

Overview on the work of the Education, Culture and Science Committee of the Baltic Assembly in 2011

Under the Estonian presidency in the Baltic Assembly the BA Education, Culture and Science Committee focused on the following priority areas:

- Strategic cooperation between the Baltic Assembly and the Nordic Council in the field of research, innovation and education;
- Sustainable development in the region in the field of research, education, science and innovation;
- Human capital and knowledge-based economy.

Human capital is forming the basis for the development of a country. It is playing the major role in strengthening the competitiveness of a state, and being the key strategic instrument in ensuring success in the regional and global economy. Competitiveness of a country and regions is not only depending on its natural resources; it strongly depends on human resources and a set of institutions, policies and factors determining the level of productivity of a country or a region. In order to ensure competitiveness of a country or a region, research and education, innovation and technologies must be defined as the decisive pillars.

There are many highly educated people living in the Baltic States. But it is very important to create and ensure job places for these qualified researchers, creative entrepreneurs etc. Due to the decrease of funding from the state budget for research and development and weakening of the private sector, the Baltic States are facing such challenges as migration and outflow of brain and knowledge (brain-drain). Mobility of people and ideas in general is good, but it should be promoted mainly within the Baltic region, not outside. A high level of mobility does exist in the Scandinavian region, but as regards the Baltic involvement – it is rather one-way, i.e. from the Baltics to Scandinavia.

Despite the close political and economic cooperation existing among the Baltic States, there is a great need for more common initiatives to stimulate closer cooperation in developing human capital. Baltic nations are good at observing each other, copying the best practices and avoiding each other's mistakes, but not so well in cooperating with each other. Three levels of cooperation should be practiced: mobility of people and ideas, integration of different markets and implementation of joint programmes and projects. Young entrepreneurs, creative and educated people should be encouraged to travel within the Baltic region, and establish, for example, pan-Baltic companies.

The above described tendencies and the example of Nordic cooperation in the field of research, science and innovation are the basic motives of the Committee, which has proposed to submit to the Session the following recommendation for the Baltic Council of Ministers:

“to follow the experience of Nordic cooperation in the field of research and innovation (NordForsk, NORIA) by establishing common Baltic platform for research and innovation, which would facilitate cooperation in all fields of research and research-driven innovation when this adds value to work being conducted in the Baltic States”.

Absorption of the EU Funds in the field of science and research

A problematic aspect in the Baltic States is the **participation of countries in the EU-funded programmes that are heavily hindered by the complicated procedure in preparing the required documents**. As a result a large proportion of funds are not acquired. The greatest impediment in the process accounts for the documents needed to be produced locally. The Committee sent letter to the ministers of education of the Baltic States by asking the following questions:

- what is being done in order to lessen the bureaucracy;
- what kind of documents are required to prepare locally and for the EU in the process of applying to the EU funds?

Education, Science and Culture Committee of the Baltic Assembly underlines that EU structural funds are to enhance the competitiveness of the region, however they are country-specific and not encouraging macro-regional cooperation. More emphasis should be put on developing policy tools that address the Baltic Sea region as a whole. Moreover, these policy tools have to be simple and understandable to the tax payers and entrepreneurs.

Estonian Ministry of Education and Research confirms that relatively low rate of commitments in strengthening competitiveness of R&D through research programmes and development of research and higher education institutions is caused by several reasons: 1) drafting of the measure regulations has taken more time than initially estimated; 2) in case of big infrastructure investments the construction process is longer than expected; 3) yearly application rounds have been planned in several measures, thus commitments are gradually growing until 2014.

When applying for the European Social Fund's and European Regional Development Fund's support the applicants have to meet the requirements set nationally and fill in the application forms prepared by the national funding bodies. The complicated application procedure has not prevented from acquiring funds, on the contrary, there are more applicants than funds available and in several cases the volumes of the application rounds had to be increased.

From the simplification options introduced by the European Commission, Estonia uses fixed unit costs in some measures (e.g. for covering international travel and living expenses of students based on target country). No flat rates and lump sums are used.

Latvian Ministry of Education and Science informed about the number of measures to simplify and increase the efficiency of the EU funds management system: 1) shortening of the project assessment/approval period and speeding up the turnover of the financing; 2) harmonization of the EU funds system and sustainability of the results, including the development of united and understandable requirements; 3) ensuring more balanced share of responsibilities between the implementer and administrator; 4) implementation of EU funds management efficiency (reducing administrative burden in the administration of non-compliances and optimization of information flow between institutions involved in the EU funds management).

The Ministry has taken active part in all EU activities aimed at reducing the bureaucracy and simplifying the procedures. It considers that it is important to apply equal conditions in all EU research, technologies, development and innovation programmes. The Ministry also participates in developing proposals for simplifying

procedures and ensuring transparency of the procedures of the EU 8th Framework Programme.

Lithuanian Ministry of Education and Science noted that overburdened public procurement provisions applicable for R&D activities are important obstacles. There are the following proposals: 1) ensure more flexible, result- and target-oriented and trust-based approach from national public authorities; 2) improved and facilitated funding rules and procedures nationally and at the EU level; 3) clear an simple Project application and implementation; 4) Measures for budget simplification: lump sums, flat rates, minimization of ex-post audits; 5) Simplification of the peer review and reporting procedures up to reasonable limits; 6) implemented trust-based approach; 7) uniform internal interpretation, application and administration of the rules between different DGs; 8) developing uniform sets of rules and documents, simplifying procedures and conditions.

The Ministry of Finance of Lithuania has improved and simplified administration of EU structural assistance in 2007-2013 programming period: 1) part of the projects implemented according to the national and regional project planning procedure, other – by tendering procedure; 2) computer-based EU structural assistance information management and control system allows to use information about projects implemented in 2004-2006 programming period and projects in progress in 2007-2013 programming period; 3) electronic application n forms for funding and reimbursement are drawn up; 4) projects data exchange website was created; 5) quantity of supporting documents reduced for projects financed from the European Social Fund due to application of flat rate of indirect project expenditure; 6) advance payment (up to 30%) may be fixed in the project contract and the invoice payment procedure may be applied for funding the projects implemented by public and private legal entities; 7) applicants may use resources of the European Investment Bank for securing their contribution.

Background information on the Nordic platform for cooperation in the research, innovation and science

The EU Baltic Sea Strategy and the transposition of experience of the Nordic cooperation in research and innovation are some of the most visible tools the Baltic States can use in order to increase their competitiveness. The goal of the Baltic States is to achieve such level of scientific cooperation as it is exercised in the Nordic countries, which have collaborated extensively through the Nordic Council since 1952 and the Nordic Council of Ministers (NCM) since 1971. The Nordic Research and Innovation Area (NORIA), established in 2004, has two pillars: Nordic Innovation Centre and NordForsk, established in 2005 by the NCM. The objective of NordForsk is to facilitate cooperation in all fields of research and research-driven innovation, when it adds value to the work being conducted in five Nordic countries. It intensifies research priorities suitable for joint Nordic efforts and provides arenas for cooperation.

In 2012 the Committee will focus on sustainable and integrated Baltic (and – Baltic-Nordic) research and innovation area, following the model of NordForsk and the Nordic Innovation Centre.