTUM. The campaign can be implemented using the resources of regional structural units. It must be implemented in a way that provides reaching the maximum number of SMEs. The campaign cannot be limited to information on IDAL internet site or one-time regional seminar, it should include at least informative, educational activities, public relations and networking events.

- VPR has to initiate and in cooperation with other business support structures organize mutual measures of researchers and entrepreneurs: hackathons, discussions, B2B events, laboratory and company visits, etc. in order to bring closer the creators and producers of products, services and technologies.



3. RELATED PARTIES

The responsible institution:

VPR Administration – prepares and submits proposals to ME and IDAL. Initiates and organizes networking events of research institutions and businesses.

Other parties involved and their role:

- ME – reviews proposals, forwards for further progress, monitoring of implementation.
- IDAL – development and coordination of campaign, in cooperation with other institutions (ALTUM, RSS), that administer support programmes in innovation area.
- Universities and research institutions – active participation in the activities organized by VPR Administration.
- Local governments and business support organisations – active participation in activities organized by VPR, informative partners within the campaign.
- SMEs – participation in the activities organized by VPR Administration.



4. TIME FRAME

2018 to 2022

13 http://www.csb.gov.lv/sites/default/files/nr_37_inovācijas_latvija_16_00_lv.pdf



5. COSTS/INVESTMENTS

Administrative costs of the involved institutions, organization costs of networking and other cooperation activities.



6. FINANCIAL SOURCE

SSO 1.2.2. funding, budget of the involved institutions, EEA and Norway Financial Instrument.

3.4 RECOMMENDATIONS

Recommendations are other suggestions to institutions of various levels and types. Their implementation is not limited to a specific launch term and resources, since they involve a diverse range of activities and collaboration and engagement between wide variety of institutions.

3.4.1. SUPPORT FOR TRAINING OF EMPLOYEES

The participants of RATIO thematic work group discussions have expressed the opinion that the training and exchange of experience activities of employees is a significant support to SMEs in the development and implementation of innovations and new products.

The support provided within 1.2.2.1. specific support objective “Support for training of employees” is assessed very positively: To continue the initiated activities and to expand the opportunities of SMEs, it is recommended:

- The training programs should be continuously available for SMEs, therefore the responsible institutions (ME, IDAL, MES, etc.) and stakeholders (industry associations, LCTI, VPR etc.) have to timely plan the next planning period support programmes, to provide that there are no interruptions between the implementation periods of the programmes.
- To assess and to find opportunities within the training programme to support the internships of employees of SMEs in similar foreign companies, thus providing the transfer of latest and best knowledge from abroad into companies of Latvia.

3.4.2. PROJECT PREPARATION, ASSESSMENT AND IMPLEMENTATION

The participants of RATIO project thematic work group have pointed out the restrictive conditions in preparing, assessing and implementation of the projects. The existing innovation projects related to research often have too short deadlines for implementation and lack flexibility. Especially the projects, which include the implementation of products, technologies and process in company business model (which include also cooperation with research institutions, other companies, sectors). Such projects require flexibility in attraction of human resources, the use of finances and the substantial progress of the project (opportunity for the project implementers to make changes in the activities and distribution of budget application within the project in accordance with the interim assessments and the achieved results).

In research-related innovation projects within the attraction of human resources often minimum criteria that have to be reached are forwarded, for example, the expert or the researcher has to be employed for definite minimum amount of time or choice has to be made from limited range of institutions. Such conditions limit the opportunities of SMEs to attract the best possible experts for the implementation of project, including from abroad, in accordance with the actual work remuneration rates, experience and qualification of these experts.

In research-related innovation projects within their preparation phase detailed budget planning is required, which often cannot be executed precisely due to objective reasons.

The project evaluation time is relatively long, and during the process of evaluating the applicant does not have the opportunity to present his/her project in person and to defend its content.

Innovation projects often require a relatively long period of research, which is longer than the one provided in the conditions of the program.

It is recommended:

- ME and IDAL should evaluate the possibility of assessing the so-called “small” projects, for example, within innovation voucher programme, in person, meeting with the client to discuss the uncertain issues and to clarify them in a conversation, rather than using long communication according to the bureaucratic procedure.
- ME and IDAL should assess the opportunity to amend the conditions, which allow SMEs to attract experts from research institutions on more flexible terms, without limiting them to the mandatory minimum criteria.
- ME, IDAL, MA and RSS should assess the opportunity of amending the conditions, which would allow to provide longer implementation and support term (up to 4 years, if it does not exceed the provided programming period of EU funds) in innovation projects, in which a comparatively long time can be expected from research till ready commercialized product, which would allow to provide both the research process and the implementation and monitoring of innovations.
- ME, IDAL and CFCA should assess the opportunity of simplifying the terms and forms of project application for budget preparing and reporting, allowing the possibility to impose stricter requirements for reports about the results and progress achieved within the project. But the budgetary conditions should be more flexible, providing an opportunity to reschedule the budget according to the nature of the research/innovation and the process.

3.4.3. PROVISION OF REGIONAL SUPPORT PROGRAMMES FOR SMES THAT CREATE INNOVATIONS

The participants of RATIO thematic work groups have expressed opinion that the currently available support instruments are weakly based in the specific needs and opportunities of the regions. The strengths and weaknesses of Vidzeme region have been identified, as well as the opportunities and limitations (SWOT analysis within the study), and the involved parties see that for a more effective progress and support of the possibilities and needs it is necessary to create innovation support programmes that are based on the needs of the region. Such an approach would strengthen the link and cooperation between the support structures and SMEs of the region, providing assistance in ways that would promote both a more efficient use of funding and more focused progress towards reaching individual and regional strategic goals.

At the same time it would be necessary to improve the system of acquiring and storing data, which would allow to identify the progress, to analyse and to use the obtained information for planning the development activities. The statistical data of technological development and innovations in Latvia, are collected mainly about national results in general. Such data allows to compare Latvia with other European countries, but the achievements, progress and results of regions cannot be analysed completely, nor the strengths and weaknesses can be identified, that should require additional work.

It is recommended:

- Local governments and planning regions in cooperation with ministries of sectors and business support organisations should develop and implement support programmes for supporting and implementing innovations of SMEs in the region.
- ME should assess the possibility to entrust the management of these programs to a regional partner.
- ME and Central Statistical Bureau should review the possibility to supplement the annually collected statistical data about innovations, which conform to the assessment criteria of EU innovation performance and are stored in the distribution of statistical regions.



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