



Institutional design for innovation

David Bullón

Director of Innovation

Ministry of Science, Technology and Telecommunications

Outline

1

The government - a coin with two sides



2

Costa Rican government - a two legged stool



3

Costa Rican – Korean institutional fusion cuisine





1

HOW IS GOVERNMENT DEALING WITH ITS NECESSARY WEAKNESSES?

By definition the government has strengths and necessary weaknesses



Strengths

Breadth of expertise:
Systemic view

Relationships with all
relevant stakeholders

Source of legitimacy

Can offer subsidized
funding or grants

Requirements given public funding in Costa Rica

Understand all
stakeholders

Must listen to and
support all citizens

Strict rules to
ensure ethical use
of public funds

Funding from
taxpayers who do
not expect a
financial return



Necessary Weaknesses

Little depth of expertise:
No time to understand details

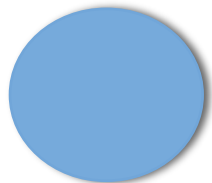
Not enough time to
collaborate deeply

Very risk averse

Slow execution due to
mechanisms to protect

Institutional design should facilitate collaboration with intermediaries to remedy necessary weaknesses

Government



ROLE

Macro view: Expert in policy
Deep relationships with intermediaries
Superficial with innovators
Slow pace / risk averse

Supporting stakeholders (intermediaries)

Incubators / accelerators



Research Centers



Financiers



Supporting NGOs



Consultants



Educational institutions



Networking orgs



Other service providers



Meso view: Expert in area of support
Deep Relationships with government and specific group of innovators
Medium pace / risk taker

Innovators

Artists and designers



Scientists and technologists



Businesses
Entrepreneurs



Young people in formation



Micro view: Expert in 1 business
Deep relationship with various intermediaries
Superficial with government
Fast pace / extreme risk taker

Innovation policy currently does not take these necessary weaknesses into account

Policy Instruments

Innovators 

Supporting stakeholders 

Motivation

Rules

EXCESSIVE / OUTDATED

OUTDATED / EXCLUDES

Economic Incentives

-Grants for researchers, entrepreneurs and SMEs
-Loans, guarantees and fiscal incentives for SMEs

MISSING

Knowledge

Information

Websites, campaigns, etc.

MISSING

Capacity building

Training and consulting support for SMEs

MISSING

Connections

Networks

Meetups and virtual tools

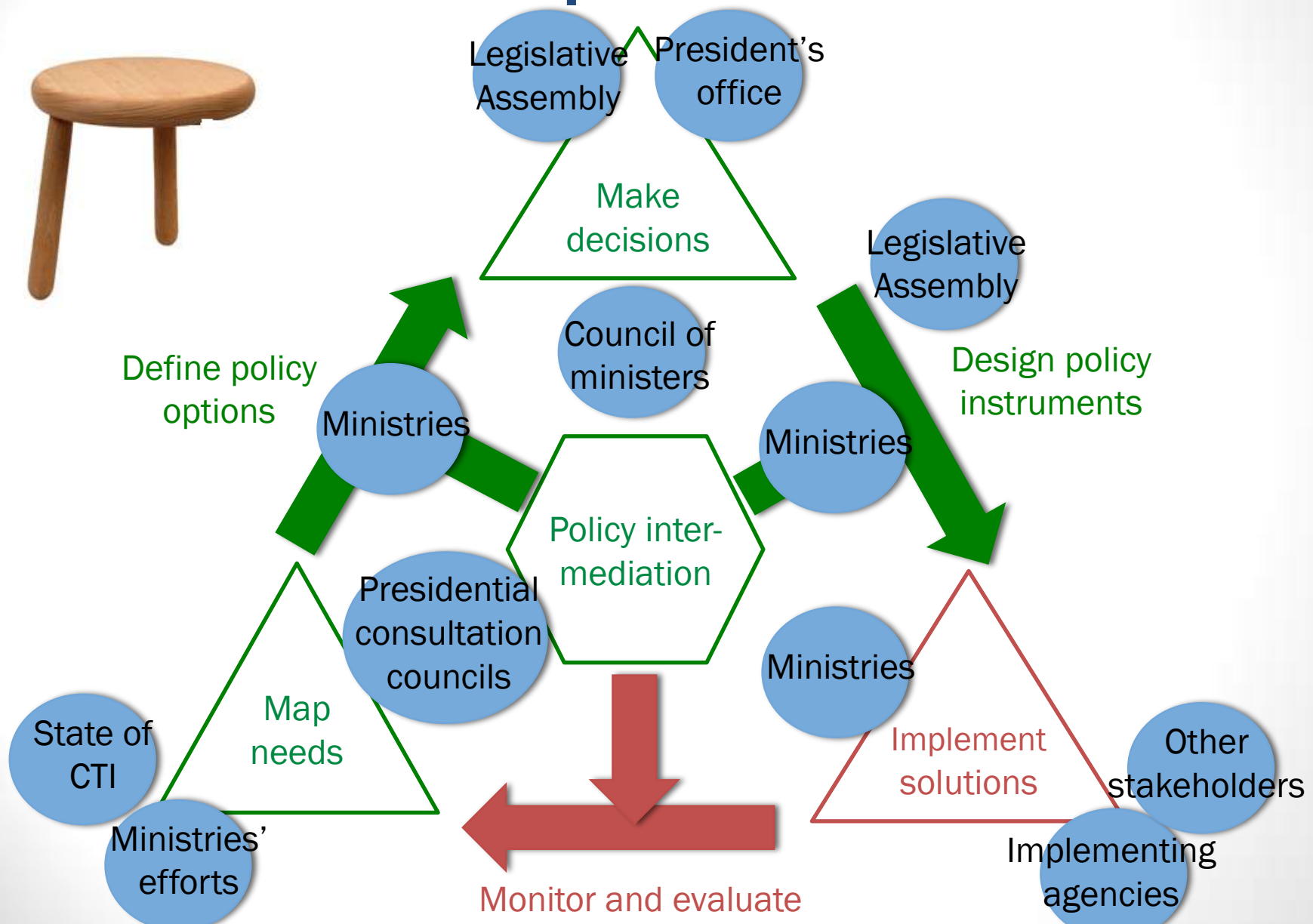
MISSING



2

**WHAT ARE THE MAIN UNNECESSARY
WEAKNESSES IN INSTITUTIONAL DESIGN
FOR INNOVATION**

Innovation policy cycle has unnecessary weaknesses in implementation and M&E



Unnecessary subdivisions, autonomy and inflexibility

Implementation by those that define policies

Inadequate funding and structure for implementing at scale

(Dirección de

(Dirección

(Dirección de

Insufficient coordination between ministries in implementation

Insufficient coordination between ministries and implementing agencies

Implementation by existing agencies

Funding subdivided and inflexible organizational structures

CONICIT
(PROFITIME)

PRONAMIDE

Comisión Nacional
de Producción

BD (15% INA
Banca Intercontinental)

Banco de
(FODEMITIME)

Cooperación
Internacional

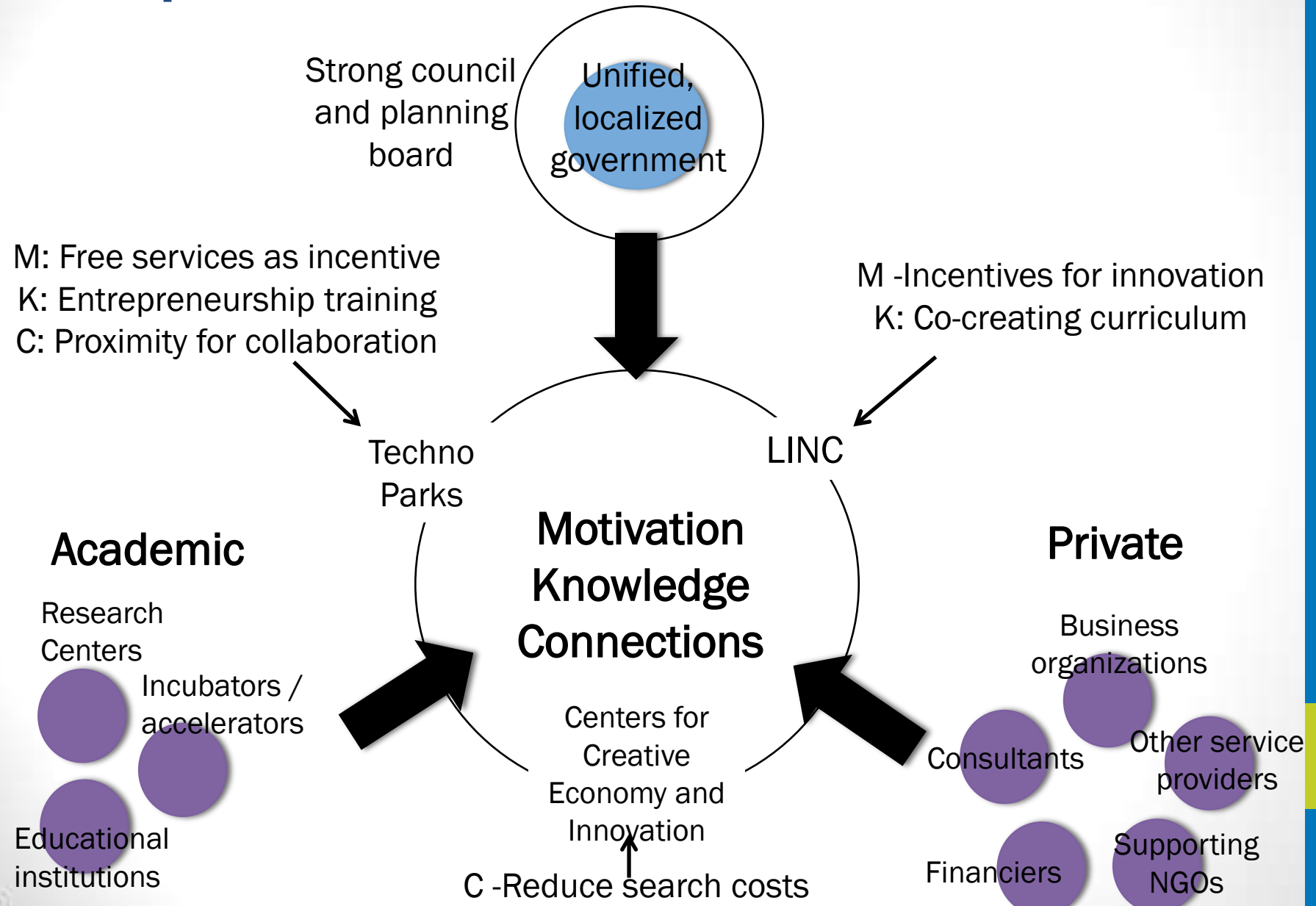
Insufficient coordination between implementing agencies



3

APPLICATION OF KOREAN EXPERIENCE IN COSTA RICAN CONTEXT

Korean secret = unified localized government + expert advice + PPPs with intermediaries



Policy recommendations must consider contextual challenges

Korean best practice

Expert advice

Unified, localized implementation

PPPs through intermediaries

Costa Rican challenges

Strong democratic background favors political voices over expert voices

History of autonomy and weak support of government at local level

Perception of unethical nature of PPPs and excessive control on use of public funds



Council with stronger technical secretariat

New innovation agency:
1-Integrative governance
2-Local presence
3-public –private legal status (hybrid)

Strengthen Presidential Council for Innovation and Human Talent

RESPONSIBILITIES THAT THE COUNCIL COULD ADOPT

- Resolving government failures (case-by-case) that limit PPPs
- Coordination of government to support priority sectors
- Utilization of data from M&E to inform consultation process

BUILD A STRONG TECHNICAL SECRETARIAT

- Technical secretary and team of 3 project managers
- Inter-ministerial task force with technical staff
- Close collaboration with staff from implementation agency

A unifying, localized implementation agency that works through PPPs

Agency for Innovation and Productive Development

Staff
around the
country

Facilitate
local
planning

One stop
Shop of
programs

Integrated
governance
(Pub, Priv,
Ac)

Private HR
regime

Hybrid
supervision
of funds

Work with
intermediar
ies

Catalizer of
PPPs

Evaluation
and transp.

Local presence

Public – private
status

Effective strategy
and Evaluation



Institutional design for innovation

David Bullón

Director of Innovation

Ministry of Science, Technology and Telecommunications