

**Innovating through a pandemic:
A comparative insight into how innovation agencies across
Europe and Latin America are responding to COVID-19**

November 2020

1. Introduction

2020 has been a year of [change and adaptation](#) for innovation agencies worldwide. Innovators and businesses across most sectors require new and hugely different forms of support, and the way this support is delivered and managed has had to change as well. It has been a challenging period, but also a time of innovation - new processes, programmes and ways of doing things have emerged that may significantly shift the way innovation agencies operate in the future.

Over the past six months, the [TAFIE network](#)¹ and the [ReLAI network](#)² have collaborated to gather information on how innovation agencies across Europe and Latin America, respectively, have responded to the pandemic. Together, they have looked at the response measures put in place to address both the health and the economic impacts of COVID-19, as well as the new ways of working this has involved.

Given the fast moving global situation, this article is intended to be a snapshot of the picture in late 2020, rather than a comprehensive analysis of the impact of innovation agencies' responses to the pandemic. Nevertheless, it provides a valuable insight into emerging practices and lessons learned by these agencies over the last six months (illustrated by case studies from individual innovation agencies).

¹ TAFIE is a network of European innovation agencies, originally established to promote collaboration in the field of the implementation of national technology programmes.

² The Red Latinoamericana de Agencias de Innovación (ReLAI) is a network of innovation agencies across Latin America and the Caribbean, established as a collective action space to exchange best practices and knowledge on subjects such as innovation promotion and entrepreneurship across the region. It has been financed and supported by the Inter-American Development Bank (IDB).

2. Research approach

The findings presented in this paper are drawn from two surveys administered in 2020. Each survey contained a mix of multiple choice and open-ended questions, designed to gather both quantitative and qualitative data. They included a core set of questions that were the same for both TAFTIE and ReLAI agencies, to enable comparability.

The first survey (carried out in March/April)³ captured information on three main types of response measures implemented by innovation agencies in response to the pandemic:

- Innovation stimulus measures designed to respond to the health and other direct impacts of COVID-19
- Short-term economic measures designed to help businesses and others respond to the immediate impacts of the crisis
- Measures designed to promote long-term economic recovery from the crisis

The first survey also asked agencies to assess emerging insights and lessons from these responses, and to reflect on how networks like TAFTIE and ReLAI could support information collection and sharing on an ongoing basis.

The second survey (carried out in August/September)⁴ asked follow up questions about observed impacts from measures that had been implemented, and about additional lessons learned. Respondents to the second survey were encouraged to share relevant case studies from the experience of their agencies.

In the case of TAFTIE members that had not responded to the first survey, the second survey also asked for some details about the measures they had implemented to respond to the pandemic. However, the second survey did not gather the same level of detail that had been asked of respondents to the first survey so the results are not integrated in Charts 1 and 3 below.

A full list of participating agencies for both surveys is included in an Appendix to this piece.

³ Responses were received from 19/31 (61%) TAFTIE agencies and 12/12 (100%) ReLAI agencies

⁴ Responses were received from 26/32 (81%) TAFTIE agencies and 12/12 (100%) ReLAI agencies. NB. A new agency became a member of TAFTIE in June 2020, explaining the difference in total agency numbers between the first and second surveys. ReLAI now has 13 agencies with a new member agency that has joined in October 2020.

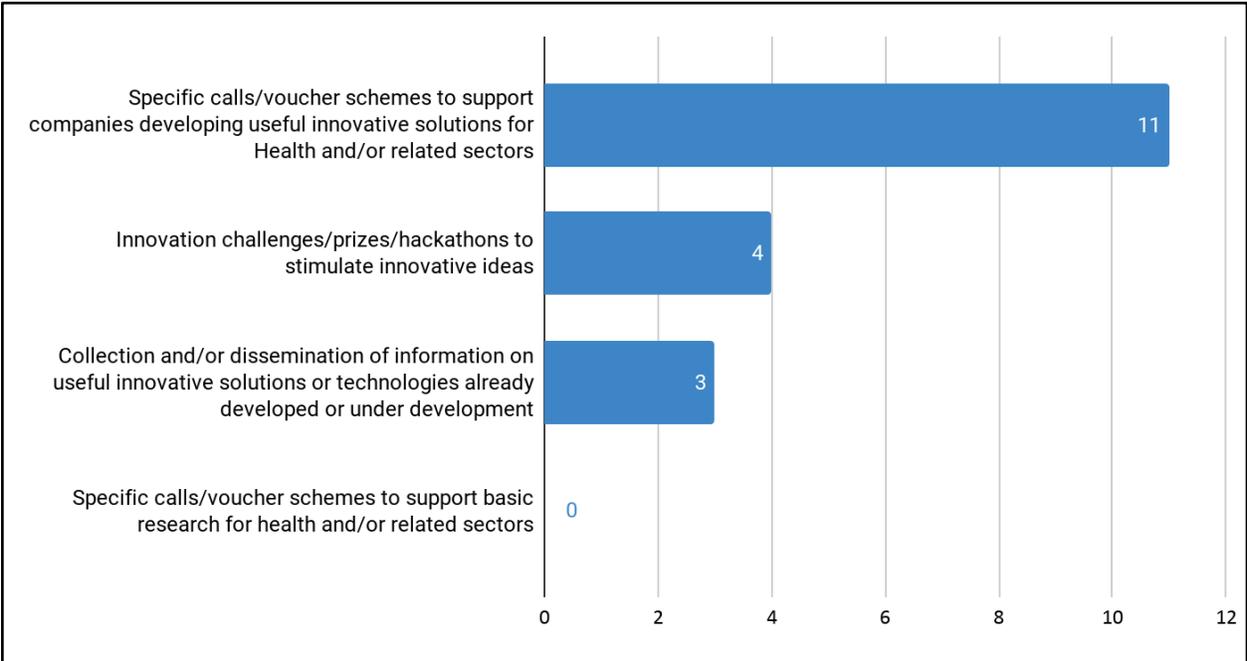
3. Supporting the recovery

Innovation stimulus measures

From the data captured across both surveys, it appears that the majority of agencies surveyed by TAFTIE and ReLAI have launched specific calls or collaborations to look for innovative solutions to some of the public health and other direct impacts of the pandemic. For example, [Innovate UK partnered with Formula 1, Catapult Centres and businesses](#) to rapidly produce ventilators and coordinate health-related innovation activities in the UK. In Peru, CONCYTEC financed the development and production of low-cost emergency ventilators to address the shortage in intensive care units. These ventilators, developed in collaboration with Digital Automation & Control, a Peruvian firm, and Pontifical Catholic University of Peru, received exceptional and accelerated authorization from the Ministry of Health for its production and use.

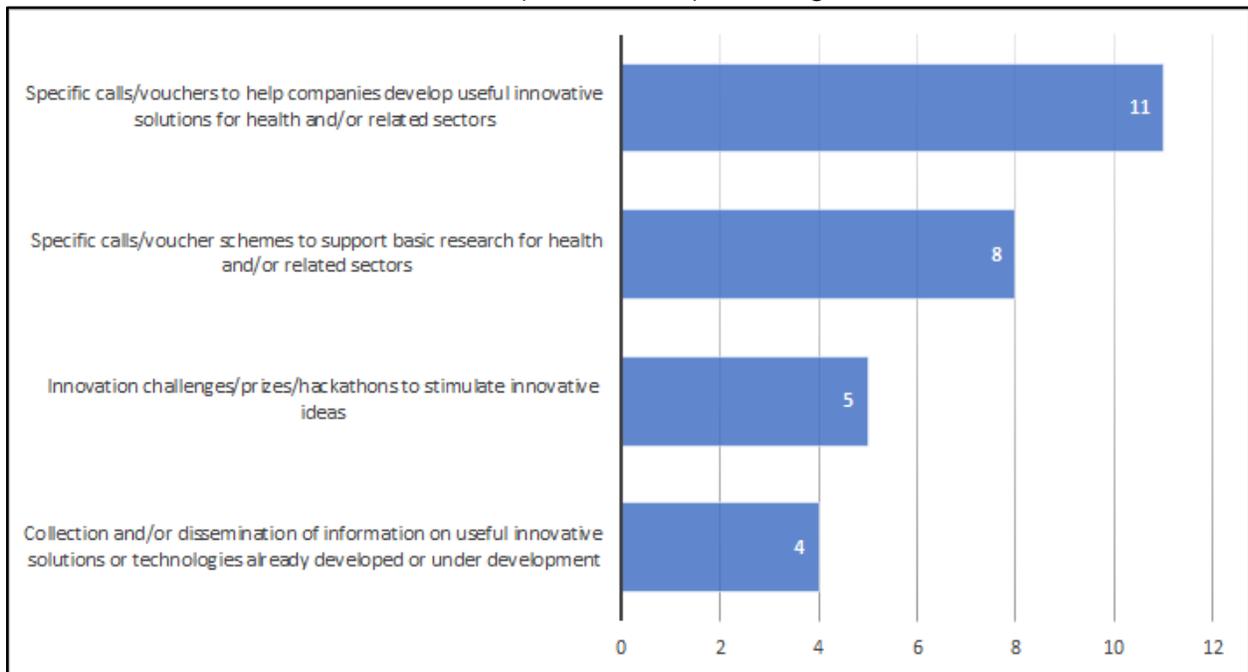
Comparative data suggests that agencies from both Europe and Latin America were both prioritising the launch of specific calls to support companies developing useful and innovative solutions to the health crisis. Charts 1 and 2 below show the most common forms of innovation stimulus measures implemented by agencies from across each network.

Chart 1: Innovation stimulus measures implemented by respondent TAFTIE agencies



Note: This chart shows data collected in March/April 2020 from 19/31 TAFTIE agencies. It indicates the number of agencies reporting having implemented these specific types of measures.

Chart 2: Innovation stimulus measures implemented by ReLAI agencies



Note: This chart shows data collected in March/April 2020 from 12/12 ReLAI agencies. It indicates the number of agencies reporting having implemented these specific types of measures.

Short-term economic response measures

The most common measures that innovation agencies introduced to support businesses and innovators in terms of rapid economic support were quicker funding and payment rules, and increased flexibility of grants and other financial support instruments. Many have also created financial incentives to support innovative companies in their day-to-day operations.

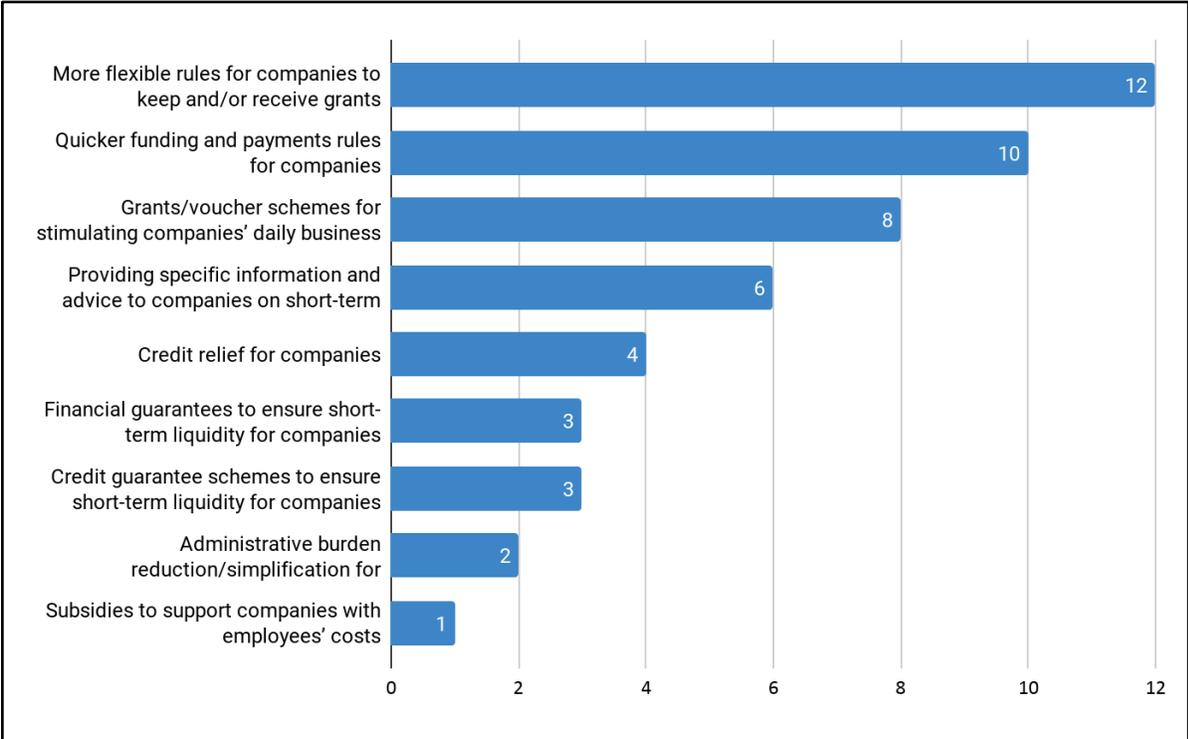
For example, in an effort to prevent the slowdown of innovation in Spain early in the pandemic, CDTI was quick to implement a series of measures to protect employment in research and innovation (R&I) focused businesses, including exemptions of guarantees for different sized companies, repayment flexibility plans and extra support for SMEs to receive venture capital (VC) support.

In Croatia, one of the measures introduced by HAMAG-BICRO was a COVID-19 working capital loan, which had a low interest rate, a higher than normal amount of available capital, and a longer than typical repayment period. In four weeks of April 2020, HAMAG-BICRO received almost four times as many applications as in the whole previous year, indicating the boost that this measure gave to economic recovery at a time when commercial financial institutions had not yet started to provide any support.

In Brazil, the FINEP launched an emergency credit negotiation program for companies that have received financing for development and innovation projects and had difficulties of payment due to the pandemic. The measure provides for special renegotiation conditions including temporary suspension for a period of up to six months, of payment of interest and principal of loans, known as Stand Still.

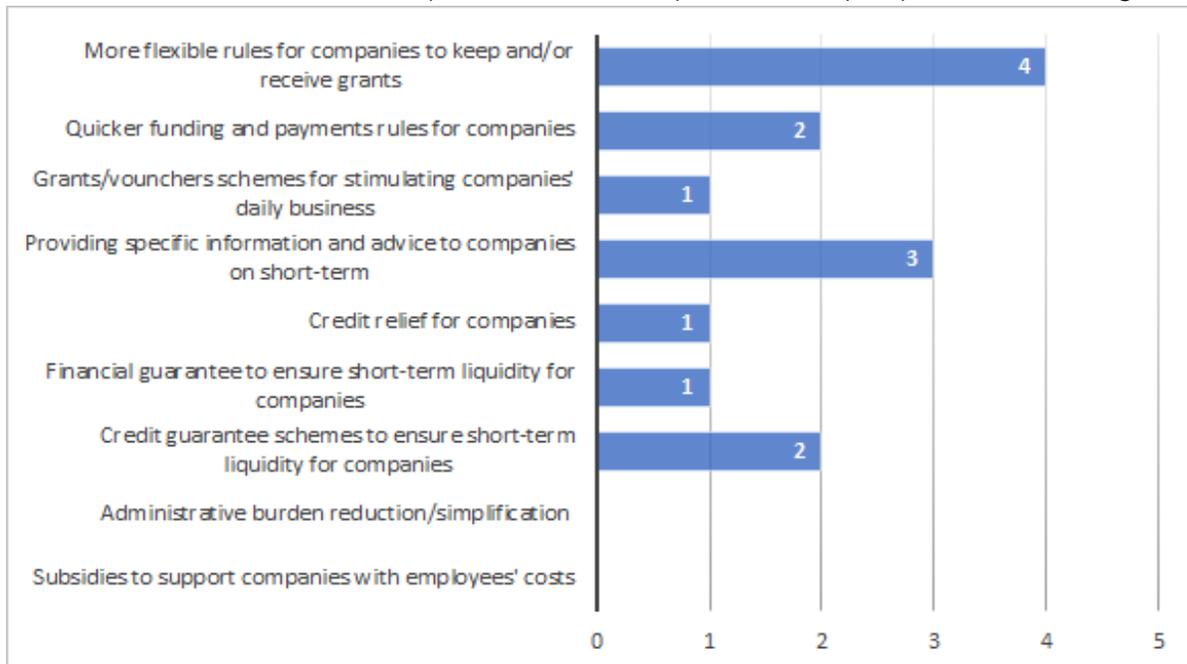
Charts 3 and 4 below show the comparative approach of TAFTIE and ReLAI innovation agencies with respect to short-term economic response measures. They suggest that that early in the pandemic, more European agencies were focused on increasing the speed and flexibility of funding systems

Chart 3: Short-term economic response measures implemented by respondent TAFTIE agencies



Note: This chart shows data collected in March/April 2020 from 19/31 TAFTIE agencies. It indicates the number of agencies reporting having implemented these specific types of measures.

Chart 4: Short-term economic response measures implemented by respondent ReLAI agencies



Note: This chart shows data collected in March/April 2020 from 12/12 ReLAI agencies. It indicates the number of agencies reporting having implemented these specific types of measures.

Some of the short-term response measures implemented by have already come to an end - just over a third of TAFTIE members and half of ReLAI members report that initial programmes to respond to the crisis have already concluded - either because all of the funding has been allocated, or because temporary programmes have been replaced with other forms of support.

In addition to the agencies' own measures, many have also played a supporting role in instruments designed at the government level or by other institutions to support the mitigation of the COVID-19 crisis. Just under half of respondent TAFTIE agencies and just over half of ReLAI agencies were collaborating in this way, in the survey data we collected in April. Most common support roles were collecting and disseminating information on useful innovative solutions or technologies, implementing specific calls using their expertise, and linking companies to ministries, research councils and other support providers.

Long-term economic recovery measures

At the time of the first survey in March/April of 2020, few surveyed agencies had started thinking about sustainable economic recovery from the pandemic. Around a third of respondent TAFTIE agencies and a quarter of ReLAI agencies reported having programmes in planning or implementation stages for this, with the most common approach being the development of economic stimulus packages.

However, as 2020 has progressed, innovation agencies and their partners have started turning their attention to longer-term economic recovery measures, in addition to the innovation stimulus and short-term economic response measures that characterised the early months of the pandemic. The second survey in August/September picked up some case studies of this.

For example, the Netherlands Enterprise Agency (RVO) has implemented several economic stimulus packages to support economic recovery and international trade, and is working with other government ministries to support activities that will enhance innovation and long-term growth, such as retraining workers and digitalising the economy. And in Dominican Republic, the Ministry of Industry, Commerce and MSMEs (MICM) is redesigning its Digital Productive Supply Chain Program to support the MSMEs and entrepreneurs affected by the pandemic to incorporate digital tools to help their entry in the production chain.

4. New ways of working

COVID-19 has created many new challenges (and some opportunities) across most sectors and industries. This has required many of the agencies supporting business innovation to adapt the way they work, and become more agile in their approach. In both Europe and Latin America, the pandemic has accelerated the digitalisation of the operation of many innovation agencies. Proposal submissions that previously required paper documents and signatures transitioned to paperless systems requiring digital signatures.

Box 1: Insights from Uruguay on providing rapid responses to COVID-19

The National Research and Innovation Agency of Uruguay (ANII) responded very proactively and rapidly to the COVID-19 pandemic. ANII has launched several calls for proposals related to COVID-19: 1) development and production of test kits; 2) creating audiovisual entertainment contents to provide entertainment contents to households in quarantine; 3) design and production of ventilators; 4) development of technological and innovative solutions to address issues related to COVID-19; and 5) development and production of antibody test for COVID-19. A total of 187 proposals were received, among which 33 projects have been selected, amounting to a total of 35,863,467 Uruguayan pesos, equivalent to approximately US\$839,000, including the counterpart funding from the beneficiaries.

Within five days of the first confirmed case of COVID-19 in Uruguay, ANII launched the first call for proposal co-financed by the ANII and the Inter-American Development Bank (IDB) to locally develop and produce 10,000 COVID-19 diagnostic kits. This was based on the scarcity and high prices of the test kits. Through university-industry collaboration, the kit was made available for use by May 2020 as well as technology transfer to various health institutions with the capacity to conduct the tests.

The calls were not only launched at extraordinary speed but also evaluated in a record time of eight days, demonstrating high level of agility of ANII. The calls were designed together with partner public institutions, non-profit organizations, ministries in the public sector and international organisation. Furthermore, the proposals were jointly submitted by the academia and productive sector within an average of nine days, illustrating a high level of collaboration among the actors in the innovation ecosystem to respond to the challenges.

Many innovation agencies have had to restructure their internal operations to meet new demands. For example, Business Finland received nearly two years worth of additional funding to allocate to new projects within the space of five months. In order to do this, Business Finland staff who usually work on export and travel promotion activities were temporarily redeployed to help manage this new funding round. There

were some challenges with this approach, since it was difficult to provide rapid training to everyone who needed it, but it prevented the need for additional recruitment in the early stages of the crisis, and meant that the new funding programme was able to get up and going quickly.

Many of the agencies surveyed for this research have reported successes in adapting to new ways of working. Some observed that the nature of the crisis meant that there has been greater appetite for risk-taking and that funding decisions were being made more quickly, although as the Portuguese case study in Box 2 below shows, some barriers to new ways of doing things still remain.

Box 2: Insights from Portugal on implementing short term mitigation measures

In April 2020, the Portuguese innovation agency, ANI, launched a €15 million call for collaborative R&D projects aiming at new and quick solutions (with a 6 month maximum duration of the project) to mitigate the COVID-19 crisis. This special call was a test bed for the deployment of simpler application rules, implementation of more flexible and quicker funding and payment rules, and a fast-track evaluation process. The call had a very short period for application (a maximum of 15 days, but proposals were immediately evaluated as they arrived on a first come, first served while budget was available), required only a short proposal (a five page limit) and an expedited process for evaluating and making grants (with two weeks allowed for a go/no go result).

ANI's experience demonstrated that quicker evaluation and funding decisions for R&D projects are possible, by further simplifying the administrative burden of calls. The need for such simplification and risk-sharing with project applicants has proved important for the liquidity of companies in times of crisis.

Nevertheless, some barriers were experienced during the process. Although a set of drastic simplification rules have been implemented, a pre-existing risk-averse work culture made it challenging for ANI staff, external evaluators and applicants themselves to adapt to the new processes. The novelty of the simplification measures, together with the urgency of implementing them and the large influx of applications resulted in some of the ambitious deadlines set for the evaluation of the applications not being met. For example, 95% of the proposals were submitted on the very last day, creating a bottleneck for the evaluation process.

Applicants for funding also found it difficult to be concise, focus on key information and meet the 5 page proposal requirement. Several were unable to describe just the essential idea and outputs of the project and insisted on the traditionally required description of every step and detail, justify every cost; something that was precisely the opposite of the intended simplification procedures.

5. Lessons learned

It is still too early to provide a detailed assessment of the impact of these new measures and ways of working. Just over a third of TAFTIE agencies and half of ReLAI agencies that responded to the August/September survey reported that they are currently evaluating the impact of COVID-19 response measures. Of those that are, only a few are actively developing new evaluation metrics and measures - the majority are applying existing evaluation approaches.

However, qualitative responses to both surveys highlight a number of insights and emerging lessons from the experience of responding to COVID-19 over the course of 2020:

- **Balancing quantity and quality of funding is an ongoing challenge.** The release of funding for short-term innovation stimulus measures has helped to increase capacity to produce essential medical products and equipment, such as personal protective equipment (PPE), ventilators, face masks and hand sanitiser. However, it has been less conducive to stimulating entirely new innovations and effective collaborations between companies and researchers, who are accustomed to working on different timescales. It was also noted by some agencies that managing calls with extremely short timeframes does not always lead to strong proposals, or thorough assessment of these proposals.
- **The pandemic has intensified the need to provide responsive, tailored support.** There has been a high level of interest in calls and an increased number of proposals in many countries, particularly from SMEs and startups. Innovation agencies surveyed in this research report success in reaching target companies and sectors, but acknowledged that those who are more experienced in getting funding already have tended to benefit more than new entrants. For some innovation agencies, the COVID-19 crisis has accelerated their efforts to provide more [innovator-centric support](#) - tailored measures designed for the needs of different types of businesses, rather than one-size-fits-all support packages. For example, Innovate UK observed that having advisers on the ground to quickly and flexibly respond to the needs of business has been important in helping many companies survive and to help them focus on what was most urgent at a time of uncertainty, to get the companies as quickly as possible focused back on growth.
- **The pandemic has prompted innovation within internal ways of working.** New funding rules and processes have been developed as a response to COVID-19

that will be preserved beyond the crisis. For example, some agencies reported that the shift to teleworking has led staff to develop good protocols for evaluating and selecting proposals, and new skills in facilitating interaction and collaboration online. It is envisaged that many of these practices (or hybrid online-in person modes of working) will be maintained. This shift has helped many agencies to identify programme gaps and changes needed in the way they engage with their clients.

- **Innovation agencies have played an important cross-ecosystem connecting role.** In responding to the urgent needs posed by the COVID-19 crisis, inter-institutional coordination involving the health authorities became important to identify specific challenges faced and to provide a coordinated public health response. Furthermore, participation of the regulatory bodies also became important to implement the innovative solutions developed from the calls. The role of innovation agencies as a matchmaker to bridge the pandemic challenges to solutions was considered vital to provide rapid responses. For example, in Argentina, the main organizations related to science technology and innovation, such as the Agencia I+D+i, the National Council for Scientific and Technical Research (CONICET) and the Ministry of Science, Technology and Innovation created a working group, the COVID-19 Unit, to work in coordination with the Ministry of Health and other relevant ministries in emergency actions to address the pandemic. The Unit has selected specific STI initiatives and supported them in coordination. The Agencia I+D+i has supported these initiatives through identification of the actors such as companies and research groups with relevant track record of activities, share information about the initiatives, and carry out the responsibility of reception, evaluation, monitoring and financing of the projects. These complex inter-institutional initiatives spread across boundaries and require expertise from each institution for strategic planning, coherence, and coordination.
- **The pandemic has reinforced the need for more real time collection and analysis of data.** New data and evaluation mechanisms are being developed to rapidly understand the impact of the new measures that have been put in place to support business growth and innovation through the pandemic, at a cross-government level. For example, the Norwegian Ministry of Trade and Industry has commissioned Innovation Norway to expand its reporting to include regularly updated data on how the measures affect the business community. With the assistance of Economics Norway, Innovation Norway has also obtained information on schemes other than its own to get a more complete picture of the use of measures across the economy. The Register is called "The Bank of Statistics" and contains statistics on allocations per week. In addition, the

redundancy and reimbursement scheme through NAV (the Norwegian Labour and Welfare Administration) is included. The Register is updated every 14 days and contains data from the first week of 2020.

6. Concluding observations

The survey data that formed the basis of this report gives a snapshot of a moment in time, relatively early in the COVID-19 pandemic. It demonstrates the ability of innovation agencies [to be as innovative as those they support](#) - the crisis has prompted experimentation with new ways of working and providing support to innovative businesses and others. It also reveals some of the common challenges being experienced by these agencies, including having to manage larger budgets than normal and to execute projects and calls at a much accelerated pace.

There is much that agencies around the world can learn from each other in terms of how to respond to these challenges and develop more effective ways of working. Further and more regular sharing of data and lessons - both formally and informally - would be a valuable next step for both TAFTIE and ReLAI.

Appendix: Survey respondents

TAFIE network	
March/April 2020	August/September 2020
ANI (Portugal)	ANI (Portugal)
Bpifrance	Bpifrance
CDTI (Spain)	Business Finland
Enterprise Estonia	CDTI (Spain)
Enterprise Ireland	Enterprise Estonia
FFG (Austria)	Enterprise Ireland
HAMAG-BICRO (Croatia)	FFG (Austria)
Innosuisse (Switzerland)	HAMAG-BICRO (Croatia)
Innovate UK	Innosuisse (Switzerland)
Innovation Fund Serbia	Innovate UK
Innovation Norway	Innovation Fund Serbia
Luxinnovation (Luxembourg)	Innovation Norway
MITA (Lithuania)	Innoviris (Brussels, Belgium)
PtJ (Germany)	Invitalia (Italy)
SIEA (Slovakia)	Luxinnovation (Luxembourg)
SPIRIT Slovenia	National Research, Development and Innovation Office (Hungary)
TA CR (Czech Republic)	PtJ (Germany)
Vinnova (Sweden)	Research Council Norway
VLAIO (Flanders, Belgium)	RVO Netherlands Enterprise Agency
	SIEA (Slovakia)
	SPIRIT Slovenia
	TA CR (Czech Republic)
	TTGV (Turkey)
	VDI/VDE Innovation + Technik GmbH (Germany)
	Vinnova (Sweden)
	VLAIO (Flanders, Belgium)

ReLAI network	
March/April 2020	August/September 2020
Agencia I+D+i (Argentina)	Agencia I+D+i (Argentina)
Agencia Cordoba Innovar y Emprender (Argentina)	Agencia Cordoba Innovar y Emprender (Argentina)
FINEP (Brazil)	FINEP (Brazil)
iNNpalsa (Colombia)	iNNpalsa (Colombia)
CONICIT (Costa Rica)	CONICIT (Costa Rica)
Ministry of Industry, Commerce and MSMEs, MICM (Dominican Republic)	Ministry of Industry, Commerce and MSMEs, MICM (Dominican Republic)
IHCIETI (Honduras)	IHCIETI (Honduras)
SENACYT (Panama)	SENACYT (Panama)
CONACYT (Paraguay)	CONACYT (Paraguay)
Innovate Perú	Innovate Perú
CONCYTEC (Peru)	CONCYTEC (Peru)
ANII (Uruguay)	ANII (Uruguay)