Regional Conference of the ECA Network of Business Incubators and Technology Parks

Yerevan, Armenia

The Regional Conference of the Eastern Europe and Central Asia (ECA) Network of Business Incubators and Technology Parks „Advancing Innovation in ECA 2007“ was held on September 17 – 20 in Yerevan, Armenia. The conference brought together over 100 participants from 15 countries in the region, and was opened by the Minister of Trade and Economic Development of Armenia.

The creation of effective innovation clusters and programs is a key success factor for strengthening the competitiveness of the countries in the ECA region, and business incubators and technology parks can play a crucial role in this process. The conference succeeded in raising awareness of this reality and in engaging partners and stakeholders to support innovation-driven enterprises in the region.

National and international innovation networks drive development in ECA

Indeed, one of the main conclusions of the first two days is that the value of knowledge is significantly increased when that knowledge is shared, and that the effectiveness of incubation increases when the regional and global communities gather around prioritized themes, as well as use and develop the same tools.

The conference agenda and discussions were future-driven, and there are already several best practices and lessons learned that can be drawn from developments both regionally and globally. Policymakers are beginning to place increased significance on the role of Innovation & Entrepreneurship policies in reaching broader economic goals, and on the impact that business incubation can have on social and human development. For example, Armenia, the host country of the conference, is in the process of implementing its national IT policy for 2006 – 2010, with the specific intention of strengthening its competitiveness and creating new jobs, and is a regional leader in developing innovation clusters. The Minister of Trade and Economic Development of Armenia opened the conference and stressed the importance of having the opportunity for exchanging knowledge and best practices on innovation, and for further leveraging the role of business incubators and technology parks in empowering the ultimate driver of any economy – its human capital.

The ECA region enjoys a high level of scientific and technological knowledge through a traditionally strong emphasis on education in these areas. However, it was underlined that this knowledge needs to be more stringently tied to industry, government and the private sector, and that the connectivity of ICT to other sectors (such as education and healthcare) will further maximize the value added among such operational linkages.

The importance of strengthening the national capacity to absorb innovation was
highlighted by Mr. Itzhak Goldberg, Advisor, Policy and Strategy, ECSPF at The World Bank. According to Goldberg, important prerequisites for absorbing innovation include national and regional financial and institutional instruments, a certain level of R&D, and an abundant pipeline of ideas. He engaged his panel in a discussion debating on further prerequisites for the implementation of successful innovation policies (such as human capital and the investment climate), the openness and accessibility to FDI, knowledge flows, and languages, as well the governance structures of business incubators and technology parks. Further insight fews on national innovation development policies were provided by Mr. Radu Gheorhgiu of the National Agency for Financing of the Higher Education and Research Romania, and by Mr. Odikhuja Parpiev, Head of the Innovation Department at the Committee for Coordination of Science & Technology in Uzbekistan.

Ms. Veronika Prikrylova, Microsoft General Manager Market Development Central and Eastern Europe, and Mr. Ruan-Ramon Alegret, Education and Research Manager for South and East Europe, Middle East and North Africa at SUN Microsystems discussed the role of public-private partnerships for innovation development. Mr. Gunnar Due-Gundersen of SINTEF International Operations Norway provided a case study on the success factors of public-private partnerships in business incubator development in Moldova. Mr. Gundersen pointed out, that the careful selection and integration of key stakeholders and the development of a stakeholder network is the critical factor for successful business incubator and innovation development.

The increasing importance of national and international innovation networks was highlighted by Dr. Guenter Clar of the Steinbeis Innovation Relay Center (IRC) in Germany. Mr. Aram Salatyan, Director of National Instruments Armenia Corporation provided an insight few on the role of diasporas in the development of international innovation networks. Andriy Tarelin, ECAbi bit coordinator from Kharkov Technologies (Ukraine) explained the role of the ECAbi bit network for strengthening incubator international collaborations in the ECA region.

**Business incubators have become key instruments in innovation policies**

Day Two of the event focused on the role of business incubators in innovation development, and provided insight fews on technology transfer and finance policies for innovation development.

Zafar Mukhitdinov, Vice President of the Association of Business Incubators and Technopark in Uzbekistan, described innovation development approaches in rural areas in Uzbekistan and Central Asia. Ms. Julia Fomina of Technopolis PLC Finland and Mr. Bagrat Yengibaryan, Director of EIF Enterprise Incubation Foundation in Yerevan, Armenia, discussed the internationalization of high-tech start-ups through business incubation. The role of women in business incubation was highlighted by Ms. Zamira Akbagysheva, President of the Congress of Business Women of Kyrgyzstan. The participants agreed, that successful innovation development policies need to address both high-tech and rural areas. Youth, women, and rural areas should be given special attention in innovation development and business incubation. Heinz Fiedler of SPICE Group moderated the session, and provided an overview on global trends in business incubation.

Other regional and global perspectives included a proposal on technology transfer collaboration between ECA and China by Mr. Liu Zhengping, General Manager of the
Shanghai Co-way International Technology Transfer Center, by, and views to engaging university support for innovative start-ups by Mr. Oleg Movsisyan, Director of the Moscow State University Science Park, and Alexey Leontiev of Zelenograd Technology Park near Moscow in Russia. Todor Yalamov of ARC Fund in Bulgaria stressed on the opportunities provided by European Union innovation programs for growth-oriented SME.

The third session of Day Two of the event discussed the issue of financing innovation in transition economies. Ms. Nadezhda Karisalova, Vice President of the Russian VTB Bank, described collaboration mechanisms for innovation development on regional levels linking public policies and private bank policies. “SME’s are one of our key target groups, and we seek the collaboration with the government to multiply our resources” said Ms. Karisalova. Mr. Francis Skrobiszewski of Monolith Capital Management LLC (USA) and Mr. Vahe Odabashian, Vice President of H2Economy/Cafesjian Foundation Armenia discussed specific opportunities and trends in financing innovative start-ups and enterprises in transition economies. According to Mr. Odabashian, financing and investments have to be linked to knowledge transfer in order to overcome investment risks. Again, the role of the diaspora for financing innovation was pointed out.

Participants drew the following conclusions: The competitiveness of countries in ECA increasingly depends on specialization and innovation clusters. Knowledge and skills needs to be strengthened on all levels from government over education and science to the business community. Public private partnerships and networks on local, national, and international levels build the basis.

Days 3: Focusing action fields of the network

The two days of high-level panel discussions set the scene for the ensuing two workshop days for the incubator and technology park managers. The ECABit incubator and technology park managers formed working groups on: Rural Innovation, Youth in Innovation, SME Education in Transition Economies, and Incubation in 2020. The working groups aim to set up thematic communities, enabling the network to exchange and generate knowledge and to develop specific projects and activities in areas of high relevance for innovation development in ECA.

The working group on Rural Innovation was moderated by Rositsa Djambazova of the business incubator Gotse-Delchev in Bulgaria. The group identified rural innovations in agriculture as well as rural tourism as key priorities. The group also agreed to develop a collaborative project on knowledge transfer in rural tourism, aiming to enhance the capabilities of incubator managers and consultants in this area.

Mr. Radu Big from CDIMM Baia Mare in Romania led the working group on Youth and Innovation. The group agreed to seek links to youth organizations and programs as well as to universities and other education organizations in order to identify action fields for innovation development targeting youth. As a first project, the group aims to conduct an ECA-wide Contest of Innovative Business Ideas among young people in the ECA region.

The working group TCNET on SME Education (Training Center Network) of ECABit has been operating since 2005. Aiming to provide functional network among incubator trainers and consultants by integrating further SME education experts and trainers, the working group has meanwhile achieved to conduct a comprehensive research on the situation of SME trainers and consultants in the ECA region, and to set up an online
knowledge and contact platform for SME trainers and consultants in the ECA region (www.myconsultant.ru). Key objective of the working group in 2008 are the integration of further ECA countries into the network, collaborations with other networks and organizations active in the SME training area, and the extension of the research program. Also, the working group aims to conduct a meeting in 2008.

The working group Incubation 2020 aims to initiate network activities in future areas of business incubation and innovation development, such as incubator management quality and efficiency, networking, women entrepreneurship, green technologies, and technology transfer mechanisms. The group agreed to focus on the implementation of a Total Efficiency Program (TEP) for business incubators, aiming to set standards for managers of incubators, which will help tenant companies to increase productivity and innovate through technology transfer. Other project activities the working group aims to implement include incubator networking, women entrepreneurship, and the guidelines for feasibility studies for setting up or extending business incubators. The working group was moderated by Todor Yalamov from ARC Fund Sofia (Bulgaria).

All working groups stressed on the need to identify resources and support mechanisms for project activities beyond the infoDev program, and including own resources and strengths. Further details on the outcomes and plans of the thematic working groups are available at ECAbit coordination office (Andriy Tarelin, atarelin@ubica-ict.kiev.ua).

Days 4: Sustainable network management

Day 4 of the event focused on strengthening the ECAbit network management system. ECAbit members and guests jointly developed action programs for the further development of the ECAbit organizational structure, the outreach and PR policy, the future role of the ecabit.org website as the virtual framework for the ECAbit community, and the design of the ECAbit regional workshop and conference 2008.

ECAbit members agreed to set up the key elements of the organizational structure of the network, consisting of a steering committee, a network office, and the thematic working and project groups. Network administration should be financed by a revenue mix including membership contributions on a voluntary basis, membership fees, and project-based fundraising/revenues. On the long term, the network might consider to offer for-fee services to members and non-members. The members agreed to jointly develop and complete the ECAbit Constitution and Value Proposition until the end of 2007. The steering committee and the ECAbit coordinator for 2008/2009 will be appointed in an internal voting process.

ECAbit members also agreed to conduct a regional workshop and conference in 2008. Until the end of 2007, a potential theme and host should be identified. The ecabit.org website will be developed into an interactive online community for the network, allowing exchange and interaction online. Public relations will focus on applying available resources and network contacts to scale up outreach and knowledge dissemination. ECAbit members will have a key role in disseminating the network message further.

The network members agreed to achieve a self-sustainable network administration system, based on member contributions and membership fees by 2008. Further details on the workshop outcomes and network management development plans are available at ECAbit coordination office (Andriy Tarelin, atarelin@ubica-ict.kiev.ua).

Main conclusions
Innovation development policies in the ECA region will be given further attention by the ECAbit network in the future. Collaboration with governments, universities and science, the business and finance community and other key stakeholders should be continued. Special focus should be given to key areas like technology transfer, youth, rural innovation, and women entrepreneurship. ECAbit aims to become a reliable partner for developing and implementing collaborative projects in the ECA region.

Increasing the quality and efficiency of business incubator management will become a key area of ECAbit activities, and the network aims to contribute value to members by delivering collaborative services to its members in this area.

The regional workshop provides an excellent opportunity for collaborative learning, network building as well as for network outreach. Drawn on the outstanding quality of organizing and hosting „Advancing Innovation in ECA 2007“ by EIF in Yerevan, a regional workshop for 2008 will be prepared.

The thematic working groups will provide the thematic framework of the ECAbit network activities. ICT is crucial for maintaining these working groups. The working groups will be continued online and offline. The thematic working groups will seek collaboration with other working groups in these fields, with main focus on the infoDev global incubator network.

Cross-regional collaborations with other regions of the infoDev global network as well as other organizations and networks will be given special attention, and the network will aim to seek collaborations and exchange with other regions, to be started with Asia.

The ECAbit network management system will provide a self-sustainable network infrastructure. It will be based on the ECAbit constitution and value proposition.

ECAbit members agree to the need of self-sustainability of the network administration and project activities, based on internal resources of network members as well as of a careful identification and partnership development with all donor and support mechanisms as well as on further revenue/funding sources available in ECA and beyond.

Partners
The conference was jointly organized by the Information for Development Program (infoDev) housed at the World Bank, the ECAbit Network of Business Incubators and Technology Parks of Eastern Europe and Central Asia, and the Enterprise Incubator Foundation (EIF) of Armenia. Partners of the conference include The World Bank, the Government of Armenia, USAID-CAPS, ProSME Armenia (GTZ), Microsoft, and Viasphere Technopark.

Further links:
www.ecabit.org
www.idisc.net
www.innovationeca2007.org
www.ecabit.projectpath.com