Smart Specialization interim assessment and preparation for the next period
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
Concept of interim evaluation

What happened

- MOSTA+MoEl assessment
  - Potential of priorities
  - Effectiveness of policy-mix
  - Efficiency of priorities
  - Suitability of policy-mix

What is relevant

- Entrepreneurial discovery process
  - Relevance of priorities

What is promising

- Technology experts' insights
  - Perspectives for technology
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

The contents

Reviewed technologies according to EDP

Discard the detailed description of technologies

Selection criteria

Criteria of technological specification

Ability to solve the problem

Priorities

6 domains
20 priorities

7 priorities (previously - domains)
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?

Smart specialization
- 2019 June: Concept of new RIS3
- 2019 July: Start of preparation
- 2020 March: Draft RIS3 + enabling conditions
- 2020 End: Adopted programme

Nat'l progress programme
- 2019 May: Start of discussions
- 2019 September: Adopted programme

Dialogue with EC
- 2019 April: Start of negotiations
- 2019 June: Roadmap of preparation
- 2020 April: Informal review of RIS3 by EC
- 2020 End: Signed agreement
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 from 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