
Introduction

Mission and vision

In 2010, ARC Fund continued its activities in **incubating** social, business and technological **innovations**, **providing** research-based **policy solutions** and **facilitating the development of a knowledge-based society**. ARC Fund expanded significantly the community it serves and accomplished important milestones in transforming itself from a **premier Bulgarian** policy and research institute to an **emerging international think and action tank** in the field of innovation, technology transfer and information society.

Policy impact in Bulgaria

ARC Fund continued to inform and advise policy makers in Bulgaria with the objective of improving the national position with respect to the European Commission's 'Europe 2020' strategy for improving smart, sustainable and inclusive economic growth. This included formulating the national target for gross expenditures on research and development (R&D) at 1.4 – 2.0 percent of GDP, informing the national e-Governance strategy and strengthening the broadband program, among others. On a more operational level, ARC Fund's policy analyses and other activities contributed to the work of the Ministry of Economy, Energy and Tourism (including the report, *The Bulgarian Economy – Current Situation and Strategy for Development*), the Ministry of Education, Youth and Science (the report on *Policy Recommendations on Higher Education, Science, Technology, and Innovation (STI) in Bulgaria and support to the new university rating system*), the Ministry of Interior (through the Safer Internet Hotline), the Ministry of Transport, Information Technologies and Communications (MTITC), the Communications Regulation Commission and other public institutions. Last, but not least, to sustain its policy impact in the years to come, ARC Fund has been involved in training sessions delivered to emerging young political leaders through the Bulgarian School for Politics.

Impact on firm level

Throughout 2010, ARC Fund delivered services to more than 150 companies by providing information on European Union (EU) programs and funding opportunities, as well as providing consulting, matchmaking, internationalization and business optimization services. ARC Fund's international activities in 2010 included collaborative efforts with institutions and organizations in China, Germany, Italy, Japan, Spain, Sweden, the UK and Turkey. For example, ARC Fund assisted Spesima, the 2004 Innovation Award Winner (see page 16) in signing contracts with a company from Turkey as well as assisting Bianor (the 2009 and 2008 Innovation Award Winner) in signing two contracts with German companies. ARC Fund provided services to companies in the following sectors: transportation, manufacturing, ICT, tourism, health, aviation and management consulting. ARC Fund helped more than 10 companies and research institutes

in Bulgaria to find partners and submit proposals to the EU's Seventh Framework Program (FP7). Among the exemplary services provided by ARC Fund at firm level, was the facilitation of the development of a piece of software, developed on demand, that optimized the work of a Bulgarian-Italian company and shortened a critical path in its service delivery by more than seven times.

International impact

ARC Fund continued to play an instrumental role in strengthening Bulgaria's integration into the European Union through its national leadership of several structural networks and initiatives of the European Commission. These included the **Enterprise Europe Network, ERAWATCH** and the Regional Innovation Monitor (**RIM**), **INSAFE** and **INHOPE**. ARC Fund established itself as a **trustworthy and regular reference hub** for the European Commission and its institutions for data and information on the Bulgarian innovation system and information society. It also served as an **independent monitoring and analyses provider** on Bulgaria for the international community, a **reliable partner** for internationalization of European enterprises as well as an **effective safeguard** to modern online threats to children.

ARC Fund served not only **Bulgarian and EU stakeholders** but also those from the **Western Balkans** and the **Commonwealth of Independent States (CIS)**. Most recently, ARC Fund expanded its reach to **China** by embarking on a foresight study of EU-China cooperation in research in environmental studies, which will help inform the strategic decisions of the European Commission on EU-China relationships in the future.

ARC Fund provided significant support to its counterparts from the **Western Balkans** in various ways, such as by improving and promoting closer scientific and technological (S&T) cooperation opportunities between the EU and the Western Balkan Countries (Albania, Bosnia and Herzegovina, FY Republic of Macedonia and Serbia) in the area of Surface Transport and capacity building for banning and phasing out asbestos in FY Republic of Macedonia, Bosnia and Herzegovina and Serbia. These activities also consisted of hosting experts from the Western Balkans on study visits which explored the Bulgarian practice of protecting children on the internet.

ARC Fund's involvement in CIS countries is primarily through the **Network of Business Incubators and Technology Parks in Eastern Europe and Central Asia (ECAbit)**, where it has served as a coordinator since 2008. ARC Fund extended its policy and advocacy outreach to Moldova and Azerbaijan in 2010 by assisting both governmental agencies and NGOs.

Web 2.0 and media outreach

ARC Fund pioneered new media outreach channels as early as 1996, through the Bulgaria Online portal. It continued its activities in this area from 2001 (Bulgaria Development Gateway) to 2010 when it rolled out Facebook tools for awareness raising, public advocacy and civic activism in the areas of innovation and information society. ARC Fund's most widely supported cause on Facebook concerns the establishment of a register of sexual abusers of children in Bulgaria (more than 4,800 members in

the cause). The eBulgaria2020 community established on Facebook reached close to 1,000 members by the end of 2010. Among them are members of the *Parliamentary Committee on Transport, Information Technology and Communications*, other former and current members of parliament, directors of public agencies and directorates in ministries, business associations, industry leaders, key journalists from the sector (including specialized press), civil society organizations, academic IT experts and others. About 20% of the members are active in the group by posting, commenting and 'liking', the content of the group. The **eBulgaria 2020 group has been cited by journalists as a news source** and it serves as an instrument for increasing transparency in policy making (e.g. in two cases during the competition for the post of Director of the *e-Governance Directorate* at MTITC, several applicants submitted their programs for discussion by the members or raised questions and participated in the internal group's debates).

There have been around **two hundred instances** of traditional and online media coverage of ARC Fund in 2010, including interviews with staff members, participation in radio and television programs and references to opinions or published reports both in Bulgarian and English. The Sixth National Innovation Forum and the *Innovation.bg* 2010 report accounted for about a third of the coverage.

The journal SIGNAL, published by the Armed Forces Communications and Electronics Association (AFCEA International) – one of the leading non-profit organizations of this kind - credited the overall experience of ARC Fund in the field of innovation and ICT research and policy. The article *Bulgaria's High-Technology Industry Emerges from the Cocoon of Communism*, published in the November volume, uses ARC Fund's analyses as one of the main sources of independent empirically-based policy expertise.

Human capital

In 2010, ARC Fund blended a diverse range of personal and professional backgrounds, experiences and competencies in forming a truly globalized working environment that attracted entrepreneurial human capital. ARC Fund employed talented young graduate students from universities from the European Union and the USA, mid-career engineers and economists, and established researchers and professors. About 40 % of the staff either hold or are pursuing a PhD degree. Members of the staff have obtained working experience in countries like Russia, Ukraine, Turkey, Syria, Jordan and Japan. In 2010, the ARC Fund staff spoke nine languages, including Russian, Korean, Chinese and Japanese; included three experts from Korea and the USA; taught at three universities; and served as independent evaluators to the European Commission and national contact points (NCPs) for various FP7 programs.

