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# Introduction

Over the past 22 years, the Applied Research and Communications Fund (ARC Fund) has established itself as a premier force in innovation policy and socio-economic research in Bulgaria. It has contributed to the creation of preconditions whereby social, technological and environmental innovation can be developed and utilized. It strives to support the development of a knowledge-based and high value-added economy, assist in the transfer of new and advanced technologies, and in the transposition of good policy practices and networking opportunities for Bulgarian businesses. ARC Fund works towards the aggregation of data in the development of an evidence base which helps in the design of forward-looking public policies. ARC Fund recognizes, however, that a knowledge and information-based society comes with both known, and unknown, risks. In various project-based contexts, ARC Fund aims to assess and offer potential ways of avoiding or minimizing these uncertainties.

In 2013 ARC Fund work includes: public sector innovation and human resources management; societal participation in policy-making; energy policy design at the local level; innovation system development, evaluation and monitoring; environmental policy prioritization; business networking and incubation; workplace innovation; applications of ICT in society; and national broadband coverage assessments. In line with the acknowledgement that innovation involves a high degree of uncertainty and risk, ARC Fund undertakes research also on technology assessment and on ensuring children's and youths' online safety. Beyond its partnerships within EU-28 Member States, it also works with public and private institutions from the Western Balkan countries, China, Russia, and Central Asia.

At present, ARC Fund's strategic focus is expanding into new innovation-related research areas. While technological innovation forms the core component of ARC Fund's expertise, new areas such as workplace innovation, social innovation, and sustainable innovation are gaining an increasingly important role. As an active partner of the European Learning Network for Workplace Innovation (EUWIN), ARC Fund help stimulate innovative models in the workplace which improve productivity and creativity, communication within organizations, as well as the commitment and sense of personal fulfilment of employees.

In the realm of social innovation, ARC Fund recognizes the need to bring EU citizens and public authorities closer together. This is done not only in the name of improving the democratic legitimacy of governments, but also in the positive benefits that co-development and wide-ownership of a shared vision for society can bring.

ARC Fund increasingly recognizes the need to alter the trajectory of our societies and economies towards a paradigm that respects environmental limits. Sustainable innovation integrates solutions to complex challenges that often result from the desire to improve quality of life of growing populations, but at the cost of environmental degradation and/or increased socio-economic and technological dis-balances.

The 2013 edition of the annual *Innovation.bg* report presented at the Ninth National Innovation Forum highlights a three-year trend of a widening innovation gap between Bulgaria and the EU averages, which had previously shrunk considerably in the period 2006-2010. Main reasons for this are the cuts in public funding from 2010 onwards. However, despite such a trend, positive developments in the national innovation performance are also evident: there has been annual growth of over 20% for trademarks and R&D in the business sector, as well as increases in the export of innovation services, scientific co-publications between private and public partners, and registered community designs.

Within the framework of the National Innovation Forum, the National Contest ‘Innovative Enterprise of the Year 2013’ was held for the ninth consecutive year. The competition resulted in the presentation of awards to innovative companies in seven categories. The firm Mechatronica S.C. won in the category “Market Leader”; Interconsult Bulgaria Ltd. won in the category “Innovation Hub”; three companies, including Ucha Se Ltd. (Teach Yourself), HutGrip Ltd., and Playground Energy Ltd., won in the category “Innovative Start-Up”; Robopartans Ltd. won in the category “Social Connections”; AMG Technologies Ltd. won in the category “Sustainable Innovative Behaviour”; DeConi International S.C. won in the category “Green Innovation”; and Amet Ltd., won in the category “Quality of Life”.

These innovation awards are a key extension to the business support and technology transfer activities of ARC Fund. As the National Coordinator of the 14 Bulgarian nodes of Enterprise Europe Network, ARC Fund has developed strong traditions in helping small businesses in the country internationalize and innovate through the stimulation of business partnerships and technology transfer services, and in helping SMEs to access funding opportunities. More specifically, major business support projects where ARC Fund was involved have focused on ICT for aging, on efforts to help stimulate workplace innovation, and on developing favorable policy and networking conditions for the digital gaming industry. ARC Fund also continues to build its capacity and expertise in the area of forward-looking research and policy development. Efforts in this area range from the provision of support in the development of municipal energy strategies, to the development of parliamentary technology assessment in Europe and Bulgaria. Additionally, considering the new EU programming period from 2014-2020, ARC Fund has also committed itself to stimulating increased societal engagement and prioritization in research and innovation through the aggregation, elaboration and support to the development of participatory engagement tools.

In its mission to drive the development of the knowledge economy in Bulgaria, the organization puts a particular emphasis on both protecting the online user-experience, as well as working to expand online connectivity in the country. As a member of the European Network of Safer Internet Centers (Insafe) and a member of the International Association of Internet Hotlines (INHOPE) ARC Fund continues to coordinate and operate the national Safer Internet Centre. The hotline consultants have responded to hundreds of calls from minors, parents and teachers concerned with the online safety of children. The hotline has received and addressed with the responsible authorities close to 1000 reports of child pornography, sexual solicitation of minors over the internet, harmful content viewable by children, and cyber-bullying.

### **ARC Fund’s Key Achievements in 2013**

- In 2013, ARC Fund and ARC Consulting worked on 26 projects, with a total of 224 different partners from across the globe, including civil society organizations, public authorities, research and academic institutions, and private companies.
- In 2013, ARC Fund promoted the openness of local authorities and the introduction of innovative public services by supporting the evaluation and award procedure of the European Label for Innovation and Good Governance at the Local Level, coordinated by the Ministry of Regional Development.
- Following the collection of an online survey and in-depth interviews with innovation stakeholders within the context of the ‘Complex Challenges – Innovative Cities’ (CCIC) project, supported under the INTERREG IVC Program of the European Union,

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ARC Fund undertook analyses and produced a state-of-the-art report on public sector innovation<sup>1</sup>.

- Within the context of the 'Fostering Evaluation Competencies in Research, Technology and Innovation in the SEE Region' (EVAL-INNO), project, funded under the South East Europe Translational Cooperation Program, ARC Fund organized a RTDI Evaluation Training Course for evaluation experts and program owners from March 18<sup>th</sup>-22<sup>nd</sup>.
- The Bulgarian Safer Internet Centre's online game, Zone of Risk, was nominated for the World Summit Award as the best e-Content example in the category of 'e-Learning & Science' from Bulgaria.
- ARC Fund organized a workshop within the framework of the 'Parliaments and Civil Society in Technology Assessment' (PACITA) project from April 17<sup>th</sup>-19<sup>th</sup>, 2013. The workshop and project, supported under the Seventh Framework Program of the European Union, aimed to train technology assessment practitioners on how to select and use various tools of parliamentary technology assessment.
- On Safer Internet Day on February 5<sup>th</sup>, ARC Fund organized the TeeNet Parliament, where over 100 Bulgarian students gathered to vote on a Charter of Online Rights of the Youth. The event was streamed online.
- The fifth annual Famillathon was held on May 18<sup>th</sup>. This is an outdoor event in Sofia where more than 30 clubs and sports federations participated and activities for families were organized. At the event, more than 2,000 families were acquainted with the basic rules of online safety of children.
- On June 16<sup>th</sup> and 17<sup>th</sup>, ARC Fund organized a Key Technologies Workshop Training and Key Technologies Workshop within the 'Energy Vision 2020 for South East European Cities' (EnVision2020) project. At the training, information regarding the conceptual and practical aspects of key technologies workshops was presented. At the Key Technologies Workshop, potential and emerging energy technologies with relevance until 2020 were identified.
- ARC Fund, in collaboration with partners from the 'Boosting the European Games Industry' (BOO-Games) project, produced an abridged version of the Regional Analysis Report for companies, policy-makers and other stakeholders.
- ARC Fund produced a benchmarking analysis of the Institute of Electronics of the Bulgarian Academy of Sciences. This analysis was conducted within the 'Fostering Evaluation Competencies in Research, Technology, and Innovation in the SEE Region' (EVAL-INNO) project.
- As coordinator of Enterprise Europe Network (EEN) in Bulgaria ARC Fund continued helping the internationalization of Bulgarian SMEs by creating business partnerships, encouraging and supporting innovation via technology transfer and innovation support services, and facilitating access of Bulgarian SMEs to EU programs and funding. Particular focus this year has been placed on collaboration with national and regional business clusters and uptake of the EEN services among the start-ups. 200 new companies and business and research bodies benefited from EEN consultancy and information support this year.
- The Ninth National Innovation Forum Innovation and Sectoral Competitiveness, organized by ARC Fund, outlined the state and trends of the innovations environment in Bulgaria. Nine Bulgarian companies received awards for their excellent innovative performance.
- ARC Fund joined AgeingWell Thematic Network – a EU-wide network of 16 partners and more than 40 associate organizations from the business, academia, NGO and public sector focused on improving the quality of life of elderly people by promoting the market uptake of ICT solutions for the facilitation of the aging process.

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<sup>1</sup> Innovation in the Public Sector, State-of-the-Art Report, September, 2013. Available at: [www.ccic-project.eu/wp-content/uploads/2013/10/CCIC-State-of-the-art-report-SotAreport.pdf](http://www.ccic-project.eu/wp-content/uploads/2013/10/CCIC-State-of-the-art-report-SotAreport.pdf)

- Within the KNOW-HUB initiative ARC Fund continued its close partnership with Gabrovo municipality for empowering local administration and innovation actors on smart specialization strategies. Together with the partners from 10 EU regions, the two Bulgarian organizations collaborated in reviewing regional policies and practices to identify issues for improvement and good practices to share with others.
- In 2013, ARC Fund became part of the ETNA Plus network of the National Contact Points in Transport for the 7th Framework Program and Horizon2020 of EC. The network activities are focused on promoting the active participation of new actors and regions in EU research calls and projects. ARC Fund contributed to the biggest ETNA Plus event by co-organizing the b2b meetings and the presentation session for finding project partners within the “Smart, Green and Integrated Transport” Information Day, December 18<sup>th</sup>, 2013 in Brussels.