

Innovation promotion agencies

The general role of innovation promotion agencies is to stimulate business innovation and entrepreneurship, but there is great diversity among them in terms of size, mission, ownership and funding structure, and activities. Examples include Nesta in the UK, Tekes in Finland, KIAT in Korea, CTI in Switzerland and IWT in Flanders to name a few. National or regional governments, or a combination of both, may finance them, and they generally report to the government's ministry or department of science and technology or trade and industry. In some instances, innovation promotion agencies also receive funding from private partners. In "catching-up" regions and countries, funding from international sources often represent a substantial share of the agencies' budgets, including grants from international organizations as well as EU cohesion funds.

The use of public agencies to implement innovation policy is influenced by the "new public management" approach, which advocates for a separation between decision-making and execution to increase flexibility, efficiency, independence and responsiveness to changing conditions. The delegation of managerial authority and discretion to the agencies is accompanied by increased accountability and a greater emphasis on evaluation and performance-based funding.

The policy mix of innovation promotion agencies often includes the following instruments:

- Generic support to firms, including information exchange, awareness raising, training, support to network and cluster initiatives, promotion of exports and foreign investment, etc.
- Individual support to firms, including coaching, advice, training, needs assessment, audit, support for start-ups, access to finance, intermediation with business angels, science and technology services, etc.
- Direct funding of firms' R&D projects through matching grants and loans.
- Provision of infrastructure, like business incubators and science and technology parks.

Innovation promotion agencies also play a broader role in innovation policy design and evaluation, acting as a coordinating node for a network of innovation support actors, including relevant ministries, development agencies, business associations, chambers of commerce, universities and public research institutes. They also contribute to agenda setting by performing technology foresight and initiating consultation processes to detect priority areas and priority actions. Through their intermediary role, they are expected to contribute to better connect national and regional innovation systems by stimulating knowledge exchange and addressing systemic inefficiencies.

In addition to national innovation promotion agencies, the growing involvement of regional governments in innovation policies has resulted in an increasing number of regional innovation agencies, often emerging out of existing regional development agencies or cluster support initiatives. Under a decentralized scenario, collaboration between national and regional innovation agencies is of critical importance to avoid overlaps, build synergies, and share information and good practices.

References

- Howells, J. (2006), "Intermediation and the role of intermediaries in innovation", *Research Policy* 35: 715-728.
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<http://www.oecd.org/sti/inno/theoecdinnovationstrategygettingaheadstartontomorrow.htm>

[1]

- OECD (2010), “Regional innovation agencies”, OECD Innovation Policy Handbook, OECD Publishing, Paris. <http://www.oecd.org/innovation/policyplatform/48137719.pdf> [2]

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