



# GOVERNMENT OF THE REPUBLIC OF LITHUANIA

## RESOLUTION ON APPROVAL OF THE CONCEPT OF THE ESTABLISHMENT AND DEVELOPMENT OF INTEGRATED SCIENCE, STUDIES AND BUSINESS CENTRES (VALLEYS)

21 March 2007, No 321  
Vilnius

In the framework of the implementation of Measure 14 of Objective of Paragraph 92 of the National Lisbon Strategy Implementation Programme approved by Resolution No 1270 of 22 November 2005 of the Government of the Republic of Lithuania (*Valstybės žinios* (Official Gazette), 2005, No 139-5019), and item 1.3 of the Measures of 2006–2007 for the Implementation of the First Stage of the Lithuanian Higher Education System Development Plan for 2006–2010, approved by Resolution No 1133 of 17 November 2006 of the Government of the Republic of Lithuania (*Valstybės žinios* (Official Gazette), 2006, No 126-4789), the Government of the Republic of Lithuania hereby r e s o l v e s :

1. To approve the Concept of the Establishment and Development of Integrated Science, Studies and Business Centres (Valleys) (*attached*).

2. In observance of provisions of the Concept of the Establishment and Development of Integrated Research, Studies and Business Centres (Valleys) (hereinafter referred to as Valleys) approved by the present Resolution, the Ministry of Education and Science in concert with the Ministry of Economy shall by 1 May 2007:

2.1. draft and approve the Specification of the Procedure for the Selection and Evaluation of Valley Development Visions and Draft Valley Development Programmes;

2.2. approve the regulations of the Valley Development Commission and its personal composition.

3. To encourage institutions of science and studies and knowledge intensive businesses or their associations to submit their vision of Valley development to the Ministry of Education and Science in the period between 1 May 2007 and 1 July 2007.

Prime Minister

Gediminas Kirkilas

Minister of Education and Science

Roma Žakaitienė

APPROVED by  
Resolution No 321 of 21 March 2007  
of the Government of the  
Republic of Lithuania

**CONCEPT  
OF THE ESTABLISHMENT AND DEVELOPMENT OF INTEGRATED SCIENCE,  
STUDIES AND BUSINESS CENTRES (VALLEYS)**

**I. GENERAL PROVISIONS**

1. The Concept of the Establishment and Development of Integrated Science, Studies and Business Centres (Valleys) (hereinafter referred to as the Concept) has been developed with regard to the Long-term Development Strategy of the State approved by Resolution No IX-1187 of 12 November 2002 of the Seimas of the Republic of Lithuania (*Valstybės žinios* (Official Gazette), 2002, No 113-5029), Long-term Economic Development Strategy of Lithuania until 2015 approved by Resolution No 853 of 12 June 2002 of the Government of the Republic of Lithuania (*Valstybės žinios* (Official Gazette), 2002, No 60-2424), the Long-term Strategy for Research and Experimental Development approved by Resolution No 1646 of 22 December 2003 of the Government of the Republic of Lithuania (*Valstybės žinios* (Official Gazette), 2003, No 121-5489), the National Lisbon Strategy Implementation Programme approved by Resolution No 1270 of 22 November 2005 (*Valstybės žinios* (Official Gazette), 2005, No 139-5019), the Lithuanian Higher Education System Development Plan for 2006–2010 approved by the Republic of Lithuania Government Resolution No 335 of 5 April 2006 (*Valstybės žinios* (Official Gazette), 2006, No 39-1394), and the Programme for the Development of High Technologies for 2007–2013 approved by Resolution No 1048 of 24 October 2006 of the Government of the Republic of Lithuania (*Valstybės žinios* (Official Gazette), 2006, No 114-4356).

2. The Integrated Science, Studies and Business Centres (hereinafter referred to as Valleys) shall be developed with a view to building up research, studies and knowledge economy clusters of the international level in Lithuania, accelerating the development of knowledge society and consolidating the long-term foundation for the competitiveness of Lithuania's economy.

3. The development of Valleys shall be carried out on the basis of their individual development programmes worked out in observance of objectives, tasks and establishment conditions as specified under this Concept and approved by the Government of the Republic of Lithuania.

4. The development of Valleys shall be carried out using the funds of State and municipal budgets of the Republic of Lithuania and of science and studies institutions involved in the establishment of Valleys, other public legal entities and private persons, as well as the funds of the European Union (hereinafter referred to as the EU) structural support and international research and innovation development programmes for 2007–2013.

5. The Concept shall be implemented during the period of 2007–2013.

6. Terms used in this Concept:

**Valley** means research, studies and knowledge intensive business potential (all entities) concentrated in one territory with shared or interrelated infrastructure and contributing consistently to the development of knowledge society and knowledge economy and to the enhancement of competitiveness of Lithuania's economy.

**Institutions supporting synergy of science and business** means technology parks, technology transfer centres, knowledge intensive business incubators, intellectual property protection institutions, and other bodies related to the enhancement of interaction between research, studies and economic development.

**Knowledge intensive business** means high and medium-high technology sector businesses or branches thereof, the R&D spending of which accounts for at least 4% of the total costs of product manufacturing or of the provision of services, and the income from this economic activity constitutes at least 30% of the total costs of the business (branch).

**International research and experimental development activities** means participation in the projects of the EU Framework Programmes (in centres and networks of excellence, integrated projects, and specific targeted research projects), projects of the European research, development and cooperation programmes EUREKA and COST, and other international research programmes recognised by the academic community.

**National Integrated Programme** means programme for ensuring complex development of R&D, studies and knowledge-intensive business in a particular sector. The National Integrated Programme covers research and development, technology development and transfer, training of specialists of highest qualification, consolidation of the material base of science and studies, and other measures supporting the competitiveness of economy.

**National Technology Platform** means consortiums of individual stakeholders of the Lithuanian economic and research sector with common interests, operating on the basis of joint activity agreement.

**Valley initiators** means institutions of science and studies (including at least one university), knowledge intensive businesses or associations thereof who have worked out a joint Valley development vision covering the coordination of financial and other interests.

## II. ANALYSIS OF CURRENT SITUATION

7. Enhancement of research and higher education capacities and the promotion of their links with economic and social needs are one of the key factors of the global competition. The current competitiveness strategies of the EU Member States and of other leading countries of the world provide for particular importance of territorially integral science, studies and innovative business interaction centres and their development. These centres bring together research and higher education institutions of highest-capacity, develop the infrastructure for know-how and technology transfer from the public to the private business sector, and create

environment for establishing research branches of businesses, and for the formation of knowledge intensive business start-ups on the basis of commercialised results of research. The leading countries of the world started establishing such centres spontaneously in 1950s (e.g. the famous Silicon Valley in the USA). Some time later, in particular starting with 1970s, these centres, consistently supported by national governments, became popular in the West Europe, Scandinavian countries and Japan. The rapid establishment of such centres has recently started in China, the Far East and other regions of the world where the scientific and technological progress is observed.

8. Support for the synergy of science, studies and business of different sectors and regions and promotion of the establishment of Valleys are some of the key trends of the EU policy of research, studies and innovations. This policy is implemented through clusters, Technology Platforms, Joint Technology Initiatives, Regions of Knowledge, “learning regions” and other support programmes and instruments. The European Commission has recently put forward a new proposal to establish the European Institute of Technology aimed at creating the excellence-driven partnerships in science, studies and innovations.

9. Long-term strategic documents of Lithuania also emphasise the need for closer synergy of science, studies and business. The National Lisbon Strategy Implementation Programme provides that knowledge and the capability to make use of the most recent discoveries and to develop new knowledge and technologies is the main driving force of both the modern economy and a number of other fields of life. At the same time, it recognizes that insufficient investments of enterprises in research, experimental development and innovation may have an adverse outcome in terms of the long-term economic development and economic growth of Lithuania. To foster development of viable technologies and their implementation in the knowledge intensive business sector, on 24 October 2006 the Government of the Republic of Lithuania adopted Resolution No 1048 approving the High Technologies Development Programme for 2007–2013 and Resolution No 1050 approving the Industrial Biotechnology Development Programme in Lithuania for 2007–2010 (*Valstybės žinios* (Official Gazette), 2006, No 114-4359). Lithuania's draft Strategy for the Use of the EU Structural Funds for 2007–2013 is also aimed at promoting the synergy of science, studies and business. For this purpose Lithuania sets up science and technology parks, initiates national technology platforms and drafts regional innovation strategies.

10. National institutions of science and studies, municipalities, and knowledge intensive businesses have already worked out important projects on territorial concentration of science and studies, including the following: the project “Sunrise Valley” implemented by University of Vilnius and Vilnius Gediminas Technical University in Vilnius Saulėtekis campus since 2003; the joint project of national research institutes and business structures on the setting up of the national biomedical research centre in Visoriai micro-district in Vilnius; the concept of High Technology Centre of Kaunas University of Technology; the possibility of establishing the Lithuanian Institute of Technology is also being discussed. The need to aggregate (to concentrate) the development of science, studies and knowledge intensive

business sector is also emphasised by representatives of the academic and business community, and local authorities in different regions and individual economic sectors. It is necessary to support these initiatives to ensure that the Lithuanian system of science and studies complies with the strategies for economic and innovation development as much as possible, stimulates the growth of knowledge intensive national industry and business, and provides favourable environment for international investments.

### **III. VALLEY DEVELOPMENT OBJECTIVES AND TASKS**

11. Objectives of the development of Valleys shall be as follows:

11.1. to concentrate, upgrade and optimise the infrastructure that would facilitate the development of high technologies and other most viable sectors of science, technology and business as specified in High Technology Development Programme for 2007–2013, the Foresight for the Lithuanian Economy in the Light of Regional and Global Tendencies, the Strategic Research Plans (Agendas) of the National Technology Platforms and other strategic planning documents of national economic development;

11.2. to consolidate the links with research and studies, and training of researchers and other experts;

11.3. to provide favourable environment for the transfer of scientific know how and technology to the business sector;

11.4. to set up centres for promoting research, studies and knowledge intensive business synergies, capable of competing on the international arena, developing scientific cooperation of the highest level, and attracting foreign investment that requires high intellectual potential;

11.5. to establish knowledge economy clusters on the basis of science, studies, and knowledge intensive business.

12. Objectives under Point 11 of this Concept shall be achieved through the accomplishment of the following tasks:

12.1. to identify and legalise locations with large and viable research potential;

12.2. to concentrate – in locations with high and viable research potential – territorially scattered institutions of science and studies or their branches, the bringing together of which would resulting in the creation of added value; to optimise their structure and interaction, and to develop the common physical and social infrastructure of the Valleys;

12.3. to upgrade the equipment of institutions established in Valleys employed for general research, studies and development purposes;

12.4. to establish modern scientific research base in the breakthrough fields of economy, established as a follow-up to the Foresight for the Lithuanian Economy in the Light of Regional and Global Tendencies, as well as in the fields where achievements of scientists at Valley-based institutions are of particularly high international level;

12.5. to set up centres for promoting synergy between science and the business sector, facilitating the development of knowledge intensive business start ups from branches of the institutions of science and studies, from researcher groups or on other basis;

12.6. to provide legal and organisational conditions for the establishment of knowledge intensive businesses or branches thereof on the territory of Valleys;

12.7. to provide environment for attracting foreign investments to knowledge intensive business and science sectors.

#### **IV. VALLEY ESTABLISHMENT AND DEVELOPMENT CONDITIONS**

13. The establishment of the Valley shall be subject to the fulfilment of the following conditions:

13.1. The initiative to establish the Valley shall be demonstrated by institutions of science and studies (including at least one university), whose total income from research and development projects, commissioned by economic operators, for the period of the past three years, made up more than 10% of the income of all national science and studies institutions, generated from the implementation of research and experimental development projects commissioned by economic operators, and whose total income from research and development projects of international level for the period of the past three years also constituted over 10% of the income of all the national institutions of science and studies, generated from the implementation of research and experimental development projects of international level.

13.2. In case of the establishment of a specific sector targeted Valley (intended for the development of a particular sector), the total income of the institutions of science and studies (including at least one university) that demonstrate the initiative to take part in the setting up of the Valley from the implementation of research and experimental development projects of international level or commissioned by economic operators shall constitute not less than 20% of the income of institutions of science and studies in the specific sector from research and experimental development projects.

13.3. The drafting of the Valley development project shall involve public bodies – research institutions carrying out research in the fields of the development of the given Valley.

13.4. The Valley initiators shall include knowledge intensive businesses or associations thereof.

13.5. Principal resources of science and studies potential of institutions participating in the project, related to the development fields of the Valley shall be concentrated (or envisaged to be concentrated) on the territory where the Valley is to be established.

13.6. The Valley initiators shall submit the Valley Development Vision specifying public demand and benefits of establishing the Valley, its conformity with the objectives of the national policy, the added value of public investments in the Valley and its growth

prospects, the impact on competitiveness of economy and sustainable fulfilment of social development needs, the discussed and planned organisational integration of the participants of the Valley, joint research, cooperation in the field of studies, consolidation of links between science and studies, development of science and studies in the breakthrough fields of the national economy, commercialisation of research results, contribution of private Valley development partners, possibilities of attracting foreign investment, and coordination of financial and other interests.

13.7. The Valley Development Vision shall be approved by the respective municipality which has designated the territory for the development of such Valley in the general plan of the municipal territory or part thereof (city or town).

13.8. The Valley Development Vision shall be approved by business associations.

13.9. The general infrastructure necessary for entities engaged in activities of the Valley shall be in place (or provided for) on the territory where the establishment of the Valley is to be established.

## **V. VALLEY DEVELOPMENT PROGRAMME**

14. The Draft Valley Development Programme (hereinafter referred to as the Programme) shall be worked out by the initiators of the Valley in accordance with Specification of the Procedure for the Selection and Evaluation of Valley Development Visions and Draft Valley Development Programmes, approved by the order of the Minister of Education and Science and of the Minister of Economy.

15. The Draft Programme shall:

15.1. substantiate the compliance of the Draft with development objectives and tasks of Valleys, and conditions of their establishment, defined in this Concept;

15.2. contain the Valley Development Plan;

15.3. set forth the measures and deadlines of the implementation of the Programme and sources of financing;

15.4. set out measures for the implementation of the High Technology Development Programme for 2007–2013, or at least one National Integrated Programme/Strategic Research Plan (Agenda) of National Technology Platforms.

15.5. discuss the optimisation of the internal structure of science and studies institutions participating in the Valley, and their planned reciprocal integration and coordination of joint activities.

16. The Draft Programme shall be submitted alongside the feasibility study of the implementation of the Programme.

## **VI. IMPLEMENTATION OF THE CONCEPT**

17. The implementation of this Concept and the development of Valleys shall be coordinated by the Ministry of Education and Science in concert with the Ministry of Economy. For the purpose of the evaluation of Valley Development Visions and Programmes, the Valley Development Commission shall be formed, consisting of scientists and representatives of the Ministry of Education and Science, the Ministry of Economy, the Ministry of Finance, and of other interested public authorities, municipalities and business associations. Experts of Lithuania and foreign countries shall be invited to join the evaluation of such visions and programs.

18. The Valley Development Commission shall evaluate the submitted Valley Development Visions in compliance with the Procedure for the Selection and Evaluation of Valley Development Visions and Draft Valley Development Programmes within one month following the deadline of the submission of Valley Development Visions. If the Visions do not fully comply with Valley development objectives, tasks and establishment conditions, a one-month deadline may be established for the correction of the deficiencies.

19. Upon expiration of the deadline for the evaluation of Valley Development Visions, the institutions, the Visions of which are rated positively, shall develop and submit the Draft Valley Development Programmes. A period of at least 3 months shall be set for the development of the Draft Programmes.

20. The Valley Development Commission shall evaluate the submitted Draft Valley Development Programmes within 2 months of the day of their submission. If the submitted Programmes do not fully satisfy the requirements for the Programme, a one-month deadline may be established for the correction of the deficiencies.

21. The Ministry of the Education and Science, in agreement with the Ministry of Economy, shall submit the Programmes approved by the Valley Development Commission to the Government of the Republic of Lithuania for approval.

22. The optimisation of the internal structure of science and studies institutions participating in such Valleys, their reciprocal integration, and development of the common infrastructure of these centres, provided for in the Valley Development Programmes approved by the Government of the Republic of Lithuania, shall be financed under the priorities of action programmes implementing the Lithuanian Strategy for the Use of the EU Structural Funds for 2007–2013. Other Valley Development Programme measures and Action Programmes for the implementation of the Lithuanian Strategy for the Use of the European EU Funds for 2007–2013 are to be financed from the EU Structural Funds for 2007–2013 on priority basis.

23. The implementation of Valley Development Programmes approved by the Government of the Republic of Lithuania shall be coordinated by Valley Councils with their regulations and composition approved by the order of the Minister of Education and Science and of the Minister of Economy.