

**3rd Joint Meeting of the
Research and Innovation Council of Finland
Research and Development Council of Estonia**

Government Banquet Hall
Helsinki, Finland
November 19, 2012

**Meeting Summary
November 27, 2012**

Introduction

The third joint meeting of the Research and Innovation Council of Finland and the Research and Development Council of Estonia was held on 19 November, in Helsinki, Finland. The meeting was co-chaired by Prime Minister of Finland, Mr. Jyrki Katainen, and Prime Minister of Estonia, Mr. Andrus Ansip.

Two themes had been chosen for the meeting in the preparatory discussions between the secretariats of the two councils: Research infrastructures and Growth entrepreneurship. National activities and proposals for joint work were introduced in presentations, followed by discussions.

A joint press announcement was simultaneously released after the meeting in Estonia and Finland. The meeting documents are attached.

Opening

The opening words for the meeting were given by the two Prime Ministers. In his opening address Prime Minister Jyrki Katainen referred to the tradition of the two councils to meet regularly. The first joint meeting was held in Helsinki in 2004 and the meeting of 2012 was the third. The joint meetings provide the two councils an opportunity to discuss issues of common interest in detail. Research and innovation are seen to contribute positively to the well-being of the society, increasingly so in the future.

In his response Prime Minister Andrus Ansip noted that two thirds of foreign direct investment to Estonia comes from Finland or Sweden and that there are more than 4 700 enterprises with Finnish ownership registered in Estonia. Even with such close connection between economies, meetings are important to understand what is happening in partner countries and also for looking for areas to cooperate more deeply and in an organized manner.

After the opening remarks of the Prime Ministers an overview the National Research and Innovation systems was presented by Mr. Anssi Mälkki (Secretariat, Research and Development Council of Finland). The presentation was based on background documents sent to the participants prior to the meeting and recent international reports on economy and innovation. Both countries' innovation systems have advanced favorably, even over the 2008 financial crisis. Finland's position in the group of the EU innovation leaders and ranking in the international comparisons have been stable, while in recent years Estonia has made progress in getting higher in comparisons and raising to the group of the EU innovation followers (e.g. with France, The Netherlands and The UK). The research and innovation policies are in many respects parallel.

Theme I: Research Infrastructures

Following an introduction to the cooperation between the Finnish and Estonian science communities, Mr. Heikki Mannila (Academy of Finland) presented the existing Finnish-Estonian cooperation related to research infrastructures and current infrastructure-related activities in Finland. There will be an update of the Finnish roadmap for national research infrastructures (2009) as well as a review of the Estonian research infrastructures roadmap (2010) during 2013. It was proposed to agree on a joint checkpoint during these individual processes to ensure wise use of resources and provide input to national policy decisions in both countries.

Mr. Jaak Aaviksoo (Estonian Minister of Education and Research) stressed the importance of direct cooperation of our research communities, which will create a strong base for future as well. Finland has an established system in the need of restructuring, whereas the Estonian system is still growing and under discussion. At the same time, when Estonian activities are growing in numbers and the focus is on internationalisation, the statistical share of Finnish connections will diminish. In many cases joint efforts can provide more added value, with collaborations in the EU research programs as an example. Mr. Aaviksoo also supported the idea of coordinating infrastructure policy in a multilateral perspective, notably in the European Strategy Forum on Research Infrastructures (ESFRI).

The presentations were followed by a general discussion.

- Roadmaps are often long lists of valuable infrastructures, but since money is short, priorities need to be set. There international partnering, as well as attracting public and private funding to participate are useful approaches.
- In fields like life sciences the use of large scale infrastructures is new, compared to the situation in, e.g., physics. Mutual understanding of their use as well as agreements on resource sharing should be discussed.
- Opening of the public data is in the government program of Finland. E.g. since 1 May 2012 the National Land Survey of Finland (NLS) opened all its topographic data to be used free of charge. In the beginning, the freely available data will particularly benefit application developers, map enthusiasts and organisations using geographic information. This will provide a whole new resource for research and commercial activity. It is expected that the loss in direct income from selling the data is in the long term more than compensated by increase in private activity and innovative use of the data for profitable business. At the same time Finland and Estonia, even together, are a small market, but large enough to be used as a piloting market.
- In Estonia, the societal use of ICT is well developed, and Finland could learn from there. Combining Estonia's advantage in implementing ICT use with Finland's policy on opening public data is potentially an asset in international comparison. As a specific example, use of health-related data and bio-banks was mentioned. Analyses that can be derived from open data also serve as basis for societal and political decision-making.

Theme II: Growth Entrepreneurship

Finnish activities on growth entrepreneurship were presented by Mr. Pekka Soini (Tekes – Finnish Funding Agency for Technology and Innovation). This area is considered increasingly important for Finland, Estonia and Europe. Activities in entrepreneurship policy have mostly concentrated on grants, publicly organized technology transfer and services for growth enterprises. The emphasis is moving to framework conditions,

including fiscal and regulatory regime, access to private finance and private investor and entrepreneur driven services. As opportunities for collaboration Mr. Soini mentioned, e.g., *joint brand-building as an international hot-spot for high-growth enterprises* and *analyzing the possibilities for enhancing availability of and access to private venture capital in the context of European venture capital market*.

In the Estonian presentation Ms. Tea Danilov (Estonian Ministry of Economic Affairs and Communications) reviewed recent activities and progress in Estonia. In 2011 there were approximately 15 000 new companies established in Estonia. Compared to Finland the situation is different in the sense that in Estonia the actors are mostly first generation entrepreneurs and there is less experience on exit phase of growth enterprises. There have been a number of success stories with world-known start-ups, which has brought along strong drive for more. Proposed collaboration activities agree well with those discussed in the Finnish presentation, with *joint business angel networks* as a complementary suggestion. Also Ms. Danilov raised the idea of *joint brand-building of a growth enterprise hot-spot* as a potential joint effort.

These initiatives were welcomed by both the Councils. Creating a brand as a cross-gulf hot-spot is a very promising idea and it challenges both Finnish and Estonian key public and private stakeholders to put together more emphasis on the growth entrepreneurship activities supporting this development.

Discussion

- The general goals for growth entrepreneurship can be summarized as being high value-added jobs, serial entrepreneurship creating conditions for establishing even more new companies, and the renewal of societies.
- The most important goal is the creation of more and better jobs, but with company ownership and the high-quality products or services also being important.
- National brands were considered important, bringing self-confidence to the society also outside the companies, and positive spill-over effects.
- A challenge for deeper cooperation is linked to the introduction of efficient joint mechanisms and instruments. These tools are still often missing. Even if the needs and objectives are shared, governments and their instruments are national.

Concluding remarks

In their concluding remarks, the Prime Ministers noted that there is a lot in common between Estonia and Finland. There is already deep and broad-based collaboration in the fields of research, development and innovation, but there is also room for improvement. Research is not a luxury, it is a must, but it also has to result in new jobs.

Collaboration in the proposed areas may improve the situation. A good example is the coordination of activities on the research infrastructure roadmapping. With new boom in start-ups, much of the challenges are the same in Estonia and Finland. Many of the questions are quite pragmatic and solutions can be discussed together.

Joint work in research and innovation will continue with activities in the international context. The responsible organisations will act on the suggested actions and activities will be reviewed in the Councils.

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