

Development of an efficient Innovation and Technology Transfer Platform in Moldova

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Three key components for the development of an efficient platform of Innovation and Technology Transfer

1. *Measuring the Innovation Potential of the Moldovan economy and current level of economic development and technological intensity of its economy;*
2. *Existing institutional and organizational structure of the national innovation system and the market environment of technology transfer in which it functions*
3. *Opportunities for the development of the national innovation system and technology transfer platform*

Measuring the innovation potential of the Moldovan economy *through five groups of indicators:*

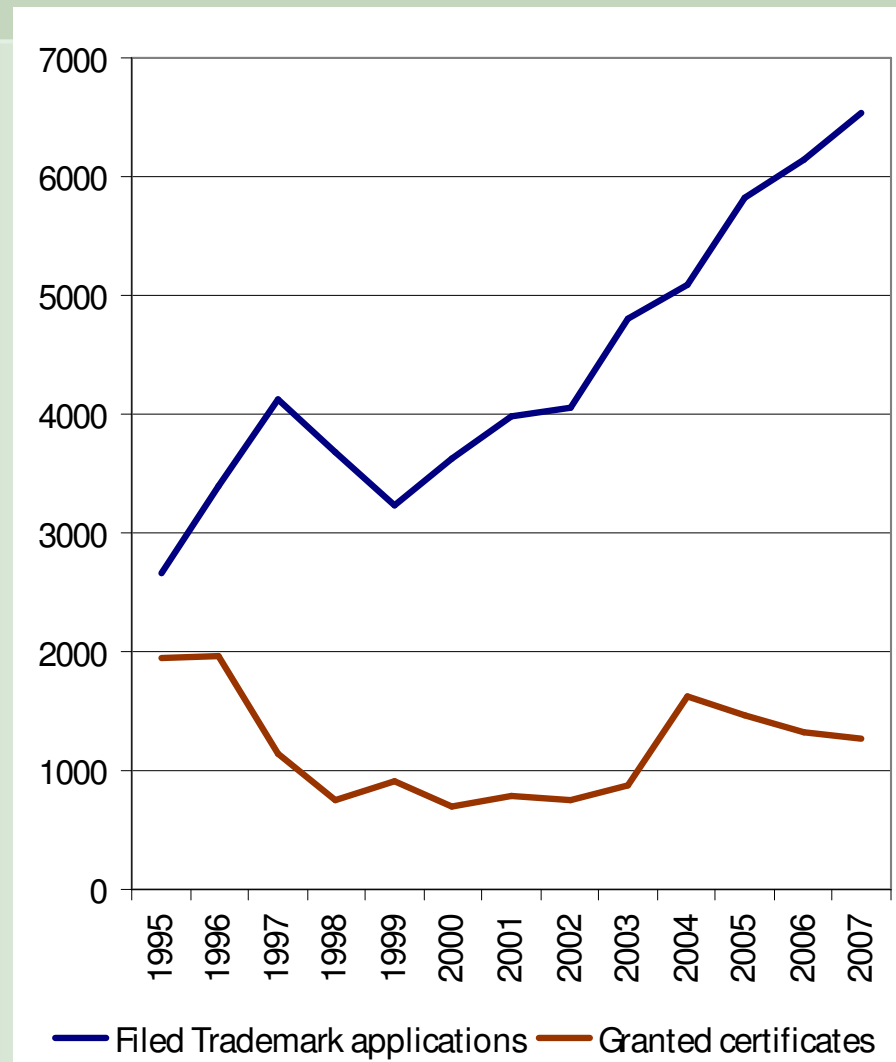
- Gross innovation product
- Entrepreneurship and innovation networks
- Investment and financing of innovation
- Human capital for innovation
- Information and communication infrastructure

Opportunities

- Code on Science and innovation of the Republic of Moldova Nr.259-XV dated 15.07.2004, Official Monitor of Republic of Moldova Nr.125-129/663 dated 30.07.2004
- Government Decision on Strategic Direction on science and innovation domain 2006-2010 dated 21 July 2005
- Law on Scientific-Technologic Parks and Innovation Incubators Nr.138-VXI dated 21.06.2007, Official Monitor of Republic of Moldova Nr.107-111/476 dated 27.07.2007
- National Strategy in the field of innovation 2008-2011
- National Plan for the Development of the Republic of Moldova 2008-2011.

1. Business environment for innovation

- Growing R&D expense:
 - 2006 – 185 mln. Lei
 - 2007 – 296 mln. Lei.
 - 2008 – 368 mln. lei
- Focus on public institutions (59 out of 76 organizations)
- Mainly budgetary financing (73% of the total R&D expense)
- The number of filed applications for invention per 1 million people is high:
 - Moldova 90
 - Ukraine 75
 - Romania 42
 - Bulgaria 33
 - Latvia 48
 - Estonia 17
 - Lithuania 20



Science and Technology Entrepreneurship Program (STEP) : *Vision*

STEP CONCEPT
Foster
Innovation
Business

Trainings, workshops, conferences,...



STEP Project : *Science & Business* *National Partnership Club*

Engage entrepreneurial scientists with companies and a network of supporters including associations; bankers; business consultancies; government agencies involved with business, trade and intellectual property; and investors.





Development of MOLDOVA INNOVATIONS MARKET

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STEP INNOVATIONS MARKET
Science & Technology Entrepreneurship Program



**Science & Business,
LET'S PROGRESS TOGETHER!**



WELCOME TO STEP INNOVATIONS WEBSITE!



STEP innovations website has been designed within the Science and Technology Entrepreneurship Program (STEP) implemented by the Moldovan Research and Development Association (MRDA) with the support of the US Civilian Research and Development Foundation (CRDF).

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SCIENCE SUPPLY



The Moldovan inventors and scientists invite you to take advantage of over 100 business ideas and new methods of your business improvement! Explore new ideas from areas such as Alternative Sources of Energy, Construction, Industrial Engineering, Nanotechnologies, Agriculture, etc.

[More](#)

FINANCING SOURCES



Are you looking for co-financing options to implement new R&D projects in your company? We organized the information for you to present a number of co-financing programs to implement together your business plans on improvements and innovations.

[More](#)

BUSINESS DEMAND



Do you fight everyday problems related to unbalanced technology, unpredictable quality, lowered productivity, increased use of resources, wastes, maintenance and unplanned breakdowns? Over 50 R&D institutions from Moldova are ready to study your problems to come with efficient feasible solutions!

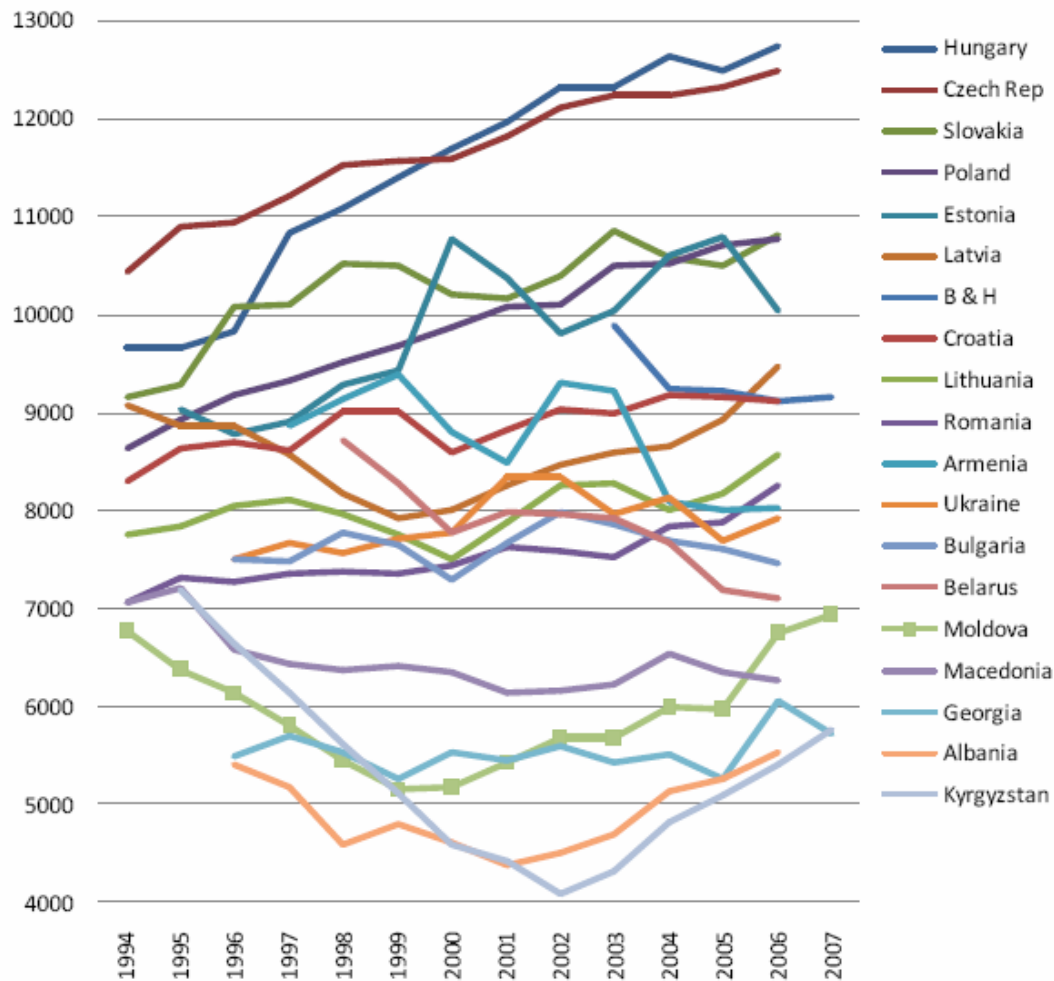
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How to measure innovation ?

Output approach:

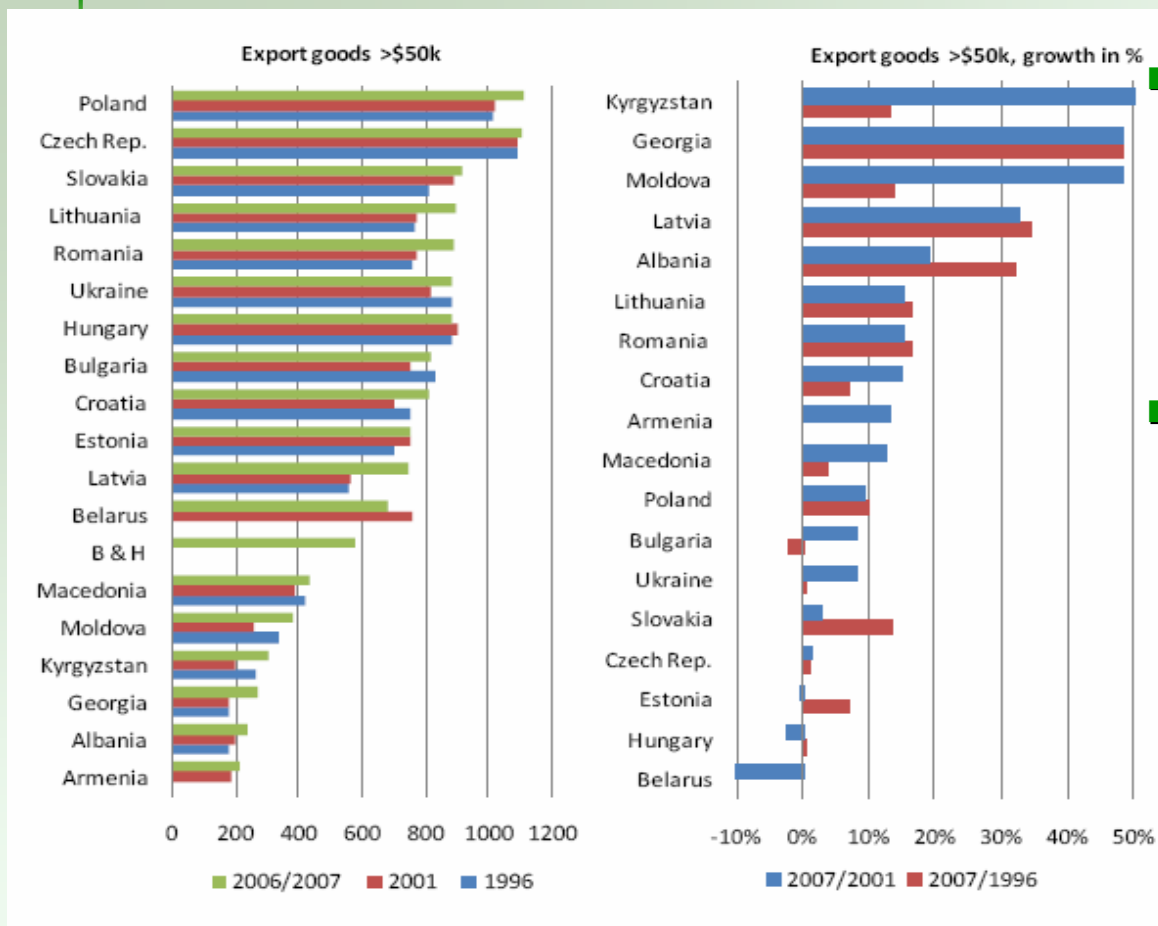
- Small internal market /competition takes place on foreign markets
- *Do Moldovans export more products?*
 - Number of exported goods vs. value of exports
- *Do Moldovans export better products?*
 - Sophisticated goods vs. basic goods

more sophisticated exports that income *per capita* suggests ...as compared with the region?



- Low, but outranks Macedonia, Georgia, Albania & Kyrgyzstan
- Low, but growing as fast as the top performers since 2001
- Belarus, Armenia, Bulgaria, Macedonia are becoming less "sophisticated"
- Hungary & Czech Republic on top and still rising... a lot to catch up!!!

Number of exported goods / regional comparison



Moldova ranks below regional average by the number of exported goods, but...

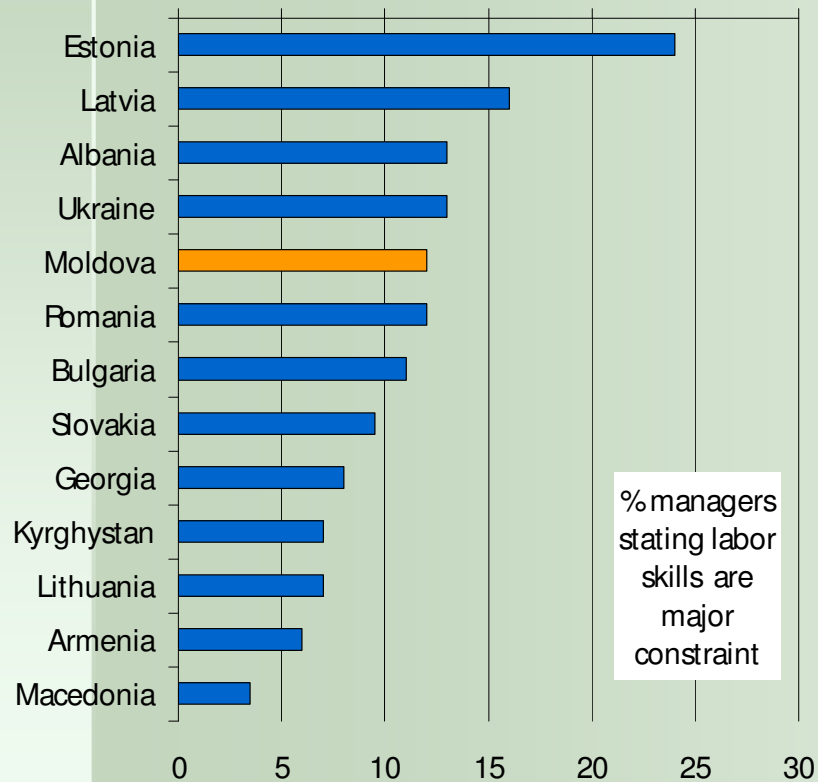
...The number of goods grew tremendously since 2001 (rank 3 in the region)

Labor force offers comparative advantage

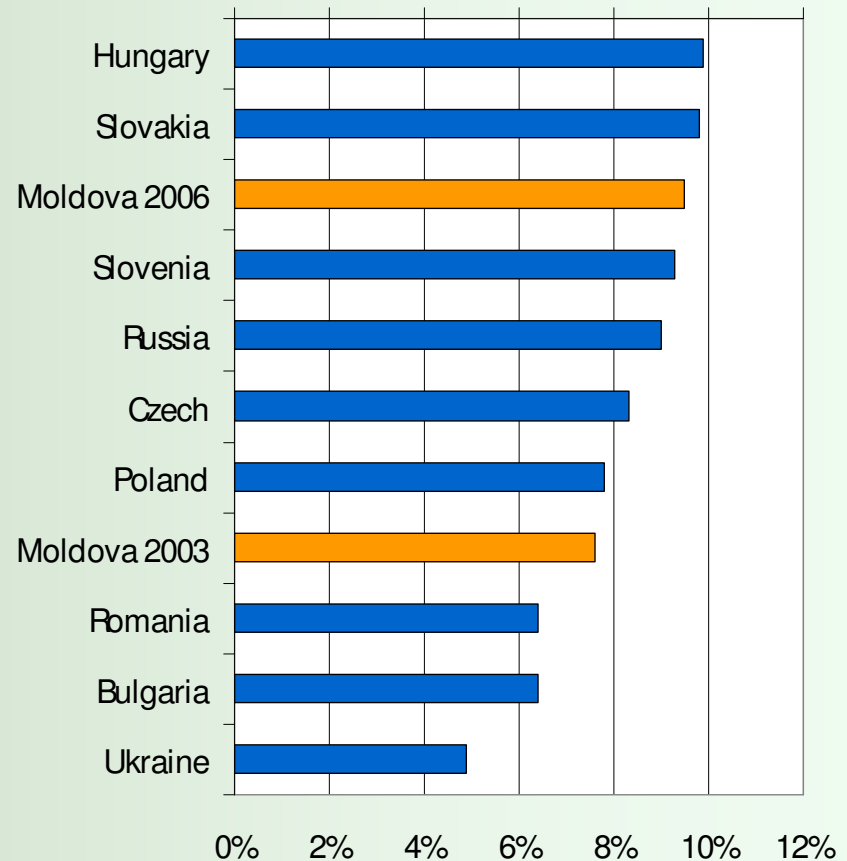
- **Unit Labor Cost** is low as compared with neighboring countries
- **Labor Productivity** growth is highest in the region (2007/2000 - >80%; Ukraine ~60%; Romania ~50%)
- No major distortions in the labor market...
 - Rate of **return to education** 9.5% in 2006 up from 7.2% in 2000
 - Education Premium high by regional standards, but...
 - Idle human capacity of the educated migrants

Quality vs. cost of skilled labor

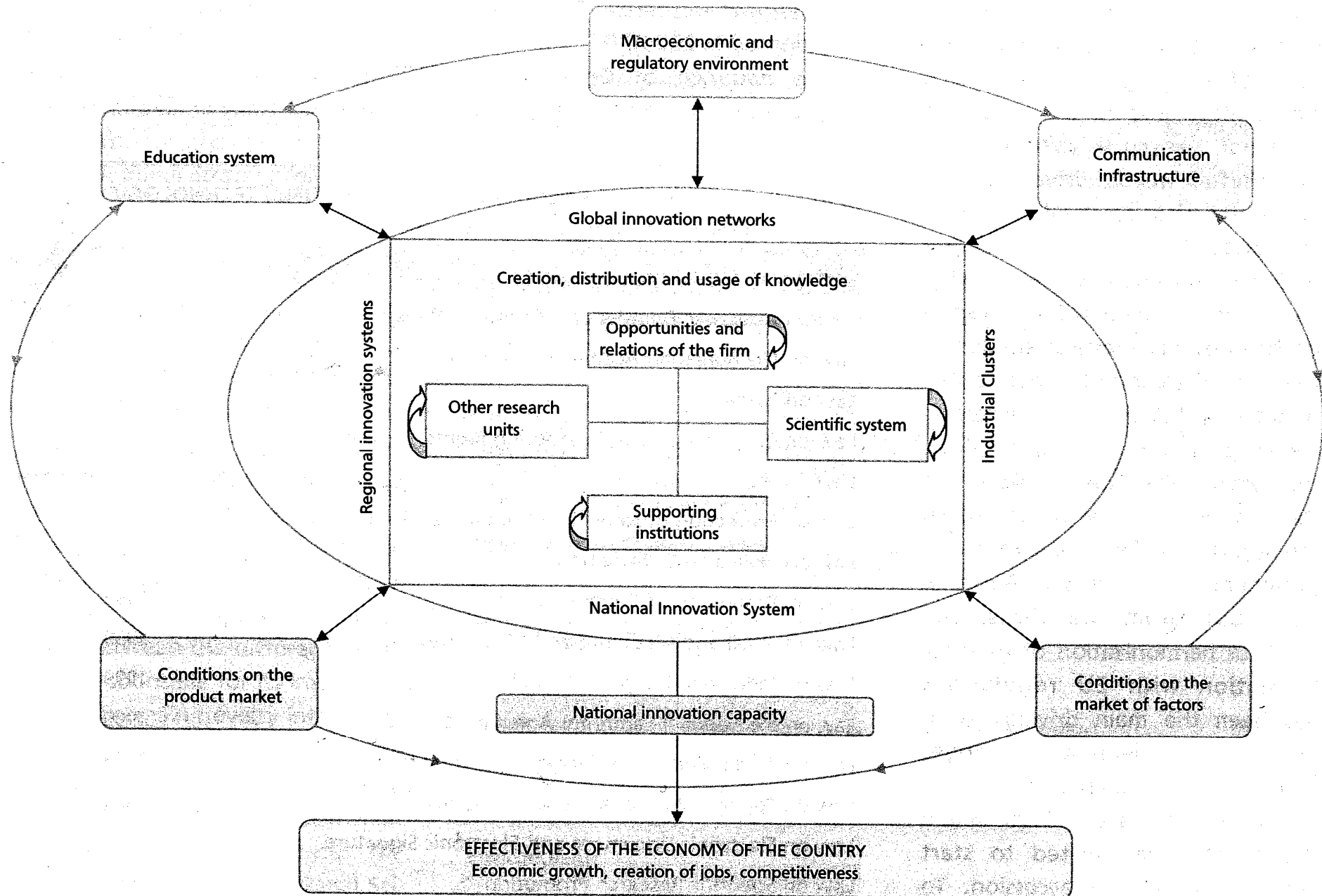
Labor quality (scarcity of skilled labor)



Labor costs (return to education)



MODEL NATIONAL INNOVATION SYSTEM: PARTICIPANTS AND LINKS



Source: OECD (1998): Technology, productivity and job creation. Best policy practices. OECD, Paris, p. 62.

STRATEGIC VISION

Promote fair competition

- Decrease barriers to launch new business
- Privatization of state assets
- Control for state subsidies
- Fortify the role of the Competition Agency

Promote SME development

- Offer financial support for start-ups
- Increase awareness for the business opportunities
- Promote culture of entrepreneurship

Increase labor participation

- Provide for flexible working hours
- Simplify hiring /dismissal rules
- Provide vocational training
- Expect that convergence of income levels will reverse migration