

Innovation and Business Support Program

In 2021, ARC Fund's work in the area of innovation and business support was focused in the following fields:

- **Supporting SMEs to establish international partnerships and enter new markets.** To respond to its clients' need to face the challenges of the ongoing pandemic, ARC Consulting, as Enterprise Europe Network (EEN) – Bulgaria's coordinator, digitalized most of its services, holding its key events online or in a hybrid format, but still managing to support Bulgarian companies in their negotiations on business, innovation and R&D partnerships and expansion to new markets abroad.
- **Consulting SMEs.** ARC Fund continued to consult SMEs in the top areas of interest: Access2Finance focusing on the Horizon Europe and EIC calls as well as access to new markets and international partnerships. In 2021, over 140 Bulgarian companies benefited from the EEN team's services and expertise, which resulted in concluding 9 international collaboration agreements and research partnerships.
- **Efficiency of policy and financial instruments for SMEs and innovation.** In 2021, ARC Fund continued its series of online capacity building and interregional learning events to foster the efficiency of national, municipal and European financial instruments for SMEs and innovations. The key policy areas were: urban farming, constructive capital in Bulgaria, and support to SMEs for innovation and resilience. ARC Fund started elaborating measures and recommendations to leverage the efficiency of the National Innovation Fund, the Sofia Green Program and the Program for Sofia 2021–2027.

Assisting SMEs with International Partnerships and Entering New Markets

Access2Finance

In 2021, nine SMEs, start-up companies, clusters and associations benefited from the in-depth consultation on Access2Finance by the Enterprise Europe Network team as an advisory source to EU and EEA funding programs, including Horizon Europe, EIC Accelerator, InvestEU, Women TechEU, ERDF and EEA Norway grants.

New Markets

While the COVID-19 pandemic continued to pose unprecedented problems to businesses, it also opened up new opportunities for them. As brokerage events were held mainly online, it became much easier to set

up international partnerships across the entire business community. As a result, over 70 Bulgarian SME and cluster representatives took part in 27 specialized brokerage events and business missions in the EU, Norway, Ukraine, Turkey, and Qatar. Among the top European and global events, co-organized by the EEN team, were: Smart Agrifood Summit, Med2Meet, Digital Enterprise Show 2021, Tech4Smart Cities, Smart Manufacturing Matchmaking 2021. As a follow-up, Bulgarian SMEs entered into over 260 negotiations on business and innovation partnerships in key domains, such as healthcare, green and blue growth, creative industries, AI, mechatronics and Industry 4.0.

Part one: Program areas

In 2021, over 140 companies received extensive advisory services by EEN. Nine research partnerships under Horizon Europe, the European Innovation Council and ERDF were enabled or granted a contract. EEN clients expanded their markets across the EU and gained new markets in the United Kingdom and the Philippines.

ARC Fund's Excellence in Innovation label, introduced 5 years ago and granted to the finalists of the Innovative Enterprise of the Year contest, is widely used by more than

100 Bulgarian innovative companies as a valuable promotional tool while entering new markets and business partnerships.

Regular updates on how to access new markets were published in EEN's monthly e-newsletter Vesti with over 800 subscribers. Among the most popular posts in 2021 were the presentation of the Access2Market EU portal, webinars and guides by the EU SME Center and EU-Japan Center, market analysis and calls to join foreign accelerator programs.



Success stories on air at the National Radio

For the fifth year in a row, the EEN team produced a program, dedicated to innovation, aired by the Bulgarian National Radio. In a series of broadcasts, innovators and entrepreneurs shared their challenges and achievements during the continuing COVID-19 pandemic. Among them were the 2020 contest finalist Press Start and the start-up Gamifinno, which received the Innovative Enterprise of 2020 award.

Among the 2021 success stories were:

ADMA Trans4MErs, which builds on the work of ADMA, the European Advanced Manufacturing Support Center. The initiative supports ambitious SMEs on their digital transformation journey by delivering assistance with digital competencies (hinged to core technologies such as high-performance computing, artificial intelligence, and cybersecurity) and training in advanced skills in digital technologies.

AgroHub.BG is the Bulgarian Digital Innovation Hub for agriculture. Within it, ARC Fund is partnering with representatives of the agribusiness, research organizations, ICT companies and other stakeholders, aiming to provide combined expertise in inventorying the business needs, strengths and weaknesses, and to match them with technological solutions and financial opportunities. The hub plays a strategic role in building skills and finding innovative solutions for Bulgarian farmers and representatives of the agrarian sector by covering all stages of the product life cycle.

Intellectual property

In 2021, ARC Fund continued to act as an EU IP Helpdesk Ambassador for Bulgaria. An example in this regard is the advisory service provided to Bulbera, a software development company, striving to develop an IP strategy from the perspective of internationalization and optimal protection of its economic interests abroad. With EEN's support, the company successfully filed an application and was granted an EU trademark registration in April 2021.

EEN New Horizon

Following an election process, the EEN-Bulgaria Coordinator continued its 5-year mandate in the Steering and Advisory Group (SAG) Bureau – a body commissioned to liaise with DG Grow and EASME/EISMEA on behalf of the SAG.

The September 2021 EEN Annual conference, which gathered nearly 1,000 participants, was devoted to the transition of the Network to a thoroughly new client-focused paradigm. The high-level policy panel “Reinforcing the Network’s role in the regional

innovation ecosystems in view of the new Cohesion Policy” brought together DG Grow, DG Regio, EISMEA, SAG Bureau and Germany and Sweden’s Network representatives. The discussion highlighted the need for synergizing the policy instruments between DG Grow and DG Regio. ARC Consulting’s representative highlighted how an integrated client-centered approach and an excellent integrator into the regional innovation ecosystem can leverage its impact well beyond the EEN’s core services.



2021 Enterprise Europe Network Annual Conference, Connecting competences with the regions: reinforced role for the Network

*Ulla Engelmann, Acting Director, Networks and Governance, DG GROW, European Commission;
Anke Wiegand, Head, Innovation | Funding | Financing Unit, Berlin Partner for Business and Technology GmbH;
Daniela Tchonkova, Program Manager, ARC Consulting.*

Part one: Program areas

Deploying in synergy SME support policy instruments, EEN's services and stakeholder involvement was pointed out as key to success for client SMEs, policy-makers and the Network.

In late 2021, the European Commission re-confirmed ARC Consulting's expertise in the field of innovation, technology transfer, SME support and sustainable development by extending the period in which it will lead the Enterprise Europe Network in Bulgaria until 2025.

Promoting Constructive Capital in Bulgaria

On 28 September 2021, at a **policy forum** with the participation of the Bulgarian President, ENN – Bulgaria, CSD and ARC Fund presented their **Action Agenda for Promoting Constructive Capital in Bulgaria**. The forum was part of the Bulgarian presidency of the Three Seas Initiative and was supported by the Center for International Private Enterprise (CIPE) in Washington D.C.

The Action Agenda provides a comprehensive analysis of the EU and national strategic documents and consultations with local authorities and business stakeholders

across Bulgaria's six planning regions. It highlights the importance of addressing rule of law gaps to unlock constructive capital investments for economic growth and technological transformation. It also pays special attention to recommendations and potentials in the fields of digitalization, green technologies, innovation and entrepreneurship. As Bulgaria remains last in the EU in terms of eco-innovation activities, digitalization of its economy would directly contribute to achieving sustainability and resource efficiency.



Ruslan Stefanov, Manager, ARC Consulting, Rumen Radev, President of Bulgaria, Kim R. Holmes, Vice Chairman, CIPE, Jeffrey Lightfoot, Program Director, Europe, CIPE, Dr. Ognian Shentov, Chairman, ARC Fund, Sofia, 28 September 2021

Resource Efficiency and Urban Farming as a Business Model

In 2021, ARC Fund continued to promote urban farming (UF) at both the institutional and the social level through the **CityZen** initiative, which explores the benefits of urban agriculture for better sustainability, resource efficiency and prosperity of cities and regions. A series of digital and hybrid events was held to exchange experience and good practices between European and local partners. The scenario exploration

system and design thinking tools proved to be particularly useful for gathering new ideas. Land scarcity, lack of UF regulations and potentials for new policies and business models were among the topics where practical solutions were sought by devising policy measures. CityZen success cases on educational UF activities, civil initiatives and specific business models were showcased to stakeholders in a Good Practices Week.

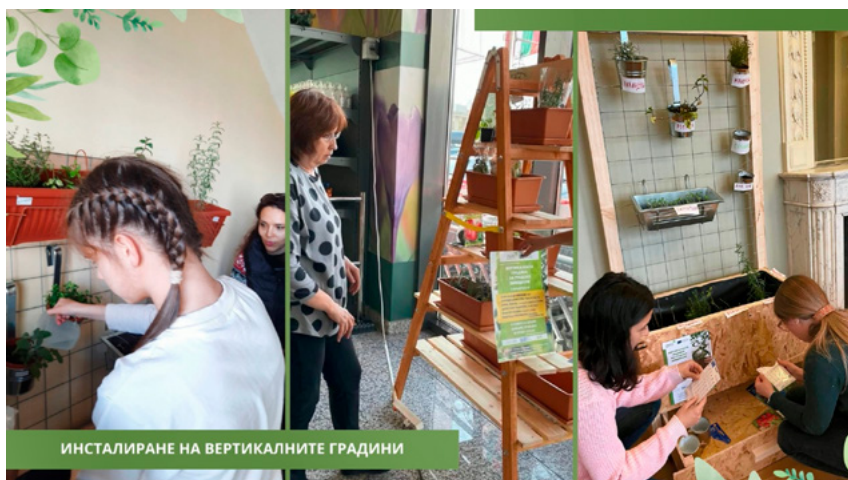


Participants in the 2nd CityZen Accelerator and 1st Action Camp event, Thessaloniki, 4–5 November 2021

A Bulgarian CityZen pilot was additionally awarded a contract to design Do-it-Yorself (DIY) kits for vertical urban gardens to be placed in 6 demo locations in public, business and residential buildings. The kits were created in a living lab process by a wide selection of experts and citizens. The positive feedback by the early adopters showed clear added value of UF activities to working and living ambience. It motivated ARC Fund, the Sofia Development Association (SDA) and Sofia Green at the Sofia Municipality to foster future UF support meas-

ures by raising awareness and regulatory changes.

ARC Fund's team provided UF recommendations to the Plan of Sofia 2021–2027, developed by Sofiaplan – a municipal enterprise for spatial and strategic planning. As a result, UF was included among the eligible activities for socializing neighborhoods and bringing new functions to green areas. UF is also presented in the Sofia Chooses Green call for 2022.



Installation of demo vertical gardens at Sofia Green, Sofia Lab at SDA, Sofia Tech Park, COOP supermarket, a Sofia Library branch and a residential building, Sofia, October 2021.

Policy Advice

In 2021, ARC Fund continued to work with national and regional authorities (notably, the Ministry of Economy, the Ministry of Education and Science, the Bulgarian SME Promotion Agency, and the Science and Education for Smart Growth Operational Program) to develop, implement and monitor the national and regional innovation policy framework and financial instruments. Representatives of ARC Fund became members of the Consultative Board at the newly established State Agency for Research and Innovation (SARI).

Under the Effective Financial Instruments in Support of SMEs initiative, ARC Fund hosted

an international peer review of the National Innovation Fund (NIF), organized by Adam Mickiewicz University Foundation, Poznan Science and Technology Park, Poland; the Municipality of Gabrovo, Bulgaria; Science Park Foundation, Tartu, Estonia; and Weserbergland RDC, Hameln-Pyrmont, Germany. Each peer review session covered: 1) pandemic challenges as well as practices and tools, dedicated to identifying the needs of SMEs; 2) selection of target groups (affected by COVID) and analysis of their needs. The policy recommendations, based on this effort, will lie at the core of an Action Plan for upgrading the National Innovation Fund.



Exploiting Miro canvas for gathering ideas during the peer-review workshop, 3 November 2021

Smart specialization continued to be a key topic. After successfully developing the Smart Specialization Strategy for the next programming period 2021–2027 jointly with the Ministry of Economy, ARC Fund, through ARC Consulting, was given mandate by the Growth and Innovation Directorate of the European Commission's Joint Research Cent-

er to **support two Ukrainian regions for finalization of their S3 strategies**, namely the Khmelnytsky and Kharkiv regions. The main task of the team was to develop robust analyses of the regional assets and local sources of competitive advantages in order to identify smart specialization priorities and to develop a strategy for their exploitation.