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# Introduction

Twenty-four years since it was established in 1991 as an innovation policy and research institute, the **Applied Research and Communications Fund** (ARC Fund) remains dedicated to fulfilling its mission of promoting and shaping the information society and the knowledge economy in a national, regional, European and global context. The means ARC Fund employs to realize this goal are applied research and analyses, design of innovative solutions to development problems, formation of new policy concepts and innovative policy-making tools. As an active and reliable partner, ARC Fund has encouraged coalition-building and public-private partnerships, provided trainings and facilitated the transfer of knowledge and good practices in order to strengthen the capacity of various professional groups.

During 2015, ARC Fund's research and advocacy work covered a wide range of areas:

- Tackling environmental challenges by enhancing green growth and promoting green innovation;
- Promotion of innovative entrepreneurship in Bulgaria and fostering of innovation in trans-national cooperation;
- Assessment and management of sustainable innovation;
- Research and analysis of social innovation practices in education, environment and energy policy fields;
- Enhancement of collaborations and networks for facilitating a more efficient knowledge and technology transfer;
- Formulation of policy recommendations to support the public sector innovation;
- Inclusion of all relevant stakeholders in setting research agendas, based on societal visions, needs and demands.

As each year, in 2015 ARC Fund published its trademark *Innovation.bg* report, which analyzes the strengths and weaknesses of Bulgarian companies in terms of their innovation potential. One of the main findings of the report is the fact that although Bulgaria is expected to improve its innovation performance, mainly in the field of incremental innovation, it will remain below the average EU-28 level. The report identifies human potential as the most serious growth barrier in Bulgaria. This is a direct result of the insufficient quality of the Bulgarian higher education, which has so far failed to participate in the creation of new research-based knowledge.

For a second time, the *Green Innovation.bg* report was published. The report examines the progress made over the year in terms of the overall shift towards low-carbon economy, analyzes the main policy measures aimed at helping SMEs achieve green growth, and looks at the examples of local companies, which have successfully integrated green practices in their work. It also provides policy recommendations for achieving the greening of the economy.

Apart from the *Green Innovation.bg* report, ARC Fund produced another important output aimed at fostering the greening of innovative SMEs in Bulgaria: the online self-assessment tool for SMEs on green behavior and performance.

The annual National Innovation Forum has been organized for the eleventh time. The Forum gathered prominent decision-makers, including the President of the Republic of Bulgaria, academics and business leaders. The Forum also featured the award ceremony of the Innovative Enterprise of the Year 2015 national contest.

ARC Fund confirmed its strong track record in performing high-quality applied research, providing support for the development and implementation of innovation policies, and

establishing productive partnerships with policy institutions and science centers in Bulgaria and across Europe. This was demonstrated by its involvement in numerous international projects and networks.

During the year, ARC Fund has succeeded in promoting the concept and practice of (parliamentary) technology assessment (TA or PTA) as an important tool for elaborating better policies, designing more consistent legislation, and raising public awareness of scientific and technological advances. A policy report presented to the European Commission included specific recommendations based on the input of more than 1000 citizens across Europe. Another significant outcome in this field was the book “Policy-Oriented Technology Assessment across Europe - Expanding Capacities.” ARC Fund’s team co-authored several of its chapters.

In 2015, ARC Fund also explored how members of the society could be more directly involved in research, innovation and related activities. The use of public engagement methods and instruments in research and innovation was promoted through the development of an Action Catalogue online tool and policy briefs on six different aspects of public engagement.

Advancing innovation in transport by fostering trans-national cooperation and promoting the active participation of different actors and regions in EU Transport research calls and projects, especially Horizon 2020, was another focus area of the Fund during the year.

ARC Fund performed extensive mapping of innovation cases from the 28 EU countries, which was used for the elaboration of an assessment and management framework for sustainable innovation practices. Stakeholder workshops, where the framework was tested, were held in addition to organizing national citizen consultation panels for elaboration of citizens’ vision for sustainable future.

In the beginning of 2015, ARC Fund conducted a thorough desk research on social innovation practices in the fields of education, environment and energy. Based on the research, country reports and policy field reports were produced. Then, towards the end of the year, ARC Fund prepared an *Eastern European Regional Report*, including information about Bulgaria, Hungary, Poland, Slovakia, and the Czech Republic. The report focused on general social innovation strategies, which were defining social innovation in Eastern Europe.

During the year ARC Fund employed peer learning (identification of practices, experiences, pilot projects) to enhance and amplify collaborations, networks and ecosystems of knowledge and technology transfer. Improvement of knowledge transfer should contribute to the creation of a favorable ecosystem for SME innovation through active collaboration of public enterprises, SME intermediaries, end users and suppliers. In order to accomplish this objective, ARC Fund cooperated with partners from Belgium, France and Italy.

The Fund was also involved in: sustainably enhancing STI cooperation between the EU and the Black Sea region; increasing the understanding of cluster policies and cluster management; establishing direct business contacts between cluster managers from the EU and target countries and raising awareness on the programming of as well as on the advantages of inclusive, sustainable and social innovation. These activities were executed in cooperation with 19 partners from 16 countries.

Another focus area was the establishment of genuine dialogue between citizens, stakeholders, scientists and policy-makers in order to develop visions and scenarios for the desirable futures and produce recommendations and suggestions for research and innovation policies and topics. To do that, the Fund established partnerships with 29 organizations from across Europe.

ARC Fund continued its intensive work as the coordinator of Enterprise Europe Network's national consortium, which includes 12 partner organizations from 8 Bulgarian cities. This year marked the beginning of the new program period for the Network (2015-2020). A new portal [www.een.bg](http://www.een.bg) for business information, advice, and opportunities for cooperation was launched. Other activities included the ongoing information and advisory support to SMEs from different industries with traditional focus on sectors like ICT, machine building, mechatronics and automation, textiles, food and beverages.

Apart from its focus on the innovation and on the knowledge and technology transfer, ARC Fund remained fully engaged as the coordinator of the Safer Internet Center, where it has been working since 2005 to provide a safer and more positive online environment for children and young people. During the year, the Center's Hotline has received and processed 2,463 reports about online content and conduct, which was illegal and/or harmful for children. Additionally, 322 children, young people, parents and teachers were consulted by the Helpline for online safety. Towards the end of the year, the Safer Internet Center launched its new website – [www.safenet.bg](http://www.safenet.bg).

The Safer Internet Center was very effective in awareness raising. Among its most prominent campaigns were "Children, parents and teachers against the hate speech and discrimination," "National campaign against gender-based violence" and "Mobile clinic for digital devices used by children." As prevention is essential for protecting children in the Internet, ARC Fund has developed various educational materials and resources, and organized numerous trainings for children and professionals working with them. One of the most successful training initiatives undertaken this year was the Cyberscout program, with the participation of 126 children from 5 Bulgarian towns.

ARC Fund marked the international Safer Internet Day 2015 with the public discussion "Is there a national policy on protection of children from the online sexual exploitation in Bulgaria?" held in the Information Office of the Representation of the European Commission and the European Parliament in Sofia. To celebrate the International Human Rights Day (December 10), ARC Fund and the Center for the Study of Democracy in partnership with the Council of Europe and the Bulgarian Chairmanship to the Council of Europe, hosted the international conference "Human Rights of the Internet users."

Major milestones for ARC Fund and ARC Consulting in 2015 include:

- Publishing of the reports *Innovation.bg* and *Green Innovation.bg*.
- Safer Internet Day 2015, celebrated for the 12th time. The event included a public discussion on the topic "Is there a national policy on protection of children from the online sexual exploitation in Bulgaria?" (10 February, Sofia).
- International Brokerage Event in the field of ICT at Mobile World Congress 2015, co-organized by Enterprise Europe Network at ARC Fund for the fifth time (2-4 March, Barcelona).
- Industry MatchMaking 2015 – International bilateral business meetings for trade cooperation and technology transfer, co-organized by ARC Fund and the Bulgarian Industrial Association in the framework of Enterprise Europe Network (12 March, Sofia).
- Seminar "Innovations based on design in Europe: Political frame, priorities and challenges (12 March, Sofia).
- Go Green 2 Environment 2015 – International bilateral business meetings for trade cooperation and technology transfer, co-organized by ARC Fund and the Bulgarian Industrial Association in the framework of Enterprise Europe Network (13 March, Sofia).
- Future Match 2015 – International ICT Brokerage Event at CeBIT-Hannover, organized

- by Enterprise Europe Network and Leibniz University Hannover (16-20 March, Hannover).
- Organization of two consultancy meetings on sustainable future with citizens in Sofia (April) and in Plovdiv (November).
  - Cyberscout training program (April-November, Vidin, Pleven, Smolyan, Targovishte, Shumen).
  - Public discussion “International competitiveness of Bulgaria for 2015,” presenting the results of the IMD World Competitiveness Yearbook 2015 (27 May, Sofia).
  - “Online business in the EU: Regulation, possibilities and financing” – an open door meeting for representatives of Bulgarian SMEs, organized by Enterprise Europe Network and Dnevnik.bg (5 June, Sofia).
  - Round table “The role of primary education in prevention of hate speech, discrimination and radicalization” (15 June, Sofia).
  - “Mobile clinic for digital devices used by children” initiative (June-September, Sofia).
  - Start of the National campaign against gender-based violence (September, Sofia).
  - Business mission of companies from Bulgaria, Serbia and Republic of Macedonia to Gothenburg, Sweden as part of Enterprise Europe Network (21-22 October, Gothenburg).
  - Go International – ICT brokerage event in the framework of Enterprise Europe Network (13 November, Skopje).
  - The Eleventh National Innovation Forum and the national contest Innovative Enterprise of the Year 2015 (8 December, Sofia).
  - International Conference “Human Rights of Internet Users”, marking the Bulgarian Chairmanship to the Council of Europe and honoring the International Human Rights Day (10 December, Sofia).
  - A special award of the Ministry of Interior for civic contribution to the work of the police, given to the ARC Fund’s Safer Internet Center (29 December, Sofia).