



## **AGRIRENAISSANCE INTERREG EUROPE**

R&I resources and capacities of the agri-food sector

## **ACTION PLAN FOR LITHUANIA**

**Vilnius, 2020**

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## Part I – General information

Project: AgriRenaissance\_\_\_\_\_

Partner organisation: National Paying Agency\_\_\_\_\_

Other partner organisations involved (if relevant):\_\_\_\_\_

Country: Lithuania\_\_\_\_\_

NUTS2 region: Lithuania\_\_\_\_\_

Contact person:\_\_\_\_\_

email address:

phone number:

## Part II – Policy context

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

Name of the policy instruments addressed: (1) the Operational programme for the EU Structural Funds' Investments for Lithuania for 2014-2020, (2) RIS3 strategy for Lithuania 2014–2020, (3) the RDP programme of Lithuania 2014–2020.

### Overall background for the Action plan and 4 actions of the Action plan.

This Action plan is aiming to support the implementation of the Operational programme for the EU Funds' Investments for Lithuania for 2014-2020 with focus to agri-food sector. The main focus is in the reduction of local fragmentation and stimulation of multi-actor collaboration, support to the smart specialization of the agri-food ecosystems and hybridization of the agri-food sector with the ICT, industrial digital transformation. Measures proposed in this action plan propose respective amendments and improvements (as modifications of requirements related to the existing calls, modification of selection criteria for projects and eligibility criteria for applicants, creation of network for collaboration of applicants, amendment of implementing rules and other related legal acts).

Additionally to the Operational programme for the EU Funds' Investments for 2014-2020 of Lithuania, 2 other policy instruments were selected: (1) RIS3 strategy for Lithuania 2014–2020 and (2) the RDP programme of

Lithuania 2014–2020 as both policy instruments also are used to foster innovations in agri-food sector in Lithuania.

***Operational programme for the EU structural funds investment for Lithuania for 2014-2020.***

The Lithuanian multi-fund Operational Programme (the OP) brings together several key EU investment funds aimed at helping Lithuania's economic development as well as tackling social exclusion, unemployment and vital issues like energy security. It reflects the goals of the Europe 2020 strategy with a clear emphasis on boosting research and innovation, SME competitiveness, the shift to a low-carbon economy, the promotion of human capital, especially of young people, and the fight against poverty. The OP support will substantially contribute to promoting Lithuania's ability to achieve the key EU and national development priorities.

One of the priorities are strengthening of R&D and innovation in Lithuania: 10.12 % of the total OP allocations are envisaged **to boost RTD and innovation** in Lithuania, helping the country reach its national Europe 2020 target of 1.9 % of the GDP to be invested in RTD (0.9% in 2011). In particular, the OP contribution is expected to foster RDI commercialization and knowledge transfer as well as to effectively stimulate private RDI investments (priority axis 1).

**The Rural Development Programme (RDP)**, funded under the European Agricultural Fund for Rural Development (EAFRD) and national contributions.

The RDP sets out priority approaches and actions to meet the needs of the specific geographical area it covers. Rural development funding through the EAFRD is part of a broader framework of European Structural and Investment Funds (ESI Funds), including also Regional Development, Social, Cohesion, and Fisheries Funds. EUR 1.977 billion of support funds were earmarked for the implementation of the Rural Development Programme for Lithuania in total for 2014-2020.

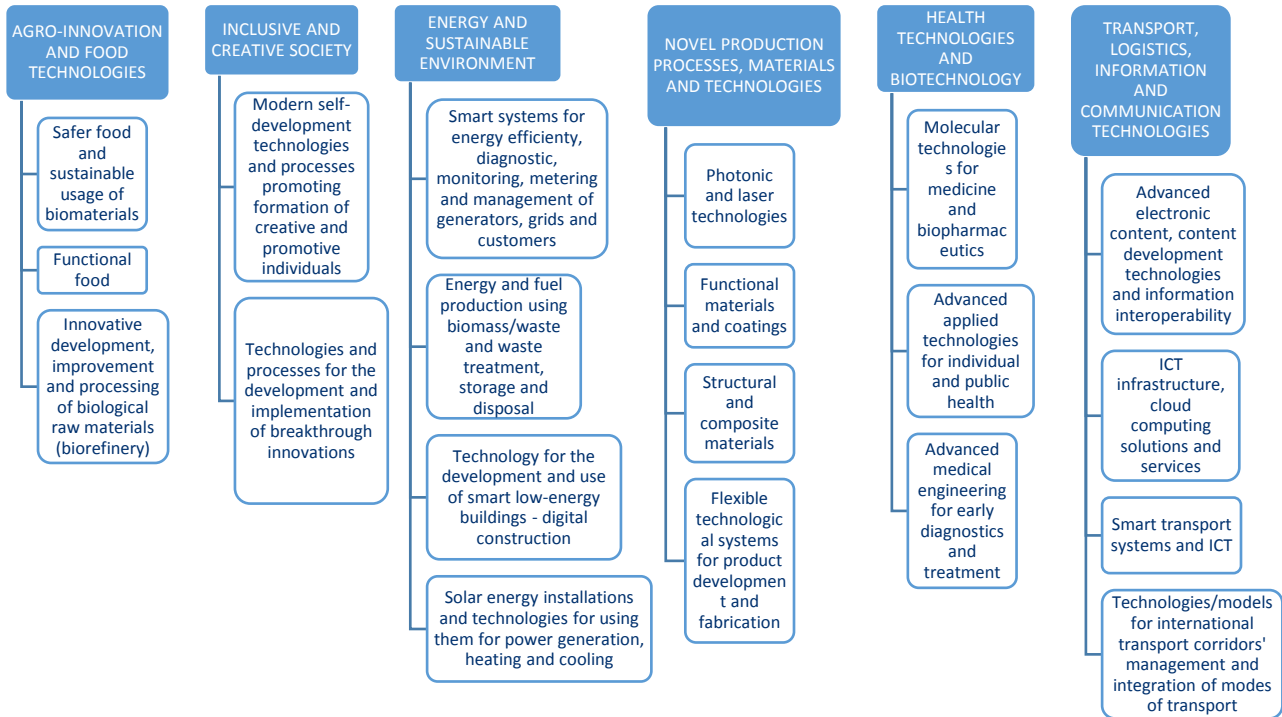
Main strategic plan of Lithuania linked to innovation (including innovations in agri-food sector) is the ***RIS3 strategy for Lithuania 2014–2020*** (RIS3 strategy Lithuania, 2014).

Planning process of creation of Smart Specialization Strategy (RIS3) for Lithuania has started in 2013 and finished in 2015. The positive changes in innovation performance of Lithuania were planned as result of implementation of the national Research and Innovation Smart Specialization Strategy (RIS3). 6 top-notch fields and 20 priorities are defined in the RIS3 strategy for Lithuania 2014–2020. Broad priority fields were mapped in accordance to (1) high potential to increase global market share of Lithuanian ventures and commercialize available knowledge, (2) high R&I potential in private sector, (3) high R&D potential in public sector, and 4) field's importance in addressing national and global challenges (Lithuanian RIS3: how it was designed, 2016).

One of the 6 broad fields are “Agro-innovation and food technologies” (see Figure 1). This field has 3 priorities:

- Safer food and sustainable usage of biomaterials;
- Functional food;
- Innovative development, improvement and processing of biological raw materials (biorefinery).

**Figure 1. List of 6 broad fields and 20 priorities for RIS3 of Lithuania.**



Source: *Lithuanian RIS3: how it was designed, 2016.*

In 2019 Smart Specialization Program was updated based on interim evaluation report of the implementation of the Smart Specialization Strategy for Lithuania. Instead of 6 broad fields and 20 priorities, there are 7 key priorities:

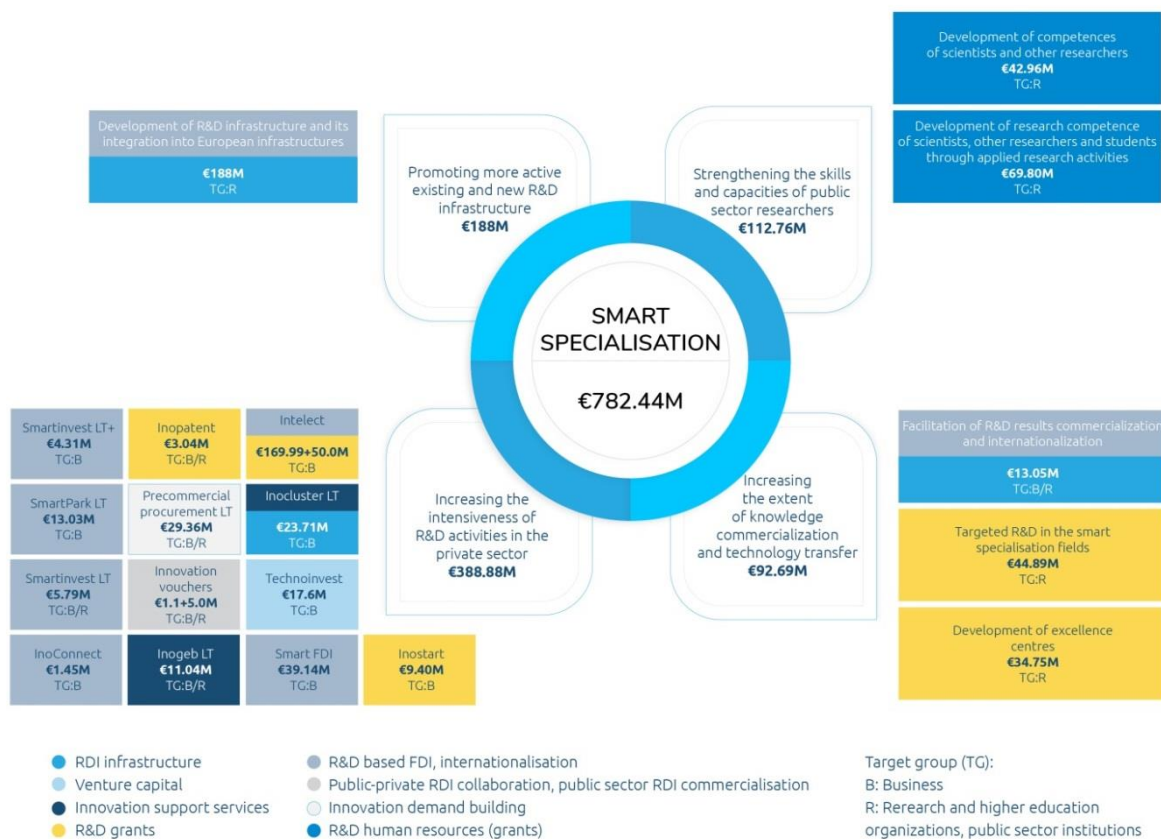
1. Energy and sustainable environment;
2. Health technology and biotechnology;
3. Agro-innovation and food technology;
4. Novel production processes, materials and technologies;
5. Intelligent, clean and integrated transport;
6. Information and communication technologies;
7. Inclusive and creative society.

3 main EU funds are used for innovations in agri-food sector in Lithuania:

- 1) the EU structural funds supporting implementation of RIS3 strategy for Lithuania;
- 2) measure “European Innovation Partnership” of the Rural Development Programme (the RDP) 2014–2020 of Lithuania;
- 3) Horizon 2020 programme thematic area “Food Security, Sustainable Agriculture and Forestry, Marine, Maritime and Inland Water Research and the Bioeconomy”.

Measures for implementation of Smart specialisations strategy (RIS3) using the Operational programme for the EU Funds’ Investments for Lithuania for 2014-2020 are provided in Figure 2. In total there are 19 measures with total budget of 782,44 Eur million for 2014–2020. All measures are available for field “Agro-innovation and food technologies” and 3 priorities of this field. Various institutions and agencies are responsible for implementation of this programme in Lithuania.

**Figure 2. Measures of the Operational programme for the EU Funds' Investments for Lithuania for 2014-2020 for Smart specialization of Lithuania.**



Source: MOSTA

Source: Mosta, 2019.

Another tool to foster innovation in agri-food sector development in Lithuania, are one measure “European Innovation Partnership – EIP” of the RDP 2014–2020 programme of Lithuania. Ministry of Agriculture of the Republic of Lithuania is responsible for implementation of this programme in Lithuania.

Horizon 2020 programme is one of the tools to foster innovation in agri-food sector development in Lithuania, thematic area “Food Security, Sustainable Agriculture and Forestry, Marine, Maritime and Inland Water Research and the Bioeconomy”. Research Council of Lithuania is coordinator of implementation of this programme in Lithuania.

Participation of various actors of agri-food sector in the EU funds in continuously increasing from 2014 to 2020. Results of participation in the EU structural funds from 2015 until 2019 supporting implementation of RIS3 strategy for Lithuania broad field “Agro-innovation and food technologies” by numbers of submitted proposals were in the 3<sup>rd</sup> place out of 7 thematic areas. Success rate of approved proposals in this thematic field was 54.4 %. Results of participation in the Horizon 2020 programme, thematic area “Food Security, Sustainable Agriculture and Forestry, Marine, Maritime and Inland Water Research and the Bioeconomy” by numbers of submitted proposals were in the 5<sup>th</sup> place out of 7 thematic areas. Success rate of approved proposals in this thematic area from January 2014 to March 2020 was 20 % when the average success rate is all thematic areas in this period in Lithuania was 13.44 %. Another measure “European Innovation Partnership” of the RDP 2014–2020 of Lithuania is also at a great interest of agriculture and agro-food sector. This is demonstrated by number of projects, submitted to this measure. Number of projects approved for implementation is increasing as 61.8 % of projects were selected for implementation of it and 21 projects are being implemented until April 2020 (in this number 8 already finalised). Detailed results of the implementation

of support measures of the EU funds are provided in the table below.

Name of the EU fund	Results of the implementation of agri-food sector																																																														
The EU structural funds supporting implementation of RIS3 strategy in Lithuania	19 measures of the EU structural funds supporting implementation of RIS3 strategy for Lithuania are available in 2014-2020.																																																														
	Results of one of the field “Agro-innovations and food technologies” by using the EU structural funds supporting implementation of RIS3 strategy for Lithuania:																																																														
	- 250 proposals of agro-innovations and food technologies (12,1 % of all proposals (all proposals 2066) were submitted to the 13 measures from the beginning of the programming period from 2014 until 2019:																																																														
	<table border="1"> <thead> <tr> <th data-bbox="644 712 756 739">Measure</th> <th data-bbox="900 712 1027 801">Number of approved projects</th> <th data-bbox="1059 712 1187 833">Number of NOT approved projects</th> <th data-bbox="1219 712 1347 788">Amount EUR million</th> </tr> </thead> <tbody> <tr> <td data-bbox="539 869 858 990">Development of R&amp;D infrastructure and its integration into European infrastructures</td> <td data-bbox="948 869 963 891">2</td> <td data-bbox="1107 869 1123 891">1</td> <td data-bbox="1283 869 1315 891">3,8</td> </tr> <tr> <td data-bbox="539 1025 676 1048">Inoconnect</td> <td data-bbox="948 1025 963 1048">5</td> <td data-bbox="1107 1025 1123 1048">0</td> <td data-bbox="1283 1025 1347 1048">0,047</td> </tr> <tr> <td data-bbox="539 1084 692 1106">Inocluster LT</td> <td data-bbox="948 1084 963 1106">1</td> <td data-bbox="1107 1084 1123 1106">0</td> <td data-bbox="1283 1084 1347 1106">0,059</td> </tr> <tr> <td data-bbox="539 1142 772 1164">Innovation vouchers</td> <td data-bbox="932 1142 963 1164">52</td> <td data-bbox="1091 1142 1123 1164">18</td> <td data-bbox="1283 1142 1347 1164">0,169</td> </tr> <tr> <td data-bbox="539 1200 644 1223">Inopatent</td> <td data-bbox="948 1200 963 1223">3</td> <td data-bbox="1107 1200 1123 1223">1</td> <td data-bbox="1283 1200 1347 1223">0,018</td> </tr> <tr> <td data-bbox="539 1258 868 1339">Intellect: science and business projects</td> <td data-bbox="932 1258 963 1281">28</td> <td data-bbox="1091 1258 1123 1281">46</td> <td data-bbox="1283 1258 1347 1281">14,43</td> </tr> <tr> <td data-bbox="539 1375 868 1433">Development of excellence centres</td> <td data-bbox="948 1375 963 1397">0</td> <td data-bbox="1107 1375 1123 1397">4</td> <td data-bbox="1283 1375 1283 1397">0</td> </tr> <tr> <td data-bbox="539 1469 740 1491">Smartinvest LT+</td> <td data-bbox="948 1469 963 1491">1</td> <td data-bbox="1107 1469 1123 1491">1</td> <td data-bbox="1283 1469 1331 1491">1,47</td> </tr> <tr> <td data-bbox="539 1527 868 1585">Targeted R&amp;D in the smart specialisation fields</td> <td data-bbox="932 1527 963 1550">13</td> <td data-bbox="1091 1527 1107 1550">8</td> <td data-bbox="1283 1527 1331 1550">9,04</td> </tr> <tr> <td data-bbox="539 1621 708 1644">SmartPark LT</td> <td data-bbox="948 1621 963 1644">0</td> <td data-bbox="1107 1621 1123 1644">3</td> <td data-bbox="1283 1621 1283 1644">0</td> </tr> <tr> <td data-bbox="539 1680 708 1702">InnoVouchers</td> <td data-bbox="932 1680 963 1702">24</td> <td data-bbox="1091 1680 1123 1702">22</td> <td data-bbox="1283 1680 1331 1702">0,65</td> </tr> <tr> <td data-bbox="539 1738 628 1760">Inostart</td> <td data-bbox="948 1738 963 1760">5</td> <td data-bbox="1091 1738 1123 1760">10</td> <td data-bbox="1283 1738 1347 1760">0,072</td> </tr> <tr> <td data-bbox="539 1796 660 1818">Smart FDI</td> <td data-bbox="948 1796 963 1818">2</td> <td data-bbox="1107 1796 1123 1818">0</td> <td data-bbox="1283 1796 1331 1818">1,33</td> </tr> <tr> <td data-bbox="539 1854 612 1877"><b>Total</b></td> <td data-bbox="932 1854 979 1877"><b>136</b></td> <td data-bbox="1091 1854 1139 1877"><b>114</b></td> <td data-bbox="1267 1854 1347 1877"><b>31,09</b></td> </tr> </tbody> </table>	Measure	Number of approved projects	Number of NOT approved projects	Amount EUR million	Development of R&D infrastructure and its integration into European infrastructures	2	1	3,8	Inoconnect	5	0	0,047	Inocluster LT	1	0	0,059	Innovation vouchers	52	18	0,169	Inopatent	3	1	0,018	Intellect: science and business projects	28	46	14,43	Development of excellence centres	0	4	0	Smartinvest LT+	1	1	1,47	Targeted R&D in the smart specialisation fields	13	8	9,04	SmartPark LT	0	3	0	InnoVouchers	24	22	0,65	Inostart	5	10	0,072	Smart FDI	2	0	1,33	<b>Total</b>	<b>136</b>	<b>114</b>	<b>31,09</b>		
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- 136 projects were selected for implementation in 11 measures. 54,4 % of proposals of all submitted applications to the agro-innovations and food technologies were selected and approved for implementation.
- Requested funding are 31.09 EUR million (8.1 % of all funding in all 7 broad fields (funds for all 7 fields 384.83 EUR million).

Data provided by the Government Strategic Analysis Centre (Strata).

Horizon 2020 programme, thematic area “Food Security, Sustainable Agriculture and Forestry, Marine, Maritime and Inland Water Research and the Bioeconomy”

Horizon 2020 programme is one of the tools to foster innovation in agri-food sector development in Lithuania, thematic area “Food Security, Sustainable Agriculture and Forestry, Marine, Maritime and Inland Water Research and the Bioeconomy”. Research Council of Lithuania is coordinator of implementation of this programme in Lithuania.

Results of thematic area “Food Security, Sustainable Agriculture and Forestry, Marine, Maritime and Inland Water Research and the Bioeconomy” by Horizon 2020 programme in 2014-2020 for partners from Lithuania:

- 155 proposals of thematic area “Food Security, Sustainable Agriculture and Forestry, Marine, Maritime and Inland Water Research and the Bioeconomy” were submitted from the beginning of the programming period from 2014 until 2020.
- 31 projects were selected for implementation (20 % of all submitted applications in this thematic area).
- 35 partners implement projects in this thematic area.
- Requested funding are 5,93 EUR million.

Data provided by the Research Council of Lithuania (data of 3 March 2020).

Measure “European Innovation Partnership” of the RDP 2014–2020 of Lithuania

Measure “European Innovation Partnership” of the RDP 2014–2020 programme of Lithuania is another tool to foster innovation in agri-food sector development in Lithuania. Ministry of Agriculture of the Republic of Lithuania is responsible for implementation of this programme in Lithuania.

Results of agro-innovations and food technologies by using the Rural Development Programme of Lithuania funds:

- 34 proposals of agro-innovations and food technologies were submitted from the beginning of the programming period from 2014 until April 2020 (6 in 2015, 12 in 2016, 9 in 2018, 5 in 2019 and 2 until April 2020).
- 21 project was selected for implementation, 5 in 2015, 8 in 2017, 8 in 2018 (61.8 % of all submitted applications).
- Applications that were submitted in 2019 (5 proposals) and 2020 (2 proposals until April 2020) are under assessment phase.
- Requested funding are 4,6 EUR million.
- Until April of 2020 8 projects are finalised and 13 are ongoing.

Data provided by the National Paying Agency (the NPA) (data 14 April 2020).

Results of participation of various actors of agri-food sector in the EU funds have demonstrated the growing interest and potential of agri-food sector.

The AgriRenaissance project of the INTERREG Europe programme 2014–2020 aims to improve regional development policies and programmes in order to increase R&I resources and capacities of the agri-food

sector, stimulate collaboration and foster its hybridization with other sectors.

For the implementation of the AgriRenaissance project in the Phase 1, National Paying Agency of Lithuania (project partner from Lithuania) has focused on the assessment of:

- 1) R&I infrastructure & capacities of agri-food sector in Lithuania;
- 2) R&I public-private collaboration of agri-food sector in Lithuania;
- 3) Hybridization of the agri-food sector with other sectors in Lithuania.

Results of this assessment were used as a background for preparation of Action plan and initiation the list of necessary actions for agri-food sector of Lithuania.

For the above mentioned assessment, the following actions have been initiated and implemented:

- 1) **Establishment of network of stakeholders of agri-food sector in Lithuania by applying the Quadruple helix principle** with involvement of actors representing private companies, public institutions, academia (universities and research institutes) and NGO's. The following R&I actors were identified for Lithuania: ministries, agencies and centres, academia, technological parks, networks and clusters of agri-food sector in Lithuania, actors that participate in other EU institutions and networks of agri-food sector, and private companies of agri-food sector.

List of stakeholders:

*Ministries:*

- a. the Ministry of Economy and Innovations (responsible for the policy of the development of innovation environment);
- b. the Ministry of Education, Science and Sport (responsible for the policy of research and development);
- c. the Ministry of Agriculture of the Republic of Lithuania (responsible for the implementation of agriculture policy in Lithuania).

*Agencies and Centres:*

- a. Government Strategic Analysis Centre (previously Research and Higher Education Monitoring and Analysis Centre (MOSTA));
- b. Agency for Science, Innovation and Technology (MITA);
- c. Lithuanian Innovation Centre (LIC).

*Academia:*

- a. Lithuanian Institute of Agrarian Economics (LIAE);
- b. Lithuanian Research Centre for Agriculture and Forestry (LAAMC);
- c. Vytautas Magnus University Agriculture Academy;
- d. Lithuanian Agriculture Advisory Service (LAAS);
- e. Kaunas University of Technology;
- f. The Institute of Animal Science of Lithuanian University of Health Sciences.

*Other R&I key actors for agri-food sector: technological parks, networks and clusters of agri-food sector in Lithuania:*

- a. Park of Agricultural Science and Technologies of Vytautas Magnus University Agriculture Academy aims to promote scientific innovation and introduction of new technologies of agriculture and agri-food in the market.
- b. Open R&D Lithuania network as a cooperation platform connects universities, research institutions and science and technology parks of Lithuania, including agriculture and agri-food sector.
- c. Smart Food Cluster joins the capabilities of the companies, competencies and contacts of the agri-food sector aiming to increase potential to innovate.

*Private companies:*

- a. Cooperative Pienas LT;
- b. JSC "ART21";



- c. JSC “Geomatrix”;
- d. JSC “Mėlynė”;
- e. JSC „Auga group“.

- 2) **3 Focus group meetings of stakeholders in Lithuania** for SWOT analysis of agri-food sector in Lithuania and discussion of potential actions for Action plan based on results of SWOT analysis for agri-food sector of Lithuania. 1<sup>st</sup> meeting was organized 27 November 2018. 2<sup>nd</sup> meeting was organized 15 February 2019. Third meeting was organized on 3<sup>rd</sup> July 2019. Participants for all Focus groups meetings were stakeholders of the agri-food sector of Lithuania identified by the AgriRenaissance project. At the first two meetings the strengths, weaknesses, opportunities and threats were identified for the three project lines (R&I infrastructure and capacities; R&I public/private collaboration; Hybridization of the agri-food sector with other sector) by proposed mixed groups that provided wider and richer overview of the real situation and lead to the summary and identification of challenges for each of the line. At the 3<sup>rd</sup> meeting potential actions were proposed for Action plan and discussed by the participants of the Focus group (stakeholders of the agri-food sector of Lithuania).
- 3) **Peer review visit in Lithuania** to identify challenges and opportunities of agri-food sector of Lithuania by international experts. Meeting took place on 20-21 March 2019. Content of the peer review visit was focused on highlighting main key actors for agri-food sector in Lithuania with focus on their results of the projects. 1<sup>st</sup> part was devoted to the presentations of the above mentioned institutions. 2<sup>nd</sup> part of the meeting was devoted to the visits of companies that introduced various innovative actions in agri-food sector in Lithuania. And finally, results of Regional diagnosis of agri-food sector: case for Lithuania was presented and workshop on peers’ reflection on agri-food sector in Lithuania was organised to identify challenges and opportunities of agri-food sector of Lithuania.
- 4) **Completion of Regional analysis of Lithuania** with focus on 1) R&I infrastructure & capacities of agri-food sector in Lithuania; 2) R&I public-private collaboration of agri-food sector in Lithuania; and 3) Hybridization of the agri-food sector with other sectors in Lithuania.
- 5) **Assessment of Good practices** provided by the AgriRenaissance project partners that could reflect to overcome challenges identified of stakeholders for agri-food sector in Lithuania. Additionally to the assessment of project partner good practices, INTERREG Europe database of good practices were also explored by project partner in case some good practices might better reflect to the needs of challenges on innovations in agri-food sector that project partner need to overcome. Good practices from other projects were introduced at project partner meetings (4<sup>th</sup> project partner meeting in Warsaw, 16-18 October 2019; and 5<sup>th</sup> project partner meeting in Torres Novas, 10-13 March 2020) at the presentations of Action plan of Lithuania.

The main strengths, weaknesses, opportunities and threats are provided in the tables below as results of the Regional analysis of Lithuania, Focus group meetings and Peer review visit in Lithuania (Regional analysis: case of Lithuania, 2019; Lithuania Peer Review Report, 2019).

*Results of R&I infrastructure and capacities of agri-food sector in Lithuania:*

<b>R&amp;I infrastructure and capacities</b>	
<i>Weaknesses</i>	<i>Strengths</i>
- Fragmented public R&D infrastructure of Lithuania. R&D infrastructure is scattered across different universities, institutes, innovation clusters and science, and	- High R&I potential in private and public sectors. - High quality of human resources. - Good infrastructure of universities and

<p>technology parks.</p> <ul style="list-style-type: none"> <li>- Priorities of research area frequently are not in line with priorities of private sector. Low interest of researchers to participate in R&amp;D.</li> <li>- Lack of publications/communication of results of research and accessibly to interested parties who would benefit from it. Most of the beneficiaries (especially business enterprises) use the results obtained during the project implementation only in their activities. Public interest is ignored. If the results/methodologies/technologies created by the projects would be used or available by a wider range of actors, a larger breakthrough could be expected.</li> <li>- Lack of resources or limited availability of access to finance R&amp;D activities, especially risky ones.</li> <li>- High focus on the creation of public 'hard' research infrastructure. Limited support for soft innovation capital.</li> <li>- Weak participation of public bodies in the research and innovation process.</li> <li>- Insufficient amount of human resources.</li> </ul>	<p>research institutes including Open access centres at the universities in Lithuania.</p> <ul style="list-style-type: none"> <li>- High importance by public institution responsible for the implementation of the innovation policy in Lithuania to strengthen the existent R&amp;D infrastructure of universities and research institutes, including "Valleys".</li> </ul>
<p style="text-align: center;"><i>Threats</i></p> <ul style="list-style-type: none"> <li>- High competition with other EU countries that support creation of R&amp;I infrastructure and capacities at much higher scale.</li> <li>- Potential of the country in terms of size and financial resources act in a globalized world for creation/use/strengthen of R&amp;I infrastructure and capacities.</li> <li>- Difficulties to adapt new legal requirements.</li> <li>- Migration of high-skilled employees.</li> <li>- Decreased attractiveness of agricultural sciences in society and among students.</li> </ul>	<p style="text-align: center;"><i>Opportunities</i></p> <ul style="list-style-type: none"> <li>- High potential to increase global market share of Lithuanian ventures and commercialize available knowledge sector.</li> <li>- Potential is a specific products that would have a legend or a unique story.</li> <li>- High potential to use national and EU funds for creation/strengthening of R&amp;I infrastructure and capacities.</li> <li>- Enlarged possibilities to increase R&amp;I capacities due to the globalisation and other available resources.</li> </ul>

*Results of R&I public and private collaboration of agri-food sector in Lithuania:*

<b>R&amp;I public/private collaboration</b>	
<p style="text-align: center;"><i>Weaknesses</i></p> <ul style="list-style-type: none"> <li>- Public/private collaboration on a wider scale is quite fragmented and small scale in nature.</li> <li>- Lack of communication and collaboration between public/private sectors. There is no</li> </ul>	<p style="text-align: center;"><i>Strengths</i></p> <ul style="list-style-type: none"> <li>- Legal infrastructure, institutional goals, existing tools (including high quality infrastructure of universities and research centres).</li> <li>- Long term relationships.</li> </ul>

<p>leader that would encourage collaboration process for R&amp;I in Lithuania.</p> <ul style="list-style-type: none"> <li>- High administrative burden, over-complicated and costly R&amp;D management process.</li> <li>- Lack of funds for developing R&amp;D activities interesting for businesses and within research organisations (universities and research institutes).</li> <li>- Lack of knowledge on collaboration practices with main focus: a) how to start a collaboration; b) how and where to find suitable partners.</li> <li>- Lack of specialisation of the sectors that would be identified as leaders in Lithuania.</li> <li>- Long decision-making process (in public organisations, universities and other organisations with high hierarchical order). Private institutions require results in short time.</li> </ul>	<ul style="list-style-type: none"> <li>- Intensive science-business collaboration at national level in high-tech sectors.</li> <li>- Increased number of competitive and innovative companies providing products with high added value in the market. Companies are willing to innovate based on innovative research results of scientists/researchers.</li> <li>- Increased quality of human resources for participation in various collaborative projects at national and international level.</li> <li>- Increased scope of the participation level and granted funding.</li> </ul>
<p style="text-align: center;"><i>Threats</i></p> <ul style="list-style-type: none"> <li>- High competition with other EU countries that support creation of R&amp;I infrastructure and capacities at much higher scale.</li> <li>- Small negotiation capacities with distribution channels.</li> <li>- Potential of the country in terms of size and financial resources act in a globalized world.</li> </ul>	<p style="text-align: center;"><i>Opportunities</i></p> <ul style="list-style-type: none"> <li>- High potential for public/private collaboration using national and EU funds for R&amp;I policy implementation.</li> <li>- Globalisation has opened new opportunities for public/private collaboration in R&amp;I.</li> <li>- Better use of financial and human resources including existing infrastructure.</li> </ul>

*Results of hybridization of agri-food sector with other sectors in Lithuania:*

<b>Hybridization of the agri-food sector with other sectors</b>	
<p style="text-align: center;"><i>Weaknesses</i></p> <ul style="list-style-type: none"> <li>- Lack of resources for developing R&amp;D activities focusing on hybridization of agri-food sector with other sectors.</li> <li>- Lack of cooperation initiatives.</li> <li>- Lack of knowledge on hybridization practices with main focus: a) how to find suitable partners; b) how to start collaboration that would lead to some hybridization initiatives.</li> <li>- Lack of leaders.</li> <li>- Low motivation of employees to start new initiatives (in cases when top-down approach is used).</li> <li>- Lack of Legal regulation.</li> </ul>	<p style="text-align: center;"><i>Strengths</i></p> <ul style="list-style-type: none"> <li>- Importance of hybridization of the agri-food sector with other sectors in legal documents of Lithuania: hybridization can be foreseen in the national Research and Innovation Smart Specialization Strategy (RIS3) for Lithuania (adopted in 2015).</li> <li>- Good example in the market in Lithuania on hybridisation of developers of local food with tourism sector.</li> <li>- Starting initiatives of food industry with biomedicine sector to investigate on new production possibilities combining elements of agri-food and biomedicine. The agri-food sector complements biomedicine, health and</li> </ul>

	other sectors.
<p><i>Threats</i></p> <ul style="list-style-type: none"> <li>- High competition with other EU countries that support creation of R&amp;I infrastructure and capacities at much higher scale.</li> <li>- Potential of the country in terms of size and financial resources act in a globalized world for hybridization of the agri-food sector with other sectors.</li> </ul>	<p><i>Opportunities</i></p> <ul style="list-style-type: none"> <li>- High potential of food sector cooperate in food supply chains at global stage, such as biomedicine or tourism sectors.</li> <li>- High potential for collaboration using national and EU funds for R&amp;I policy implementation focusing on hybridization of the agri-food sector with other sectors.</li> <li>- Globalisation has opened new opportunities for hybridization of the agri-food sector with other sectors.</li> </ul>

Challenges and opportunities identified by experts of the Peer review visit in many cases were similar to the ones that were identified by stakeholders of agri-food sector of Lithuania (Lithuania Peer Review Report, 2019). The results are the following:

1. R&I infrastructure and capacities in agri-food sector in Lithuania.

*The strengths on R&I infrastructure and capacities of agri-food sector in Lithuania:*

- Management of R&I infrastructure and capacities are obtaining the maximum available performance of it.
- Availability of technical and scientific resources according to the socioeconomic and scientific profile of the region.
- Mechanisms used to incorporate investigators in the R&D&I centres.
- Precise formation and solid professional career plan for investigators.
- Effective availability of public funding for R&I infrastructure and capacities.

*The most challenging aspects on R&I infrastructure and capacities of agri-food sector in Lithuania:*

- Coordination among public and private agents to use R&I infrastructure and capacities.
- The R&I public policy mix covering management and dynamization of the infrastructures and capacities.
- Regulations for commercialization of innovations.
- Availability of research results/data for public use and further re-use in other business.

2. R&I public-private collaboration in agri-food sector in Lithuania:

*The strengths on public and private collaboration for R&I of agri-food sector in Lithuania:*

- Legal framework to innovate in terms of sufficiency and effectiveness.
- Sufficient amount of tools and mechanisms to facilitate the collaboration among public administration, universities and private R&D centres.
- Adequate internationalization policies to foster scientific collaboration.
- Efficient funding tools (policy instruments) in terms of fostering the collaboration between the public and private sector.
- Adequate existing tools to promote the collaboration with players of other regions.

*The most challenging aspects on public and private collaboration for R&I of agri-food sector in Lithuania:*

- The effectiveness of process of involving all relevant stakeholders for improvement of innovation

policy.

- The collaboration among public and private actors of agri-food sector in terms of efficiency.
- Potential of agricultural clusters with role of the main protagonists in fostering the innovation in the enterprises.

3. Hybridization of the agri-food sector with other sectors in Lithuania:

*Large number of strengths on hybridization of the agri-food sector with other sectors* in Lithuania were identified. The strengths are the following:

- Legal framework for hybridization of the agri-food sector with other sectors.
- Involvement of main players in the process of technology implementation.
- The policy mix supports the identification of innovation opportunities at the interface between different disciplines, industries and sectors.
- Priorities identified in the S3 are adequate to foster the collaboration between the agri-food sector and other regional industries.
- The strategy to implement the ITC in the agri-food sector is clear and adequate.
- There is all needed ICT infrastructure for innovations development.
- The enterprises have public funding instruments that are adequate to promote the development of solid R&D projects.
- The agri-food sector has enough and adequate human capital to lead the technology change.
- Policy mix and policy instruments foster the development of pilot and/or driving projects among different sectors in Lithuania.

*The most challenging aspect on hybridization of the agri-food sector with other sectors* in Lithuania is *policy mix which is not adequate to cross clustering*.

**Based on the results of analysis, 4 actions were developed that help to decrease identified weaknesses and threats for agri-food sector in Lithuania.**

All 4 actions will support implementation of the Operational programme for the EU Funds' Investments for 2014-2020 for Lithuania with focus to agri-food sector. ***Measures proposed in this action plan propose respective amendments and improvements:***

1. Modifications of requirements related to the existing calls, modification of selection criteria for projects and eligibility criteria for applicants. Aiming for: the RDP programme of Lithuania 2014–2020.
2. Creation of network for collaboration of applicants. Aiming for: the Operational programme for the EU Funds' Investments for 2014-2020 for Lithuania; Smart specialization strategy for Lithuania.
3. Strengthening of potential of applicants to collaborate. Aiming for: the Operational programme for the EU Funds' Investments for 2014-2020 for Lithuania; Smart specialization strategy for Lithuania.

**List of references:**

Lithuanian RIS3: how it was designed?, 2016. Mosta, 2016.

Lithuania Peer Review Report, 2019. National Paying Agency, 2019.

Mosta – Government Strategic Analysis Centre. 2019. <<https://www.mosta.lt/en/>>. [21 August, 2019].

Regional analysis: case of Lithuania, 2019. National Paying Agency, 2019.

**Part III – Details of the actions envisaged**

## **ACTION 1**

### **1. The background**

One important challenge for R&I infrastructure and capacities in agri-food sector in Lithuania are connected with lack of communication and information of results of already finalized projects that could help to absorb some of the knowledge generated by the projects in the future actions of private and public companies, academia, NGO's and other interested parties. There is lack of publications/communication of results of research and accessibility to interested parties who would benefit from it. Most of the beneficiaries (especially private companies) use the results obtained during the project implementation only in their activities. In many cases public interest is ignored. If the results/ methodologies/technologies created by the projects would be used or available by a wider range of actors, a larger breakthrough could be expected.

***This action proposes respective amendments and improvements: strengthening of potential of applicants to collaborate. Aiming for: Smart specialization strategy for Lithuania and the Operational programme for the EU Funds' Investments for 2014-2020 for Lithuania, with focus to the following measures:***

- (1) Development of R&D infrastructure and its integration into European infrastructures;
- (2) Inoconnect;
- (3) Inocluster LT;
- (4) Innovation vouchers;
- (5) Inopatent;
- (6) Intellect: science and business projects;
- (7) Development of excellence centres;
- (8) Smartinvest LT+;
- (9) Targeted R&D in the smart specialisation fields;
- (10) SmartPark LT. Smart specialization strategy for Lithuania.

Inspiration for this action was gained from good practices from project partners who demonstrated how research centres work on cooperation models with business who want to innovate. (Good practice 'Food and nutrition centre – modernization of the Warsaw University of Life Sciences' (Mazowieckie, Poland) Good practice 'Institute of Grapevine and Wine Sciences (ICVV)', LaRioja, Spain).

### **2. Action**

Increasing publicity / accessibility of results of implemented projects in agri-food sector financed by national and the EU funds by publishing them in a database freely accessible to the public.

Publish this information in already existing platform "Open R&D Lithuania" in a new section created for dissemination of project results of agri-food sector financed by national and the EU funds. Open R&D Lithuania represents the largest network of excellence of innovation infrastructures, services and competencies within the Baltic States. The network is a cooperative platform of the open access R&D centres and laboratories of 12 Lithuanian Universities, 13 Public Research Institutes and seven Science and Technology Parks. The Open R&D Lithuania network brand was created in 2014 by the Agency for Science, Innovation and Technology (MITA) in order to showcase the country's scientific potential on the national and international scale. This branding allowed the Universities and Research Institutions to gain greater visibility as

members of the same network in an international context.

This action by the National Paying Agency under the Ministry of Agriculture of the Republic of Lithuania on June 2019 was also proposed as a measure for the Implementation plan of White paper on Agriculture and Rural development (2018) that was initiated by the Ministry of Agriculture of the Republic of Lithuania. In the White Paper on Agriculture and Rural development (2018) is outlined long-term strategic national policies that support viable rural communities, strengthen the country's agricultural capacity to remain competitive in the face of global market and climate challenges, and guarantee food security for Lithuanian society.

Stakeholders of AgriRenaissance project of Lithuania have agreed at the 3<sup>rd</sup> Focus group meeting that the following important elements should be observed at the implementation of this action:

1. Encouragement and/or obligation to provide information in the platform.
2. Define what kind of projects and information should be provided in the platform (content of the project, etc.).
3. Legal basis (data protection, intellectual property rights, etc.).
4. Selection of one responsible institution for the implementation of this action.
5. Selection of one or both of proposed platforms. If decision would be to publish information in both platforms, content of projects should be different in both platforms as both platforms are having different aims in providing information (TITRIS platform – more detailed information on technologies, Open R&D – more general description about the projects). Link between both platforms is an obligation if information will be provided in both platforms.
6. Expert assessment or review of the expert, additionally to the description of the project results.
7. Insights for further research, possible collaboration.

***Steps required to implement this action:***

a. MITA - preparatory work (programming) to create a new section on the platform 'Open R&D Lithuania'. Preliminary deadline: 30 September 2020.

b. MITA and NMA – prepare a file what kind of information will be published about projects/publications (for example, (1) name of implemented projects, (2) short description of the project, (3) keywords, (4) project manager, (5) possible topics / areas of cooperation, ( 6) directions for future research / innovation, etc.). Preliminary deadline: 30 September 2020.

c. MITA and NMA – discuss how to invite organizations to publish this information; if there is a need for additional measures to ensure publication of information on implemented projects on the platform (for example, if projects are financed from the EU funds, including a publicity clause in the description of project implementation rules). Preliminary deadline: 30 September 2020.

d. MITA and NMA - sending an invitation to interested organizations to provide information on implemented / ongoing projects. Potential participants: (1) universities and research institutes working with innovations in agriculture and food sector; (2) private companies and NGO's innovating in agriculture and agro-food sector (for example, participants of measures "Agro-innovations and food technologies", winners of awards for innovations in agri-food sector in Lithuania). Preliminary deadline: 30 October 2020.

e. MITA and NMA - repeat invitation to publish information on the platform if not all participants submitted it after the first invitation. Preliminary deadline: 30 November 2020.

**3. Players involved**

Ministry of Economy and Innovation of the Republic of Lithuania, Agency for Science, Innovation and Technology (MITA).

**4. Timeframe**

Initiation and implementation in 2020–2021. Later (after 2021) – ongoing project.

5. **Costs** (if relevant)

No costs are requested. Only permanent staff of MITA (IT department) is responsible for this action.

6. **Funding sources** (if relevant):

- Not relevant.

## **ACTION 2**

### **1. The background**

One important challenge for R&I public and private collaboration of agri-food sector in Lithuania are connected with collaboration practice of these two types actors. Public/private collaboration on a wider scale in Lithuania is quite fragmented and small scale in nature. Assessment results have indicated that there is a lack of communication and collaboration between public/private sectors. Also there is no leader that would encourage collaboration process for R&I of agri-food sector in Lithuania. Another important challenge is weak participation of public bodies in the research and innovation process. This decreased potential to use national and the EU funds for creation/strengthening of R&I infrastructure and capacities.

Brokerage events for employees of academia (universities and research institutions of Lithuania) and private companies of agri-food sector to present ongoing calls for the various EU and national programmes and organizing of private meetings (discussions tables) could increase the potential of collaboration actions between both types of actors. It is important to highlight that personal contact should be organized with initiators and implementers of project ideas between academia and private companies and not with management bodies that focus on deep discussion for selected topic/potential research followed by collaboration actions. Such events can be organized once a year for any programming period (for example, 2021–2027) before call for measures in “Agro-innovations and food technologies”.

***This action proposes respective amendments and improvements: creation of network for collaboration of applicants. Aiming for: (1) Smart specialization strategy for Lithuania; (2) the RDP of Lithuania or 2014-2020, measure “the European Innovation Partnership programme” (the EIP programme); and (3) the Operational programme for the EU Funds’ Investments for 2014-2020 for Lithuania, with focus to the following measures:***

- (1) Development of R&D infrastructure and its integration into European infrastructures;
- (2) Inoconnect;
- (3) Inocluster LT;
- (4) Innovation vouchers;
- (5) Inopatent;
- (6) Intellect: science and business projects;
- (7) Development of excellence centres;
- (8) Smartinvest LT+;
- (9) Targeted R&D in the smart specialisation fields;



(10) SmartPark LT. Smart specialization strategy for Lithuania.

Inspiration for this action was gained from good practice on organizing of events (entrepreneurship week) from good practice database from INTERREG EUROPE website who demonstrated intentions to increase the entrepreneurial activities in the region and help existing companies (not only those in the field of smart specialisation) to increase their competitiveness (Good practice 'Tartu Entrepreneurship Week' (Tartu, Estonia). In this entrepreneurship week 70-80 different events take place. This includes competitions, exhibitions, seminars, workshops, conferences and information days as well as the organisation of educational games and visits to various companies. The events are organised in cooperation between Tartu City Government, business support organisations, universities and other educational institutions, companies and non-governmental organisations.

## 2. Action

Brokerage events for academia (universities and research organization) and private companies of agri-food sector of Lithuania.

Organizer of Brokerage events in Lithuania would be Ministry of Economy and Innovation of the Republic of Lithuania and Agency for Science, Innovation and Technology (MITA). Ministry of Economy and Innovation of the Republic of Lithuania is responsible for the policy of the development of innovation environment. MITA is the main governmental institution, responsible for implementation of innovation policy in Lithuania. Agency provides free of charge services for clients from business, science and public sectors, interested in possibilities to develop strong cooperation relations with international partners and get financial support for research and innovation projects. The main activity is the coordination of national activities and international programmes (HORIZON2020, EUREKA, EUROSTARS) of research, technological development and innovation and other financial schemes (innovation vouchers, protection of industrial property rights). Agency also promotes business and science cooperation, commercialization of research and protection of intellectual property rights. MITA cooperates with innovators, inventors, entrepreneurs, businessmen, intellectuals, researchers and other individuals, which have innovative ideas and are ready to implement it. Part of activities of MITA is organisation of various events. *Brokerage event of agri-food sector would be in line with currently implemented functions of agency.* Brokerage event can be organized once a year for programming period 2021–2027. Date for the event should be selected before call for any measure for "Agro-innovations and food technologies". Number of participants: 30-50 participants.

This action by the National Paying Agency under the Ministry of Agriculture of the Republic of Lithuania on June 2019 was also proposed as a measure for the Implementation plan of White paper on Agriculture and Rural development (2018) that was initiated by the Ministry of Agriculture of the Republic of Lithuania. In the White Paper on Agriculture and Rural development (2018) is outlined long-term strategic national policies that support viable rural communities, strengthen the country's agricultural capacity to remain competitive in the face of global market and climate challenges, and guarantee food security for Lithuanian society.

Stakeholders of AgriRenaissance project of Lithuania have agreed at the 3<sup>rd</sup> Focus group meeting that the following important elements should be observed at the implementation of this action:

1. MITA as a main organiser with huge experience of organising of R&I events.
2. Rotation of the event between various organisations.
3. Place of the Brokerage event – in various regions of Lithuania (also in rural), not only in cities.
4. Content of the Brokerage event in Lithuania should focus on personal meetings, discussion sessions, meetings of the old and young generation of researchers, representatives of business and consultants, discussions on new project activities, participation in national and the EU programmes.

5. Success stories.
6. The participation of representatives from abroad should be financed.

**Steps required to implement this action:**

- a. MITA and NMA - discussion on the format of the event, preparations for the organization of the event. Brokerage event can be organized once a year from 2021–2027. Date for the event should be selected before call for any measure from “Agro-innovations and food technologies”. Number of participants: 30-50 participants. Preliminary deadline: 30 September 2020.
- b. MITA and NMA - compiling a list of participants. Potential participants: (1) universities and research institutes from Lithuania working with innovations in agriculture and food sector; (2) private companies and NGO’s from Lithuania innovating in agriculture and agro-food sector (for example, participants of measures “Agro-innovations and food technologies”, winners of awards for innovations in agri-food sector in Lithuania). Preliminary deadline: 30 October 2020.
- c. MITA and NMA - inviting participants. Preliminary deadline: I-II quarter 2021. Date for the event should be selected before call for any measure “Agro-innovations and food technologies”.
- d. MITA – organizing the brokerage event. Preliminary deadline: I-II quarter 2021.

**3. Players involved**

Ministry of Economy and Innovation of the Republic of Lithuania, Agency for Science, Innovation and Technology (MITA).

**4. Timeframe**

Initiation and implementation in 2020–2021. Later (after 2021) – ongoing project.

**5. Costs (if relevant)**

Depending on the selected option, it can vary from 3.000 to 20.000 EUR per meeting.

**6. Funding sources (if relevant):**

- National funds. MITA will finance costs from MITA agency budget.

**ACTION 3**

**1. The background**

One important challenge for R&I public and private collaboration of agri-food sector in Lithuania are connected with rules for participation in the European Innovation Partnership (the EIP) programme financed by the Rural Development Programme for Lithuania 2014–2020 and in the coming period for 2021–2027. Assessment results have indicated that preparation for proposals in many national and the EU programmes has a lot of overloaded requirements that limit participation in these programmes. One of the challenges is high

administrative burden, over-complicated and costly R&D management process, also long decision-making process (in public organisations, universities and other organisations with high hierarchical order).

Simplification of the rules according to the requirements of the Programme manual could encourage higher participation of project proposals in terms of quantity and quality of the proposals based on public-private collaboration and necessary ideas for the implementation in the agri-food sector. It is important to involve all actors that are related with implementation of this programme, so the Quadruple helix approach would be applied, inviting representatives of public and private sector, universities/research institutions and non-governmental organizations (NGOs) with their experiences and suggestions for the improvement of the rules.

***This action proposes respective amendments and improvements: modifications of requirements related to the existing calls, modification of selection criteria for projects and eligibility criteria for applicants. Aiming for: the RDP of Lithuania or 2014-2020, measure “the European Innovation Partnership programme” (the EIP programme).***

Inspiration for this action was gained from good practice on improvement of evaluation supporting system from good practice database from INTERREG EUROPE website who demonstrated intentions to innovate by having structural approach of the process, where the effort is having an impact and output that can be monitored and translated into the RIS3 indicators (Good practice ‘Improve evaluation supporting RIS3 monitoring system’ (Vest, Romania). This good practice was proposed by INTERREG Europe programme MONITORS3 project. Link to the practice: <https://www.interregeurope.eu/policylearning/good-practices/item/2990/imp3rove-evaluation-supporting-ris3-monitoring-system/>. This practice was introduced to other AgriRenaissance project partners at 2 project meetings ((4<sup>th</sup> project partner meeting in Warsaw, 16-18 October 2019; and 5<sup>th</sup> project partner meeting in Torres Novas, 10-13 March 2020) for transnational learning purposes and to explain that this practice inspire and provide solutions that is needed for partner of Lithuania to cover challenges identified for fostering innovations of agri-food sector in Lithuania.

## 2. Action

Simplification of rules for the European Innovation Partnership (the EIP) programme financed by the Rural Development Programme for Lithuania 2021–2027 applying Quadruple helix approach.

National Paying Agency under the Ministry of Agriculture of the Republic of Lithuania and the Ministry of Agriculture of the Republic of Lithuania could be initiators and implementers of this action for setting rules for (the EIP) programme in the next programming period for 2021–2027. Members of the group would be invited using the Quadruple helix approach with representatives of public and private sector, universities/research institutions and non-governmental organizations (NGOs) with their experiences and suggestions for the improvement of the rules.

This action by the National Paying Agency under the Ministry of Agriculture of the Republic of Lithuania on June 2019 was also proposed as a measure for the Implementation plan of White paper on Agriculture and Rural development (2018) that was initiated by the Ministry of Agriculture of the Republic of Lithuania. In the White Paper on Agriculture and Rural development (2018) is outlined long-term strategic national policies that support viable rural communities, strengthen the country's agricultural capacity to remain competitive in the face of global market and climate challenges, and guarantee food security for Lithuanian society.

Stakeholders of AgriRenaissance project of Lithuania have agreed at the 3<sup>rd</sup> Focus group meeting that the following important elements should be observed at the implementation of this action:

1. Simplification of rules.
2. Currently small number of applications. It is important to increase interest for participation in this programme and number of applications.
3. Organise field trips to the currently ongoing projects.
4. Reduce administrative burden to the applicant.

5. Simplify the evaluation procedure.
6. In the process for the simplification of rules, involve all 4 types of actors of Quadruple helix that have experience in participating in projects of the EIP programme or have experience in writing proposals in this programme. Requirements should be not higher than the EU regulations. Increase motivation to participate. Result is the most important and not process or formal requirements. Evaluation of existing rules/experiences using bottom-up approach.

**Steps required to implement this action:**

- a. NMA - to inform the Ministry of Agriculture of the Republic of Lithuania about comments and proposals for the rules of application for the measure 'European Innovation Partnership' of the Lithuanian Rural Development Program 2014-2020 during the Focus Group meeting with social partners and to initiate a review of those rules. Preliminary deadline: I-II quarter 2020.
- b. Ministry of Agriculture of the Republic of Lithuania and NMA - to initiate a meeting to discuss: (1) comments received; (2) proposals received; (3) requirements for new rules. It is recommended to apply simplified rules for the first application phase of this measure, by requesting to provide only the essential information needed by the selection board of this measure. Preliminary deadline: II quarter 2020.
- c. Ministry of Agriculture of the Republic of Lithuania - to prepare and adapt new version of rules for measure 'European Innovation Partnership' of the Lithuanian Rural Development Program 2014-2020. Preliminary deadline: II quarter 2020.
- d. Ministry of Agriculture of the Republic of Lithuania - to announce new version of the rules for upcoming calls. Preliminary deadline: from II quarter 2020.

**3. Players involved**

National Paying Agency under the Ministry of Agriculture of the Republic of Lithuania and the Ministry of Agriculture of the Republic of Lithuania.

**4. Timeframe**

Initiation and implementation in 2020–2021.

**5. Costs (if relevant)**

No costs are requested. Only permanent staff of the Ministry of Agriculture and National Paying agency responsible for this action.

**6. Funding sources (if relevant):**

Not relevant.

**ACTION 4**

**1. The background**

Investments in R&D in Lithuania are low comparing to the EU level. In 2016, investments in R&I was 0.85 % of GDP (Report of Science in Lithuania 2018, 2018). Sector of higher education in this amount accounted 0.33 %, private sector – 0.3 % and public sector – 0.22 %. According to the data of Statistics Lithuania, when Lithuanian Innovation Development Programme 2014–2020 was adopted, total R&D expenditure in 2012

accounted for 0.9 % of GDP (average R&D expenditures of the EU Member States amounted to 2.06 % of GDP). In Lithuania, R&D expenditures of the public sector were considerably higher than business spending on R&D.

However innovation policy is defined as a priority area at the Government programme. Strategic goal of the Lithuanian Innovation Development Programme 2014–2020 is to enhance the competitiveness of the Lithuanian economy by creating an efficient system of innovation stimulating the innovativeness of economy.

Establishment of fund would increase potential to innovate. Innovations are time-demanding activity, requiring financial resources and have a lot of uncertainties factors so private funds (as banks, credit unions, etc.) in many cases are not willing to finance such investments especially for start-ups. Establishment of fund can attract more investment in the areas of research, experimental development and innovation. This fund would ensure efficient financing of R&D activities and contribute to their development. This fund would also make it much easier for businesses to implement for various innovative ideas.

***This action proposes respective amendments and improvements: strengthening financial potential for applicants to apply for measures that boost R&D and innovation. Aiming for: (1) Smart specialization strategy for Lithuania; and (2) the Operational programme for the EU Funds' Investments for 2014-2020 for Lithuania, with focus to the following measures:***

- (1) Development of R&D infrastructure and its integration into European infrastructures;
- (2) Inoconnect;
- (3) Inocluster LT;
- (4) Innovation vouchers;
- (5) Inopatent;
- (6) Intellect: science and business projects;
- (7) Development of excellence centres;
- (8) Smartinvest LT+;
- (9) Targeted R&D in the smart specialisation fields;
- (10) SmartPark LT. Smart specialization strategy for Lithuania;
- (11) all other measures.

Inspiration for this action was gained from good practice on creation of investment fund from good practice database from INTERREGEUROPE website who demonstrated intentions of creation of fund needed for further stimulation equity investments into enterprises, especially start-ups (Good practice 'Co-investment Fund II' (Lithuania)). Inspiration for this action was gained from good practice on creation of investment fund from good practice database from INTERREGEUROPE website who demonstrated intentions of creation of fund needed for further stimulation equity investments into enterprises, especially start-ups (Good practice 'Co-investment Fund II' (Lithuania)). This good practice was proposed by INTERREG Europe programme INNOVA-FI project. Link to the practice: <https://www.interregeurope.eu/innova-fi/>. This practice was introduced to other AgriRenaissance project partners at 2 project meetings ((4<sup>th</sup> project partner meeting in Warsaw, 16-18 October 2019; and 5<sup>th</sup> project partner meeting in Torres Novas, 10-13 March 2020) for transnational learning purposes and to explain that this practice inspire and provide solutions that is needed for partner of Lithuania to cover challenges identified for fostering innovations of agri-food sector in Lithuania.

## 2. Action

Establishment of fund to foster creation of innovations including agro-food sector.

1. Discussion on content of fund to foster creation of innovations (beneficiaries, financial instruments, framework, time-scale).
2. Preparation of draft version of law for establishment of Fund for innovation creation and submit it to the

Government of Lithuania.

3. Other steps for adaptation of Law for establishment of Fund for innovation creation.
4. Implementation of use of the Fund for innovation creation from 2021.

**Steps required to implement this action:**

- a. Ministry of Economy and Innovation of the Republic of Lithuania - Preparation of draft version of law for establishment of Fund for innovation creation and submit it to the Government of Lithuania. Preliminary deadline: I-II quarter 2020.
- b. Ministry of Economy and Innovation of the Republic of Lithuania – other steps for adaptation of Law for establishment of Fund. Preliminary deadline: III-IV quarter 2020.
- c. NMA - discuss the implementation process with Ministry of Economy and Innovation of the Republic of Lithuania, and to provide information for social partners on the possibilities to receive support from this fund from 2021. Preliminary deadline: IV quarter 2020.

**3. Players involved**

Ministry of Economy and Innovation of the Republic of Lithuania

**4. Timeframe**

Initiation and creation of fund in 2020.

Implementation from 2021 and onwards.

**5. Costs**

In period of 2022-2040 are planned investments of 900 million euros.

**6. Funding source**

- the EU Structural funds investments for Lithuania 2014–2020 and 2021–2027.

**Date:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Stamp of the organisation (if available):** \_\_\_\_\_