

Towards promotion of PPP for a new economic culture

The first part of recommendations is devoted to general issues. It is stated, that a generally acceptable definition and typology of this complex phenomenon would be supportive to further development of public private partnerships and that the major international bodies concerned with PPP, including the UN family, OECD, and the European Commission ought to agree on a single definition and typology acceptable to all involved, and disseminated it as broadly as possible. Moreover, efforts to popularize PPP are needed at all levels and in all spheres of public life, including educational and research institutions, as well as among business communities and media, as the role and impact of PPP are still not fully recognised in relevant environments. Public authorities should undertake a sustainable effort to broadly communicate these benefits and thereby secure public support for PPP projects. These efforts are expected to lead towards development of a new PPP-oriented economic culture, which does not only facilitate a reconciliation between sometimes contradictory public and private interests, but also allows and helps generate benefits from the innovative combination of the best elements of the two spheres.

An improved Regulatory and Policy Framework are needed

A clear, consistent, stable and transparent regulatory and policy framework is required for successful development of PPP throughout all stages from pre-transaction stage (selection, screening, structuring, tendering, and evaluation) to the post transaction stage (regulation and monitoring). Therefore, governments and regional/local authorities should install, perceive, recognize and consistently treat PPP as an important pillar of economic development. Due to involvement of substantial public financial and guarantee facilities in PPP project development, implementation and their operations, all procedures concerning public calls, standardised tender documentation, tendering selection, negotiations, contracting, monitoring and evaluation, should be guided by highest standards of transparent governance .

Several other recommendation of general nature deal with international sharing of good practice cases and using centres of excellence for this purpose, inputs into project development and capacity building , role of consultants, selection of adequate partners and optimal allocation of risks, authority and accountability.

Adequate Public Policies crucial for Energy Efficiency

The second part of recommendations, dealing with increasing energy efficiency via PPP, recognizes that PPP can contribute to squaring the circle between ever increasing demand for energy, efforts to increase productivity and at the same time securing environmental protection. Since in the short run it is a challenge to secure economic viability of alternative energy generation, and reduce energy consumption without adversely affecting economic

activities and quality of life, national and regional authorities have to create regulatory, fiscal, financial and other conditions to encourage economic operators, households and others to act responsibly without being economically disadvantaged. It is also essential that these conditions and rewards are long term defined, well-balanced, transparent, stable and fair. Through PPP these conditions are to be enjoyed equally by the private and the public sector. It is also expected that intensified development of PPP practice will create additional demand for R&D services.



Contractual Partnership

Establishing a PPP on Energy Efficient Buildings in the form of Contractual Partnership is the option preferred by business and other stakeholders. This can encourage confidence in the business sector to engage in the necessary longer-term projects in cooperation with research organisations. Energy Performance Contracting (EPC) assists in procuring energy efficiency as a service. Through innovative contracts, ESCOs (energy service companies) or other providers guarantee a specified energy performance and energy savings to the customer, and in exchange they share the savings with the latter. If the project does not provide returns on the investment, the ESCO is often responsible to pay the difference. In developing a new field of activity for these companies, governments need to introduce some cross-sectorial financial incentives and innovative schemes.

Conference Follow-Up Activities in Support of PPP Developments

The conference has shown great potential for important upgrade of activities supporting PPP developments worldwide. In collaboration with international bodies, such as OECD, EIB, WB, the European Commission, and others - and in continued partnership with KEN - ICPE will develop an ICPE International PPP Hub for consulting, training, research, and promotion activities in support of PPP efforts, with particular attention to its current and future member states.

NOTE: The complete text of the recommendations, which were broadly disseminated, is available at <http://www.knowledge-economy.net/>

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Policy Notebook

The Impact of Non-Technological Innovations

Countries are nowadays increasingly aware of the fact, that their international competitiveness greatly depends on the level of innovation, which should be supported in a coherent and systemic way. However, the concept of innovation is often still perceived as technological innovation, although at present the bulk of all new jobs are created through non-technological innovation (including process, service, organisational and marketing innovation).

Accordingly, such orientation has been adopted in the Slovenian strategic documents on research and innovation. However, in reality, it is not being implemented fully and decisively enough. In order to contribute to awareness raising about non-technological innovation among government services, as well as among stakeholders in the business and other sectors and supporting environment and to mobilize and better utilize the existing innovation potential and to stimulate its further development, a conference titled »The Impact of Non-Technological Innovations on increasing Competitiveness of the Business and Public Sectors« took place in Ljubljana on 7 November 2012. It was organized by the SBRA in cooperation with Ministry for Education, Science, Culture and Sport, Ministry for Economic Development and Technology, Slovenian Technology Agency –TIA, VIBACOM, Slovenian Chamber of Management Consulting, and International Center for Promotion of Enterprises - ICPE.

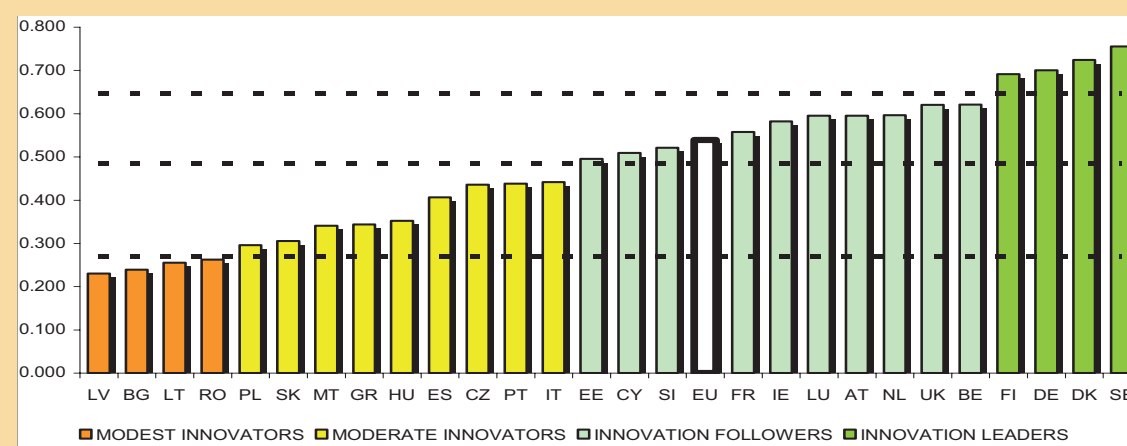
The purpose of the conference, which was attended by about 60 participants - mainly experts from the R&D departments , top managers in SME (in particular in the sector of services) , as well as representatives of governmental and other organizations, which support innovation activities, was also to inform about the existing and needed legislation and simulative measures, including taxation.

The presentations and lively discussion proved that the aim of the event was fully achieved. Dr. Boris Cizelj presented global trends in knowledge economy, while Dr. Metka Stare presented non-technological innovation as the main factor for competitiveness of contemporary economies. More empirical and practical aspects dominated in the second part of the event. Dr. Andrej Cvelbar, Head of the Innovation Unit in the Ministry for Economic Development and Technology, was talking about the stimulative measures recently adopted and envisaged by the Slovenian Government. Besides the interdisciplinary approach, he also stressed the necessity of new understanding of state assistance: subsidizing should be replaced by investment. Dr. Petra Jung Erceq from Fraunhofer Institute ISI presented the results of the INNO Grips European project „Organizational and Marketing Innovation – Constrained Drivers of Growth”.

The last part of the conference was devoted to good practices and the following were presented: LENS Living Lab – Global RR Network, C4i – Transnational Creative Voucher, BTC – Eco index (innovative business model for sustainable development) and innovations of the Go-opti Co.

Violeta Bulc has moderated the discussion and proposed conclusions.

Innovations in EU member states



Source: Innovation Scoreboard 2011

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Editorial



For years Slovenia has been regarded as the best case of a transition country and how could it happen that the country is now facing political challenges together with increased economic pressures?

There could be many interpretations, but we would stay with those who claim that there are two key reasons for the crisis:

- (1) the »soft« economic transition had its short-term political benefits, but it kept a big share of companies in government hands. This was soon discovered by future taycoons as an opportunity to privatize many of these companies – but without needed knowledge and experience – they ruined many of them, pushing the whole economy downwards.
- (2) Neither of political options were ready and willing to contribute to national consensus, and under formal cover of ideological centrism, many operated on classical, last century political divisions – which are of little relevance for modern, knowledge economies and societies.

Macroeconomic position of Slovenia is still better than many other countries of the European »South«.

The public debt is much lower than EU average, and Slovenia still has no problem raising funds at international financial markets.

To conclude: the unfinished business of transition has come back teaching the nation - with short history of independent statehood – a rather painful lessons, in times which are already difficult for most European countries. The electorate is disillusioned and disappointed, and is energetically demanding numerous reforms, including adjustments of the constitution, and systemic laws which will secure higher accountability and credibility of all branches of power.

Dr. Boris Cizelj
Chairman, Management Board

Borut Pahor – new Slovenian President

On Sunday 2nd December Slovenia got a new President: the former Prime Minister Borut Pahor. What could be the implications of this electoral outcome?

The outstanding challenges are important, while the constitutional powers of Slovenian President are rather limited. However, in the current stage of the economic crisis which has affected many low-income families, and pushed unemployment at unprecedented level (12% - with no assurances for reduction to happen soon), people are looking at the president for moral leadership and positive energy, as well as for practical contribution in bridging the unnecessary political divisions. This will be the main challenge for the new president, who has demonstrated during the electoral campaign lots of interest for the real problems of the average citizen, and an ability to communicate with the broadest segments of society. Borut Pahor also exercised enormous courage in going beyond his own party program limitations, which finally strengthened also his party ratings! Perhaps an important lesson for modern-day politicians who are doing exactly the opposite: adjusting their political profiles and priorities according to analysts' electoral forecasts.

These skills will be needed for the President to cool down conflicting political passions, and to allow important systemic changes: selection of austerity measures, use of referenda, the position of the judiciary, and some other issues, including the pension reform, as well as the system for improved management of state-owned assets. In these circumstances both the government and the President will have to work as closely as possible, and that is exactly what the electorate has expressed with this election results. It is to be hoped that politicians will understand the message, and use the opportunity to act accordingly.

Government presents the third package of measures to boost the economy

In September 2012, the Ministry of Economic Development and Technology presented 155 concrete proposals which aim at reforming the labour and pension legislation, ensuring the stability of the banking sector and hope to improve the wider business environment. The third instalment contains 60 measures, including 21 acts, 12 by-laws and 10 strategic documents.

Among various measures, it also deals with the rehabilitation of banks, the introduction of an act aimed at strengthening the stability of the banks and foresees a rescue fund for bad investments and loans. More specifically, a new act on Slovenian State Holding is in preparation and seeks to ensure stable ownership and maximum sustainable profitability for Slovenia's assets. With further amendments to the Tax Procedure Act, envisaging the publication of a list tax defaulters and a ban on software that allows for the manipulation of turn-over figures, with fines for offenders. Amendments to the Income Tax Act upgrade the system of establishing a taxable base from income from activities by considering actual income and normalised expenses. The ceiling for inclusion in the system of normalised expenses is 50,000 Euros. The amended act also introduces a retention tax on income from rent, reduces normalised costs to 10% and introduces the possibility of claiming actual expenses based on enclosed invoices.

Briefs

Business Briefs

Slovenia signed aviation agreement with India

On 9th of November, Infrastructure and Spatial Planning Minister Zvone Černač and Indian Civil Aviation Secretary K.N. Srivastava, signed a protocol changing the countries' bilateral civil aviation agreement. After the agreement is ratified by Slovenia, a regular route between the two countries is to be launched. Due to its size and fast growth, the Indian market presents a great opportunity to increase the number of passenger and cargo flights between Slovenia and India. The two countries had already signed the aviation agreement in 2004, however it was never ratified because of Slovenia's accession to the EU. At the time, the European Court found that some of the parts of the bilateral agreement were against EU law. In 2008, the European Commission then signed an aviation agreement with India which has now allowed Slovenia to finalize the bilateral aviation agreement with India.

Slovenia gets UNESCO's National Committee for Management of Social Transformations

In November, the National Committee for UNESCO's Management of Social Transformations (MOST) Programme was established in Nova Gorica. The main objective of the MOST Programme is to bring together people, and especially decision-makers, active in social sciences and humanities. The programme promotes a culture of evidence-based policy-making – nationally, regionally and internationally. As the only UNESCO programme that fosters and promotes social science research, it is placed in a pivotal position in the overall promotion of UNESCO's goals. Social inclusion and the social dimensions of climate change are its two current strategic priorities areas.

Three public agencies are to be consolidated into one

The Government approved the decision to establish the Slovenian Public Agency for Entrepreneurship, Innovation, Development, Investment and Tourism (SPIRIT) which merges the existing Public

Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments (JAPTI), the Slovenian Tourist Board (STO) and the Slovenian Technology Agency (TIA).

SPIRIT Slovenia will independently perform regulatory, professional and development activities aimed at boosting competitiveness, taking responsibility for promoting the Slovenian economy, promoting Slovenia as a tourist destination, developing entrepreneurship, and promoting innovation, technological development, foreign investments and the internationalisation of companies.

Riko houses designed by Philippe Starck

One of the world's most prolific contemporary designers and architects, Philippe Starck, teamed up with engineering company Riko, a leading European manufacturer of solid wood houses with vast international experience in project management from various fields of engineering, in developing the revolutionary housing concept called P.A.T.H. - Prefab Accessible Technological Homes.

P.A.T.H. is a line of 32 industrially manufactured sustainable houses tailored to meet the individual needs and expectations of homeowners. The P.A.T.H. concept also sets high ecological standards and integrates a technology which uses various renewable sources of energy, such as photovoltaic, solar panels heat pump, and wind turbines among others.

The Chamber of Craft and Small Business of Slovenia has a new president

Alojz Kovšca was elected president of the Chamber of Crafts and Small Business (OZS) on the 15th of November, after the previous leadership lost a vote of confidence a month earlier. Mr. Kovšca, also a member of a National Council, will strive for greater transparency and more efficient services for its members. The new vice president, who was the only candidate for that position, is Janez Kaker and the new president of the supervisory board became Žorž Petrovski. The programme of the new leadership includes the following priorities: a unified

leadership, formal dialogue with political parties, more transparent decision-making and adapting to the new system of voluntary membership. The new leadership was elected for the remaining period of 2010-2014.

R&D Briefs

Successful International Technology Transfer Conference

The Center for Technology Transfer and Innovation at the Jožef Stefan Institute (JSI), a shared technology transfer office of the JSI and the National Institute of Chemistry, organised in September another successful International Technology Transfer Conference. The conference has been organised annually since 2008 in cooperation with various institutes, universities and other important actors in the field of technology transfer in Slovenia. In the scope of the conference, the best inventive/innovative projects from PRO's for the economy are awarded. This year the award of 3000 Euros has been distributed equally among two teams:

- Dr. Aleš Hribar and prof. dr. Matjaž Mihelj from Laboratory of robotics at the Faculty of electrical engineering, University of Ljubljana for the innovation called BiMeo
- doc. dr. Ivan Jerman, prof. dr. Boris Orel, dr. Matjaž Koželj and Mr. Mohor Mihelčič for their innovation called »Go solar, go future«

The next conference will be organized in September 2013 in Ljubljana.

The Department of Agronomy within the Faculty of Biotechnology, University of Ljubljana

The Department of Agronomy within the Faculty of Biotechnology, is participating in the FP7 project 'Food Planning and Innovation for Sustainable Metropolitan Regions' (FOODMETRES) which began in October. It is one of 18 partners within the project, coordinated by Stichting Dienst Landbouwkundig Onderzoek from the Netherlands. Two Slovenian SMEs (Geaproduct d.o.o. and Pro-contus d.o.o.) are also involved.

The project thrives to assess both the

environmental and socio-economic impacts of food chains with regard to spatial, logistical and resource dimension of growing food, as well as food planning and governance. Recognising that food production and consumption is not only linked via food chains in a physical-logistic way, but above all via value chains in terms of social acceptance, FOODMETRES is designed to combine quantitative and evidence-based research principles with qualitative and discursive methods to address the wider dimensions of food chains around metropolitan agro-systems. Ljubljana is one of six case studies where in-depth project research will be carried out.

University of Ljubljana among the top 3% of universities in the world

Univerza v Ljubljani For the sixth consecutive year, the ARWU (Academic Ranking of World Universities) – better known as the Shanghai

ranking – has placed the University of Ljubljana among the top 500 universities in the world. The University of Ljubljana also ranks 106 in the world and 29 in Europe on the Webometrics list of universities. Both rankings also represent the best achievement among all Slovenian universities.

ARWU is considered the most widely used and influential international ranking and has attracted a great deal of attention from universities, governments and public media worldwide. ARWU uses six objective indicators to rank world universities, including the number of alumni and staff winning Nobel Prizes and Fields Medals, number of highly cited researchers selected by Thomson Scientific, number of articles published in journals of Nature and Science, number of articles indexed in Science Citation Index - Expanded and Social Sciences Citation Index, and per capita performance with respect to the size of an institution. More than 1000 universities are actually ranked by ARWU every year and the best 500 are published on the web.

Noted Slovenian scientist awarded ERC advanced grant

Prof. Dragan Mihailović, the head of the research Department of Complex Matter at the Jožef Stefan Institute in Ljubljana, was awarded ERC Advanced Investigators Grant for his proposal on "Coherent trajectories through symmetry breaking transitions". ERC Advanced Grants allow research leaders of any nationality and any age to pursue ground-breaking, high-risk projects that open new directions in their respective research fields or other domains.

The research within the Department of Complex Matter encompasses a variety of research fields, ranging from the synthesis of new materials to fundamental investigations of elementary excitations, self-organising behaviour and adaptive functionality in complex systems.

Regional Briefs

Ljubljana finishes project on urban transport

With the close of the final conference in June 2012, the Municipality of Ljubljana successfully completed the FP7 project CIVITAS ELAN (2008 – 2012), which brought together five European cities (Ghent, Brno, Ljubljana, Zagreb and Porto). The project's mission was to develop clean mobility solutions, ensuring healthy means of transport and access to all. These cities all host large student populations and are important economic and cultural centres in their respective countries. They all face similar challenges in urban mobility and strive for sustainable solutions both for their citizens and visitors alike. In 2011 the European Commission recognised Ljubljana for its outstanding achievement in the field of urban transport and for actively presenting the CIVITAS initiative. For more information go to www.civitas-initiative.org

Ljubljana receives European prize for urban public space

The project Refurbishment of the Banks and Bridges of the River Ljubljanica is an excellent example of linking green spaces and creating new urban planning solutions with added value. The project was selected as a joint winner out of 347



projects from 36 European countries and was awarded the European prize for urban public space in 2012. By establishing footpaths, landing stages and paved areas along the riverbank, creating a pedestrian friendly zone in the city centre, as well as building five new bridges for pedestrians and cyclists, the municipality has opened up an aquatic element to the city and residents that was long forgotten.

Maribor – European Youth Capital 2013

MA R I B O R 2013 European Youth Capital

Maribor, which was the European Capital of Culture in 2012 and provided its residents and visitors alike a rich cultural programme is preparing itself to become the European Youth Capital in 2013. The European Youth Forum awarded Maribor the title in 2010, which will give the city an opportunity to explore the issues young people face today. The topics will be addressed to both local, regional, national and European public. The programme of European Youth Capital 2013 has been divided into twelve fields, among them also employability, housing issues, volunteering, structured dialogue and informal education. One of the goals is to create a network for all European youth capitals to be created the following year. For further information go to www.mb2013.si.

Initiative for a cultural heritage fund

Ptuj, the oldest Slovenian city and partner in the 2012 European Capital of Culture, has prepared an initiative for establishing an Association of European Capitals of Culture and an initiative for establishing a cultural fund within the financial perspective 2014–2020, for the maintenance, renovation and construction

of cultural infrastructure and the implementation of cultural programs. The aim of both initiatives is the development of a joint market and joint cultural and tourist services in the EU, and co-creation of economic and social policies and development strategies at both national and regional levels. Municipality of Ptuj invites other European municipalities with strong cultural heritage to join their initiative.

More creativity in business and more entrepreneurship in creative industries

At the end of March 2012, the Regional Development Agency of the Ljubljana Urban Region (RRA LUR) opened the new premises of the Regional Creative Economy Centre (RCKE) within the framework of the European project 'Creative Cities'. Through organising educational, consulting and connecting activities, the centre is creating a supportive environment for the creative economy for businesses in the region. In collaboration with the Institute for Economic Research and the Academy of Fine Arts and Design, Department of Industrial and Unique Design, RCKE has successfully connected seventeen young industrial designers with five furniture companies. Within the interdisciplinary value chain, twenty-five draft designs and eleven prototypes of furniture products were produced and successfully

presented at the major Slovene furniture fair Ambient Ljubljana 2012.

In October this year, RCKE organised the first Slovene symposium on service design and a service design workshop on sustainable mobility in the region. Since spring 2012, it offers free consultation concerning intellectual property protection and copyright law in collaboration with the Slovene Intellectual Property Office.

SBRA Partners



Elektro-Slovenija new member of SBRA

SBRA welcomes a public company Elektro-Slovenija as a new member. The public company Elektro-Slovenija, d.o.o. (ELES) has the exclusive right to perform the public service of the transmission network system operator in Slovenia. The role of ELES is to provide suppliers and consumers with network access and the non-discriminatory transmission of high-quality electrical power, as well as to manage the transmission part of the Slovenia's electricity system. Its

main strategic goal is to accelerate the construction of new transmission lines, substations and transformer facilities, as well as control centres, and hence provide consumers with a reliable high-quality supply of electricity.

Backed by a strong professional team, ELES was awarded in September the highest score in the first international evaluation of its compliance with operational standards conducted by ENTSO-E, the European Network of Transmission System Operators for Electricity. The Committee thus confirmed ELES' responsible and professional attitude as a full member of the association.

For two days straight, evaluators from the Czech Republic, Finland, France and Spain intensively verified how ELES operates in emergency situations. The most important part of the evaluation was the defence of eighteen standards that were supported by documentary evidence and additional detailed explanations provided by ELES' team. The Committee then conducted an on-site evaluation at the National Control Centre in Ljubljana in order to assess the adequacy of the Centre's equipment and the qualifications of its operational staff. Demonstrating impeccable preparedness, ELES proved that it complies with each individual standard both formally and in terms of content.

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BENEFITS AND CHALLENGES OF PUBLIC-PRIVATE PARTNERSHIPS FOR IMPROVING ENERGY EFFICIENCY

This was the title of the international conference, organized by the International Center for Promotion of Enterprises (ICPE), in cooperation with KEN, in Ljubljana, on 24 October 2012. The conference tried to find specific ways how to face some of the biggest contemporary global challenges (energy security, and ensuring economic growth with improved energy efficiency) focusing on PPP, as an effective tool in this effort.

The conference paid attention to business rationale for energy

efficiency, which not only enables the business sector to save costs, improve its competitiveness and overall productivity, but also opens opportunities to develop new businesses that enhance efficiency across countries and sectors. The conference also dealt with energy efficiency improvements, and how governments try to create a regulatory and policy environment that rewards energy-efficient choices and encourage innovation. Participants were familiarized with successful PPP policies adopted and implemented productively in some environments (good practice). The recommendations were adopted, summarizing main positions and proposals offered during the conference.