BENEFITS OF INNOVATION REFORM BY 2020

baseline vs reform scenario

- Average Wage: +6% → +7% → +20 EUR/month
- Export: +5% → +10% → +1.4 bil EUR
- GDP: +2.5% → +3% → +404 mil EUR
- Innovative Companies: 53%
- Better chances to survive the valley of death
- Lithuania’s leap in global and EU innovation indexes
Increase of R&D oriented FDI:
- Attractive landscape and policy for more R&D oriented FDI
- Attracted top talent in RDI field
- More expertise and expert involvement in all stages of innovation
- Increase of breakthrough and disruptive innovations

Unified STI policy:
- Adjusted strategic governance of STI area and policy coordination
- Clearly defined areas of responsibility for STI policy making
- Consolidated functions of STI policy implementation in one responsible agency
- Elected STI policy leader
- Common understanding of RDI activities
- New Law on Technology and Innovation
- Long term STI strategy
- Updated and optimized areas and priorities of S3

Effective innovation support system:
- Improved financial motivation system for RDI activities
- Unified assessment and evaluation system of RDI activities
- More focus on experimental development and innovation
Public spending on R&D in Lithuania is similar to the EU average. However, by utilization of R&D spending, Lithuania is among the outsiders.

*Source: EU Innovation Scoreboard 2017*
### Income from the commercialization of new products, mil EUR (2016)

**New to the company products**
- 2012: 1.5 mil EUR
- 2014: 2.45 mil EUR
- 2016: 5.12 mil EUR

**New to the market products**
- 2012: 0.92 mil EUR
- 2014: 1.32 mil EUR
- 2016: 1.49 mil EUR

**TOTAL, bil EUR**
- 2012: 2.4 bil EUR
- 2014: 3.77 bil EUR
- 2016: 6.6 bil EUR

**Higher education & public sector**
- 5.5 mil EUR

**Lithuanian companies**
- 6.6 bil EUR
SHIFTING RDI PARADIGM

R 70%  D&I 30%

D&I 70%  R 30%
Revision of innovation support system

Attraction of R&D oriented FDI

Revision of STI system

Result: INNOVATION AS THE BACKBONE OF LITHUANIAN ECONOMY

Reform basis: THE LAW ON TECHNOLOGY & INNOVATION
KEY 3 ELEMENTS OF INNOVATION REFORM

1. Revision of STI system
   - One ministry in charge of technology & innovation policy
   - One agency
   - Update of S3 strategy

2. Revision of innovation support system

3. Attraction of R&D oriented FDI
KEY 3 ELEMENTS OF INNOVATION REFORM

1 Revision of STI system

2 Revision of innovation support system

3 Attraction of R&D oriented FDI

- Using EU SF to create innovative products/services
- Creating infrastructure necessary for experimental development
- Creating the framework for innovation development infrastructure
- Involving technology scouts
- Motivating scientists to cooperate with businesses
- Developing the framework of consulting services
KEY 3 ELEMENTS OF INNOVATION REFORM

1. Revision of STI system
   - Attraction of R&D oriented FDI
   - Participation of experts in the realization processes of innovations
   - Talent attraction in RDI field

2. Revision of innovation support system

3. Attraction of R&D oriented FDI
THE LAW ON TECHNOLOGY AND INNOVATION

THE CORE OF THE REFORM

Financial support

Clear concept of STI system

Embedded model of the cyclic innovation

Defined responsibilities and clear areas of governance

Innovation Support Fund

One Innovation Agency
IMPLEMENTATION

REFORM COORDINATION COUNCIL
chaired by the minister

1. STI Strategy and Strategic Programs
2. Statistics and Ratings of STI
3. National Science and Technology Programmes
4. Consolidation and Merger of Agencies
5. Life Sciences
6. Innovation Support Fund and RDI Incentives
7. Revision of S3
8. Startups
9. STI Concepts and Assessment of RDI Activities
UPCOMING TO-DO LIST

- Long-term STI development strategy
- Economic diplomacy map of RDI
- RDI Council
- Law bill for Innovation Support Fund
- Improvements of the operating model of governmental research institutes
- Suggestions for law changes regarding experimental development assessment
- Purchase of services: evaluation of the impact of EU VP1 priority
- Update of S3
- Reform of the RDI system: new institutional framework
All progress takes place outside the comfort zone

- Michael John Bobak