

THE NEXT SOCIETY

INNOVATORS
SHAPING THE FUTURE
IN THE MEDITERRANEAN

SUPPORT FOR AN INNOVATION
POLICY AGENDA



Project
funded by the
EUROPEAN UNION

CONTEXT	1
OBJECTIVES OF AN INNOVATION POLICY AGENDA	2
METHODOLOGY FOR AN INNOVATION FRAMEWORK AGENDA	3
A. SUPPORT THE NATIONAL DEVELOPMENT AGENDA	3
B. CREATION OF A NATIONAL ADVOCACY PANEL	4
C. MONITORING AND EVALUATION	4
D. FOLLOW-UP CAPACITIES.....	5

Context

THE NEXT SOCIETY is an open community of change makers engaged in innovation and economic development. It gathers entrepreneurs, investors, corporates, NGOs, public and private innovation, research and economic development hubs from Europe and the Mediterranean countries. The initiative is supported by the European neighbourhood policy.

Relying on this basis, the movement intends to foster networking and to promote the innovators community, to strengthen and to coordinate the strategies of national players engaged in innovation, and finally to boost and to promote innovators locally and internationally.

To reach these goals, THE NEXT SOCIETY is launching a four year action plan with the support of the European Commission and 30 implementing partners.

Willing to activate change at every level, this action plan is organised around 4 complementary components.

An improvement work of the policy framework will be addressed first in each Mediterranean country, putting the private sector in the driving seat on innovation strategy. This work will be conducted relying on public-private dialogue, benchmarking practices and dedicated support.

In parallel, 3 Booster Tracks targeting innovators will gather dedicated support services depending of the type of beneficiary they address.

The Start-up Booster Track will offer a tailor-made support to entrepreneurs through pitching events, trainings, immersion in EU innovative ecosystems, mentoring, meetings with buyers...

The cluster Booster Track will focus on peer learning among clusters and dissemination on the Cluster Excellence approach through diagnosis and labelling, study tours and training seminars, peer mentoring, international events and interclustering workshops.

Finally, the TTO Booster Track will address specifically technological transfer offices needs by following an approach where they can be trained like entrepreneurs to get closer to the industry and commercialise their offer. It will be done through best practices exchange, portfolio pitching and marketing training and meetings between innovators and industrialists.

Objectives of an innovation policy agenda

Research has demonstrated the effects of innovation, particularly in technology, on economic growth, industrial optimisation, improved social welfare and environmental protection.

Innovation is often defined as the result of advanced research and development (R&D) leading to new industrial products and services, as well as the result of new marketing or work organization methods in business practices.

In such a context, innovativeness has to create original ways of using technology, not necessarily owning or inventing it. This is specifically true for the Mediterranean region, where innovation does not necessarily result from cutting edge or original development of scientific knowledge. Rather, its transformative potential can be realized in addressing local issues or improving the livelihoods of communities.

This “frugal innovation” is encouraged by THE NEXT SOCIETY which support innovators who are developing solutions that participate in addressing the main challenges faced by the region and beyond.

Another constraint that limits the potential of innovation of MED countries is the partitioning of actors. Innovation ecosystems are indeed in the process of structuration and innovation players don't always act in the same direction. This is also true in public spheres where innovation is often the prerogative of a particular minister rather than dealing holistically with this issue.

This is why THE NEXT SOCIETY in its “Policy framework” component, aims to improve innovation strategies and ecosystems in the MED countries and has planned different activities to do so.

The objectives of this component are the following:

- **To facilitate public-private-academic dialogue on innovation and competitiveness to initiate new policies/initiatives and develop synergies between existing ones;**
- **To provide a set of decision support tools to the innovation community to support their advocacy;**
- **To support the formulation and the implementation of policy measures on innovation and competitiveness.**

This component of THE NEXT SOCIETY expects to produce some policy outputs to be implemented according different timeframes.

In the short term, the work conducted will have to produce decisions able to be implemented in the framework of THE NEXT SOCIETY action plan (particularly through the Booster Tracks) while at mid and long term, major consequences of this “policy framework” component will be taken over by public donors in the frame of the bilateral cooperation or national development programs.

Methodology for an innovation framework agenda

The methodology proposed by THE NEXT SOCIETY is a guideline for supporting an innovation framework agenda based on best practices drawn from the experience of advanced, developed and emerging countries, which managed to implement successful catch-up strategies and reach high technological and socioeconomic development levels.

Most elements of this methodology have been borrowed to ESCWA¹ which details in its report *"Innovation Policy for Inclusive Sustainable Development in the Arab Region"* a proposed innovation framework for Arab countries.

ESCWA is one of the five regional commissions which has been created by the United Nations in order to fulfil the economic and social goals set out in the UN Charter by promoting cooperation and integration between countries in each region of the world. Its purpose is to stimulate economic activity in member countries, strengthen cooperation between them and promote development. One of the main mission of ESCWA is to provide a framework for the formulation and harmonization of sectoral policies for member countries.

This following methodology is here customized to the needs and priorities of the MED countries concerned.

A. Support the National Development Agenda

Start with the country innovation policy vision

The innovation framework agenda should begin with a clear vision reflecting political will and commitment, while fulfilling broader socioeconomic objectives that address national challenges. The vision should be linked to the national developmental agenda. Absence of such linkage would create inconsistency in the policy's vision and/or show that policymakers do not view innovation as a contributing factor to socioeconomic development.

Endorsement of the vision at a high level emphasizes the vision's strategic importance and increases the likelihood that administrations and stakeholders will work together to achieve it.

Base the innovation framework agenda on the concept of National Innovation System

During the first half of the twentieth century, public policies in developed countries emerged specifically to improve the situation of science, technology and innovation (STI). The concept of an innovation system is closely linked with the formulation of such public policies. At its heart, a national innovation system (NIS) has a core engine comprising interacting actors: public sector, private sector, academia, research and civil society.

A policy specific for innovation, or in this precise case an innovation framework agenda, is indeed largely determined by the nature of the NIS it aims to realize and the national challenges it wishes to address. There is no single definition of a modern innovation framework agenda, because every country has its own specific situation and priorities. There are notable differences between developed and developing countries. Developed countries spend far more than developing countries on R&D, for example. Another difference is that the private sector in developed countries plays a more significant role in R&D activities

¹ United Nations Economic and Social Commission for Western Asia

and spending, especially in terms of technological breakthroughs that occur mainly in private companies. That is why some countries, especially in Asia, have introduced catch-up strategies through technological learning and innovation, where firms address their commercial objectives by applying knowledge that is new to them, even if that knowledge is not new globally or nationally.

Based on ESCWA framework, ANIMA identified five main components of the NIS that require special attention in formulating an innovation framework agenda for MED countries. These components are organized under five clusters of issues related to education and training –including via the diaspora-, research and development, business climate and private sector, the regulatory framework for innovation, and finally support to innovators.

B. Creation of a National Advocacy Panel

To ensure the implementation of an effective innovation framework agenda, the formation of a high-level steering committee is required. Such panel would oversee innovation roadmap formulation, its implementation, evaluation and update.

This will be organized around the concept of NIS by gathering together in an “**Advocacy Panel**” the main innovation stakeholders precisely to work on an innovation framework agenda to be implemented at national level. This work will consist in strengthening the national Innovation system, foster coordination among actors involved and create/improve concrete instruments of the innovation policy.

THE NEXT SOCIETY Advocacy Panel will thus act as a **Task Force** at national level to facilitate **public-private-academic dialogue**, benchmarking and experience sharing on **innovation and competitiveness**.

More particularly, it will intend to **reinforce the National Innovation System** and **adopt appropriated actions** to improve the innovation policy agenda and as much as possible turn it into concrete services to innovators.

To reach its goals, and guarantee a sustainable and inclusive approach, the panel will be composed of EU and national private sector representatives and investors, innovation stakeholders, relevant Ministries and their agencies, the EU Delegation as well as academic experts. Some expatriated talents of the Diaspora will also be associated to this work.

However, as a high level task force group, the Advocacy Panel will not exceed 18 national players and 7 EU experts and representatives in order to maintain an operational dimension.

The panel will meet 5 times from late 2017 to December 2020. Discussions and work conducted during these meetings will be organized following an **action-oriented methodology** and supported by presentations of **ranking analysis** and **enterprise surveys**, as well as of **international best practices** and **policy briefs**.

After having defined **priority policy measures** to support innovation and competitiveness, and then, their translation into **operational activities**, THE NEXT SOCIETY will provide **technical assistance** missions conducted by international experts to ensure their implementation.

C. Monitoring and evaluation

Monitoring and evaluation (M&E) should be an integral part of any innovation policy agenda. Indicators that measure innovation policies generally address spending on R&D, innovation carried out by firms, exports of high-tech products and patenting, plus quality and quantity of graduates in technical and scientific disciplines. Choosing the most appropriate metrics for M&E depends on the specific targets and means set for the innovation policy. There is no one size-fits-all recommendation, particularly in relation to impact and outcome indicators. It is appropriate to choose metrics that are relevant,

measurable and feasible for targets and priorities set by the policy. In all cases, MED countries should improve their statistical data collection efforts for innovation related indicators. In the monitoring system, a distinction should be made between indicators that measure the progress of implementing the adopted innovation policy agenda based on the agenda's proposed targets, contrasted with indicators measuring innovation at national level.

In the framework of THE NEXT SOCIETY, such a work of innovation monitoring system creation will be coordinated by FEMISE. Relying on MED countries research and innovation stakeholders to collect existing indicators, database and statistics, FEMISE will ensure benchmark of innovation frameworks, proposition of performance indicators and analyses of strengths and weaknesses so that to establish customized innovation and monitoring tools that will become a customized set of decision support tools for the Advocacy panel members.

Composite innovation indices allow countries to be compared at the international level. The resulting rankings should, however, be handled with some caution as they most often reflect issues relevant for the most advanced countries. The best-known index for measuring innovation is the Global Innovation Index (GII). The GI, however, might not be the best index for developing countries, including MED countries, for various reasons.

Many regional and international organizations have thus worked since 2013 on the definition and implementation of an innovation scoreboard for the Middle East and North Africa (MENA) region. This is the case of the FEMISE which, within the framework of TNS, is working on a Mediterranean specific scoreboard, which will be presented to the occasion of the first meeting of the Advocacy Panel.

D. Follow-up capacities

The Innovation policy agenda supported by THE NEXT SOCIETY will produce outputs measurable at different levels.

At short term, the action of this agenda will take the form of operational decisions or measures which will be implemented in the framework of the activities of THE NEXT SOCIETY work plan, especially through the 3 Booster Tracks.

At mid-term, concrete outputs will be produced through technical assistance conducted by international experts to implement the innovation roadmaps designed during the advocacy panel meetings. These experts will participate in the advocacy panels meetings and will be in charge of identifying good practices within their network able to address the needs identified by the advocacy panel members as priorities.

Such technical assistance could serve FDI attraction, improve the innovation national legal frameworks, access to finance mechanism....

ESWA recommends that *"details of implementation be delegated to another agency with proper authority over other actors involved"*. In the case of THE NEXT SOCIETY, these technical assistance may be placed under the authority of the local Delegation of the European Union, the Prime Minister, Economic and Social council, or an employer's federation.

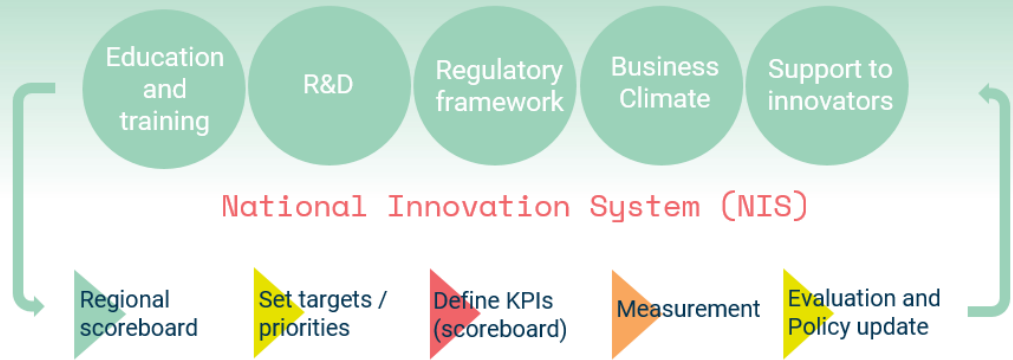
In the long term, the action of the innovation policy agenda supported by THE NEXT SOCIETY may concern a national strategy or negotiations inter-countries (free trade agreements, laws...). This could be initiated by inviting public policy figures during the meetings of the advocacy panels.

Support provided by THE NEXT SOCIETY

- Advocacy Panel animation
- Expertise
- International Benchmark
- Dedicated monitoring methodology
- Complete innovation work plan
- Public policy figures
- Technical assistance

Vision and actors involved

Government & public agencies Private sector Investors Innovation stakeholders EU Delegation Diaspora



National Innovation System (NIS)

Monitoring and Evaluation

Toward an Innovation Framework Agenda



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the
movement!**

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www.thenextsociety.co

welcome@thenextsociety.co



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ANIMA Investment Network
11 bis rue St-Ferréol,
13001 Marseille
France