



Support for digital innovation hubs in Bosnia and Herzegovina: A bridge between innovation and business

EU4DigitalSME project, which is jointly financed by the European Union and the Federal Ministry for Economic Cooperation and Development of the Federal Republic of Germany (BMZ) focuses on establishing and supporting the development of digital innovation hubs (DIH) in Bosnia and Herzegovina. Project is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

Establishing and supporting the development of DIH services is one of the key activities of the EU4DigitalSME project, all with the aim of contributing to the construction of an ecosystem for digitalization, automation and innovation in small and medium-sized enterprises (SMEs) in Bosnia and Herzegovina.

“SMEs are a key driver behind economic growth and development, and support for digitalisation will help businesses to be more competitive in local and international markets. The EU’s current IPA assistance to support the green and digital transition amounts to some €50 million, and target SMEs.

SMEs need to make full use of innovative technologies, skills, and services, not only to grow on a more sustainable basis, but also to survive in the economy of the future”, says Stefano Ellero, Head of Cooperation at the European union Delegation to BiH.

The supported DIHs will provide a modern platform for supporting small and medium-sized enterprises in improving business processes, but also their structure and end product. With a wide range of services for SMEs in the form of applied and specific digital solutions, DIHs will become a bridge between digital innovations and the business sector.

The selected DIHs that function as partnerships under the leadership of one of the institutions are: *LabHUB* - Sarajevo under the leadership of the Sarajevo School of Science and Technology (SSST), *IDEMO HUB* - Banja Luka under the leadership of the Innovation Center Banja Luka, *Digital Storm HUB* - Sarajevo under the leadership of the company QSS doo and *Industrial HUB* - Tuzla under the leadership of Industrial Automation doo.

The consortium consisting of the Sarajevo School of Science and Technology (SSST), the Institute of Metrology of BiH (IMBIH), the Institute for Standardization of BiH (ISBIH) and the Bosnia and Herzegovina Medical and Biological Engineering Society (DMBIUBIH) with the "LabHub" initiative is one of four future HUB, which, as part of the development program, will aim to bring Bosnia and Herzegovina closer to EU standards of competitiveness and successful business. In this way, SSST becomes part of the global initiative for digitalization of economic processes.

For Bosnia and Herzegovina, it is of fundamental importance to build innovation capacity as the only way to overcome the middle-income trap, according to prof. Ph.D. Vjekoslav Domljan, rector of SSST.



"The loss of labour force and the reduction of the population, i.e. customers, can only be overcome by increasing productivity and exporting. SSST is among the few in BiH who have realized this and who, with the help of the European Union and the Federal Ministry for Economic Cooperation and Development of the Federal Republic of Germany (BMZ) , and through GIZ, strive to expand this oasis to as large a part of BiH as possible by supporting and establishing innovation labs, increasing the number of startups and attracting venture capital," said Domljan.

IDEMO HUB, whose consortium includes the Innovation Center Banja Luka (ICBL), the Development Agency of the Republic of Srpska (RARS), the Enterprise Development Agency Eda, the Chamber of Commerce of the Republic of Srpska, and the Faculty of Electrical Engineering - University of Banja Luka, was founded with the aim of supporting small and medium-sized enterprises from the field of metalworking and woodworking, as well as the IT sector. The establishment of this DIH will open opportunities for testing business ideas before investing, acquiring new knowledge and skills, networking all stakeholders from the RS with the economy and DIHs throughout the European Union, as well as increasing access to investments.

Drago Gverić, director of the Innovation Center Banja Luka, believes that the local innovation ecosystem is characterized by a "weak" digital/innovative orientation of the export-oriented SME sector, as well as an evident lack of cooperation with the IT sector as a provider of services and meso institutions that provide support for innovations, growth and development of the economic sector.

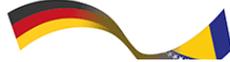
"DIH IDEMO intends to gather all relevant participants in order to create a digital innovation ecosystem with a special focus on the wood and metal industry sectors. DIH's mission is to provide services in the following areas: testing before investing, improving skills and knowledge, connecting with potential investors and opening a regional perspective through networking with other EU digital innovation hubs," says Gverić.

Together with the "FabLab" Association, QSS d.o.o. from Sarajevo initiated the Digital Storm HUB, which through the EU4DigitalSME project will receive support to create and encourage an ecosystem of digital innovations, and stimulate investments of small and medium-sized enterprises in digitalization in order to increase their market agility and competitiveness.

Digital Storm HUB represents the continuation of the successful cooperation between FabLab and QSS, which started back in 2015 with work on digitization projects in the field of Cloud, data security and intellectual property protection, emphasizes Isan Selimović, director of QSS d.o.o. Sarajevo.

"Our goal is for Digital Storm HUB to become a leading regional competence and service provider center for digital innovation and transformation of small and medium-sized enterprises. We look forward to being part of the EU4DigitalSME project and believe that our expertise and innovative services will be of great help to all companies that want to offer their solutions on the domestic or foreign market," said Selimović.

The Tuzla Industrial Automation d.o.o. with partners the Ministry of Economy of Tuzla Canton and the Strascheg Center for Entrepreneurship GmbH (SCE) from Munich form the DIH initiative "Industrial Hub", whose specialization is automation and robotics. The vision of "Industrial Hub" is to become the leading digital hub in the region that supports the growth of



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companies through the use of high-tech solutions, ensuring their competitiveness on the European market.

The idea of the consortium of the Tuzla Industrial Hub is to support local and regional companies in the processes of digital transformation in the field of modern technologies, especially in the processes of automation and industrial robotics, all through mentoring, education and the use of modern equipment, Sabina Lipovac, director of the Industrial Automation procurator, points out. d.o.o. Tuzla.

"We want to express our honor and satisfaction that we are part of such a large project and that we have been given the opportunity to turn an idea like the Industrial HUB into action. The establishment of DIH is a long-term and complex process, but we believe that with the support of the EU4DigitalSME team, the Industrial Hub will become a leading source of support for the growth of companies that will be competitive on the European market and sustainable in the long term," said Lipovac.

Eva Näher, program manager at Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH believes that in this way access to digital tools will be available to all small and medium-sized enterprises in Bosnia and Herzegovina.

"Digital innovation hubs play a key role in supporting businesses on their way to digitalization and the process of innovation, products and business models. Therefore, we are happy to support several initiatives in this sense in BiH to help advance these topics, and to increase the competitiveness of the economy in BiH," said Näher.

The value of the "EU4DigitalSME" project is 6.1 million euros, of which the European Union provided 5 million euros, and the Federal Republic of Germany 1.1 million euros. The project lasts until 2024 and is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

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