Working Seminar - MINUTES

IN-EUR - measuring INnovation in EURopean Subregions

9th October 2014

Tuscan Regional Government, Liaison office to the EU Institutions,
Rond Point Schuman 14. B (8th floor), 1040 Brussels

❖ **Welcome and Opening - *Fabio Boscaleri,*** *representative from Tuscany Regional Office in Brussels*

Fabio Boscaleri welcomes all participants and opens the event by stressing the importance of a model such as ALBI for orienting innovation policies at local level.

❖ **ALBI: a new tool for innovation policy making - *Monica Lazzaroni,*** *representative from Province of Lucca*

Monica Lazzaroni presents the IN-EUR project partenship and major results achieved: the ALBI model.

Starting from the definition of Innovation for the EU and the role played within the new European Strategy for economic growth 2020, the concept of multiply variables combination is then introduced. These variables are related to 4 main areas that have been explored within the IN-EUR project and are at the basis of the ALBI model: Industrial system, Education & research, Infrastructure & Framework conditions, Governance as interaction of public and private institutions.

The approach followed by the project is oriented towards Innovation Policy makers. In fact, the model allows public authorities to get useful information for answering key questions that can arise during the innovation policy making process, like:

- which are the potentials of a territory for attracting innovative enterprises and actors?

- how can the development of innovative production be supported?

- how to improve attractiveness, economic growth and competitiveness of a whole territory?

Moreover, another key feature of ALBI is the fact that the Model addresses public authorities especially belonging to NUTS 3 level territories, representing an interesting local dimension. Indicators for innovation are available at Regional, National or European level, but no standardised statistical references at NUTS 3 are available across Europe.

Nevertheless, local dynamics can contribute to develop innovation potentials in a territory.

NUTS 3 level systems represent the ideal place where enterprises growth, services and new urbanisations guarantee a balanced development which is sheared also with local communities at NUTS 4 level. It is the combination of dynamics within these systems that build up a regional strategy

The model takes into consideration different variables, giving the opportunity of an integrated overview made of different aspects that are usually discussed and developed separately. It introduces the idea that only the combination of social, spatial and economic dimensions of a territory is able to form an "innovative ecosystem", attractive and supportive enough for appearance and development of innovative enterprises. It helps to build a common understanding between public authorities, local community and creative actors.

Therefore**, ALBI may act as a background for decisions policy making**:

- o To recognise the potentials of the territory for developing active innovation policies and the obstacles to be overcome

- o To help building up a scenario

- o To raise awareness among local stakeholders

Innovation can be planned starting from a bottom – up approach; ALBI has been constructed on the same base.

Two participating tools have been experimented within the project:

a) **RDT – Regional Discussing Tables** composed by local stakeholders representing the 4 main variables. Within these tables participants were asked to give suggestions about the concept of the model and the selected indicators.

b) **Direction Boards of Local Innovation (DBLI)** whose function was to apply the ALBI methodology to three main testing areas in order to test its applicability and suitability, to identify any necessary modifications to the model and to identify specific necessities for the local context.

The 3 main testing areas were:

✓ Galati county (Romania);

✓ Province of Lucca (Italy);

✓ Roscommon County (Ireland).

❖ **ALBI Methodology for measuring Innovation in European Subregions** - *Massimiliano Guerini, Politecnico of Milano*

Massimiliano Guerini, as the main technical expert involved in the development of the ALBI model, provides an overview of the model development and the methodology used.

The starting point for the design of the ALBI model has been the identification of the key actors – e.g. the industrial system, universities and public research organisations, financial intermediaries – whose activities and interactions create, modify and diffuse new knowledge and innovation. The identification of these actors have led to the definition of four Areas of Investigation in which the ALBI model is structured (as explained by Monica Lazzazoni).

For each Area of Investigation, a number of indicators have been identified. For the selection of the indicators, project partners made a preliminary assessment on the sources for data collection, the expected costs and time of data production and the local stakeholders to be mobilised for research. All project partners checked which indicators were suitable for inclusion in the ALBI Model and also if the data was available. At the end of this preliminary assessment, partners agreed on the following main criteria for the selection of ALBI indicators: relevance of the indicators; comparability; novelty; time and costs of implementation; flexibility.

Project partners agreed to design a model consisting of two levels:

• ALBI Level 1: based on quantitative indicators with the aim of being comparable.

• ALBI Level 2: based on detailed information, resulting from a deeper level of analysis. In the process of collecting data, partners use existing datasets, surveys and interviews with key informants. Survey-based information is obtained through the submission of two questionnaires to the main local stakeholders ("Survey to firms" and "Survey to support centres").

To facilitate an efficient data collection process Guidelines for the application of the model were defined, containing detailed information on: available statistical sources of data, definitions (e.g. High-tech industries) to increase comparability, suggestions to effectively manage the survey process and to involve key informants, etc.

The model thus developed has then been TESTED in partners' territories in order to verify its applicability and suitability. The main steps of the testing phase were:

o Preliminary pilot tests

o   Data collection

o   SWOT analysis for each region of the testing areas

o   Identification of good practices for the implementation of the ALBI model

The testing phase allowed to show what conclusions may be drawn from the implementation of the ALBI model, in the form of a SWOT analysis and identification of good practices.

Moreover, <u>one main lesson for Future implementation</u> could be drawn: measurement of local innovation performance should be applied on a regular basis:

o   *Before* implementing a given innovation policy, to evaluate the status quo of a territory

o   *After* policy itself, to evaluate its impact

o   *With* Involvement of local actors

❖ **Round Table - Evaluating the impact of innovation policies and programmes**

•   **Philippe Vanrie**, *CEO of EBN (European Business & Innovation Centre Network), moderator of the round table*, introduces the session by highlighting the main aspects of interest for him regarding the model and the project in general. He says to be very impressed by the work done within the 3 years of cooperation and considers the results achieved very useful also for the Smart Specialisation Strategy.

The model appears a useful tool also for gaining a better understanding of the economic ecosystem and its operation. Moreover, the partnership has developed a comprehensive and operational approach, also able to provide support to action for decision makers.

Another remarkable feature of the model is the fact that it is a local based initiative: thanks to the intensive work carried by project partners, the model has been built on the basis of inputs, comments and involvement of local actors and stakeholders in different partners' areas, thus really being a tool springing from shared needs.

•   **Olivier Brunet**, *Policy Officer - DG Research & Innovation*, congratulates the partnership for having managed an Interreg IVC project with such a variety of partners and for putting at the centre of the attention the EU sub-regions Measurement.

He opens up the debate for reflections upon project sustainability after its closure, as it would be very interesting to see follow up activities involving the usage of the model as well as bridging it with Policy Makers in charge of promotion of innovation.

Another open issue for many European Commission DGs remains the question of how to measure the impact of Regional Policy, and ALBI could help to draw the attention on this aspect, as well.

- **Ivano Magazzù**, *Project Development and Knowledge Management Officer - INTERACT*, expresses his pleasure with IN-EUR and its outcomes: the project has been able to develop a model coming from the EU territory using European Territorial Cooperation (ETC).

He stresses two main points particularly:

a) the importance of spreading ALBI methodology in future capitalisation and benchmarking initiatives represents a starting point for mainstreaming this result in other ETC/Interreg programmes and in order to get continuous feedbacks on how to improve policies at local level.

b) at the same time, the project allows to cast a light on the well-known problem of lacking of data at sub-regional level, which also affects ETC. Benefits from the widespread application of the model would surely be exploited by ETC and programming authority, in order to better address priorities and resources.

- **Adriana Vaida**, *South East Regional Development Agency – Romania (Lead Partner)* and **James Donlon**, *WESTBIC – Ireland (Project partner)*, provide direct experience of the model development and application at local level.

Adriana Vaida confirms that action for project sustainability after its closure are already ongoing, as local activities are passing from the testing phase to the real implementation, with great results already achieved, proven also by the interest raised from other regions outside the consortium willing to apply ALBI at their local level, such as Constanța county in Romania. Moreover, results of the project have been collected in a detailed report, with other documents containing also proposals for actions based on local stakeholders' feedback.

Some important lessons can be learnt from the IN-EUR experience, such as the need for talking about innovation and involve the territory in an open debate, as the term and concept of "innovation" is often misunderstood or unknown, while actions from the industrial and agricultural systems, for example, do reflect a real application when they innovate for the market and the profit. Also, some improvements in the model itself can still be applied (i.e. the questionnaire for survey is a bit too long).

However, the model represents a good process for local government with high potential for mainstreaming, innovation events and application at the level of Smart Specialisation Strategy.

James Donlon stresses out the initial difficulties faced with local actors, considering the project non relevant for them; however, step by step and thanks to the hard work

carried out by the partner at local level together with Roscommon County Council, local stakeholders have gained more knowledge on the theme and got a better understanding of the benefit of such kind of approach.

A fundamental step towards this direction is the translation of the measurement into real actions.

Although the project is coming to an end, local activities will continue for Irish partners, too, with an intense agenda of activities already planned for the future, as the project has resulted in a useful tool for the definition of a good innovation strategy in Roscommon county.