



Enhancing the bilateral S&T Partnership with Ukraine

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Deliverable Lead:	NIP
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Abstract	<p>The thematic workshop on innovation issues was an important contribution towards the elaboration of a knowledge base on the topic of innovation in the frame of the bilateral S&T cooperation between the EU and the Ukraine.</p> <p>In a preceding step funding programmes in a broader innovation context were analysed at different levels: EU, Member States and Ukraine. The results of this analysis were presented in the frame of the current workshop to stakeholders, policy makers and researchers in the Ukraine. The objective was to discuss the results of the study with a broader public and to create a basis for the road map an enhanced cooperation in the field of innovation.</p> <p>Basic steps in workshops were</p> <ul style="list-style-type: none">➤ presentations about understandings of innovation and technology transfer➤ presentations of the results f the study; as well as➤ a moderated discussion. <p>The participants confirmed the main findings of the study. However, in the field of cross border innovation (a main issue identified in the study) it was proposed to take into account also other cross border programmes (not only the South East Europe cooperation programme).</p> <p>In a second step the moderated discussion focussed on specific actions to be implemented in order to improve the innovation performance of the country and/or to improve the perception of UA's merits by western partners.</p> <ul style="list-style-type: none">- Improvement of motivation of business to implementation innovation- Selection of the main scientific priorities for practical implementation- Changing of principle to finance science- Introduction of tax privileges in science and technology <p>The results of the workshop represent a major input for the road map which will now be elaborated.</p>
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Thematic Workshop

“Innovation funding measures for joint cooperation”

March 22, 2010, Kiev,

Small Conference Hall (NASU)
Kyiv, 55 Volodymyrska Street

PROGRAMME

09.00– 09.30	<i>Registration</i>
09.30-09.45	<p>Welcome</p> <p>Introduction to the project BILAT-UKR and objective of the workshop, Coordinator of the BILAT-UKR Project, Dr.Martine Bonin, Head of the Central and Eastern Europe division at the Office of International Relations of CNRS, France</p>
09.45-13.00	PART 1: Innovation oriented programmes
09.45–10.05	- EU Priorities for S&T and Innovation, Representative of the DGR EC
10.05-10.25	- Ukraine Priorities for S&T and Innovation, Representative of the Ministry of Education and Science of Ukraine, Department of Innovation and technology transfer
10.25-10.45	- Scientific and Technical Potential Dynamics as a Background for Innovative Economy Development, <i>Dr. Vyasheslav Solov`ev</i> , Deputy Director, Dobrov Centre for Scientific Potential and History of Science, NASU
10.45-11.15	<i>Coffee Break</i>
11.15-12.45	<p>Current status of innovation cooperation between the EU and the Ukraine: Results from a recent survey.</p> <p>Knowledge Base Innovation Programme, ZENIT, <i>Dr. Michael Guth</i>, Germany</p> <p>Knowledge Base Innovation Programme, CCIAT, <i>Dr. Silvana Adamovici</i>, Romania</p> <p>Results of the analysis within the BILAT – UKR project, ZENIT, <i>Dr. Michael Guth</i>, Germany</p>
12:45-13.00	Questions
13:00 – 14:00	<i>Lunch</i>
14:00 – 16:00	PART 2: Moderated Discussion (towards a road map)
14.00–15.00	<p>Discussion of the UA innovation programmes (moderated by NIP)</p> <p>Discussion of the EU innovation programmes (moderated by ZENIT)</p>
15.00 – 16.00	Final discussion and summary of results

Conclusions of the workshop

Number of participants: 28 (representatives of the National Academy of Sciences of Ukraine, public executive authorities and public organizations, research institutions and centers, universities, SMEs, industries and international organizations)

The analyzed Ukrainian innovation programmes (the description of the Ukrainian innovation programmes was developed by NIP and included in the *Analysis of innovation oriented programmes between Europe and Ukraine*) are focused mostly on Ukraine's needs which are going to be presented in a potential joint roadmap for policy measures to strengthen innovation activities.

To discuss the present situation the (a) cross border innovation was presented attracting attention to possibilities of cooperation with the neighbouring countries like Belarus, Hungary, Poland and Slovakia as well as the Black Sea region and (b) Innovation Programme of Science Park "Kyiv Polytechnics" as regards budget, communication strategy and support network building.

The following main directions for strengthening innovation in Ukraine were proposed:

- **improving motivation of business to introduce innovation** which provides for (1) *regulation of the market* when the taxes are paid and there is no the so-called "black market"; (2) *raising competitiveness of the market* when the first step should be improving the competitive market itself; (3) *low interest crediting* after finishing the innovation process; and (4) *cost refunding* which has been a key problem of the Ukrainian business;
- **selection of main scientific priorities (with practical results)** which provides for (1) *analysis of the most profitable fields*; (2) *defining public programmes (3-4 programmes) per each field*; and (3) *implementation of innovation* when the innovation projects are implemented with 50-70% of industry funding;
- **changing principles of financing sciences** which, to be more specific, provides for (1) *financing of knowledge*; (2) *competitive basis of financing*; and (3) *financing upon achieving the projects' results*;
- **tax privileges for science and technology** which provides for (1) *reduction of tax pressure* to a minimal level, in particular when implementing international projects (e.g. EU-funded projects); and (2) *increasing financing of science and technology field* provided that privileges include both taxes and increased funding.

According to the experts present at the Workshop, the main **advantages** for launching innovation projects (programmes) in Ukraine include:

- the possibility to exploit *new ideas*;
- the interested institutions may obtain better *experience in projects*;
- *well-educated population*;
- a network of educational institutions of different levels which includes *a big number of universities* with their *great human scientific potential*;
- experience of conducting *scientific research* at S&T institutions of different sectors: academic, university, industry and SMEs;
- *access to natural resources*;

- *geographical position* of the country (like Black Sea and Danube water basins); and comparatively *cheap labour*.

The experts pointed out at several **disadvantages** which might have impact on enhancing the innovation “climate” in the country. The disadvantages were of both objective and subjective character. The *economic stability* of Ukraine, after a new Government came to office, has had a positive tendency of improvement. However for the moment, *poor innovation environment, short financing of innovation projects, lack of stimulation measures for innovation development* and “unreadiness” of industry for innovation development were pointed out by the experts which can be presented as *poor public support* of the field. The following issues were also included in the “disadvantage” section: *insufficient international cooperation to implement specific tasks; non-participation of Ukraine in the European innovation infrastructures and innovation programmes (e.g. CIP)* which results, in its turn, in *insufficient experience of Ukrainian experts; unbalanced export and import of technology; no need of the R&D results* (in many, but not all, cases) and *low networking and cooperation between science and industry and science and business*. The experts mentioned the *tax situation in innovation* as a negative factor and a *lack of knowledge of English*.

Below is the table of the experts’ proposals to improve the innovation situation in Ukraine (the highest mark is considered as the most important factor):

Low/no taxation to implement innovation	1
Launching programmes with “real” financing	2
Using of Polish experience in introductions of reforms	3
Creation of technology transfer centres and using of international experience	1
State decision for maximal international integration	1
Analysis of all innovation proposals of the last 10 years and selection of best ones	-
Privatization of state priority	1
Improvement of motivation of business to implementation innovation	7
Granting of at least 50% of public funds on the competitive basis	2
Forcing innovations	-
Inventory of IPR objects set up for public needs	-
Liberalization of visa procedures	2
Development of the roadmap	1
Evaluation of the economy (audit) or any planning in impossible	2
Granting funds to knowledge producer	-
Selection of the main scientific priorities for practical implementation	6
Changing of principle to finance science	4
Introduction of tax privileges in science and technology	4

The following four proposals received the best “voting” points:

- Improvement of motivation of business to implementation of innovation (7)
- Selection of the main scientific priorities for practical implementation (6)
- Change of principle to finance science (4)
- Introduction of tax privileges in science and technology (4)

According to the received participants' feedbacks, the overall flow of the Workshop was well structured to produce the required outputs. The level of the break-out groups was marked as "good" by almost all respondents. The objectives and expected outputs were clear and marked as "good". Participation in the Workshop met expectations of the most respondents who marked it "good" and "very good", however two respondents evaluated it as "satisfactory". The methodology applied at the event was considered as "good" and "very good" (two respondents only evaluated it as "satisfactory").

The most important part of the feedback that of participants' suggestions/proposals leads to the following conclusions:

- The Commission officers and EU experts should be invited; that gives a possibility to wider discuss the topic and set up professional contacts;
- the organizers should attract more stakeholders representing the public authorities;
- the representatives of all fields and crafts should be attracted to workshops like this to make the discussion results more credible and accurate;
- informative reports are very important, this is why there should be more, and the reports should be supported by the corresponding handouts.