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Interreg Europe

European Union
European Regional
Development Fund

BRIDGES project case study

1st SMARTER conference Seville,
September 28th - 30th 2016

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Introduction

General information

BRIDGES is an Interreg Europe (IE) project approved on 10.2. 2016 under the 1st call, Priority 1.a Improving innovation infrastructure policies.
Index number: PGI 00040 BRIDGES.
It is **implemented in two Phases**, Phase 1 1.4.2016 – 31.3.2019 called policy learning, and Phase 2 1.4.2019 – 31.3.2012 called policy implementation.

The **project budge**t is 2 091 881€.

There are **ten (10) partners**, seven (7) regional and three (3) advisory partners. The partnership was planned to bring together innovation leader regions (Uusimaa) with innovation follower/moderate/modest regions.

Regional partners: Kainuun Etu Oy (FI, LP), Regional Council of Kainuu (FI), Lubelskie Voivodship (PL), Helsinki – Uusimaa Regional Council (FI), Regional Development Agency of Western Macedonia (GR), Socca Valley Development Centre (SI), Pannon Business Network Association (HU).

Advisory partners: European Business and Innovation Ventre of Burgos (ES), Centre for Research and Technology /Thessaly (GR), and Stichting DLO (NL).

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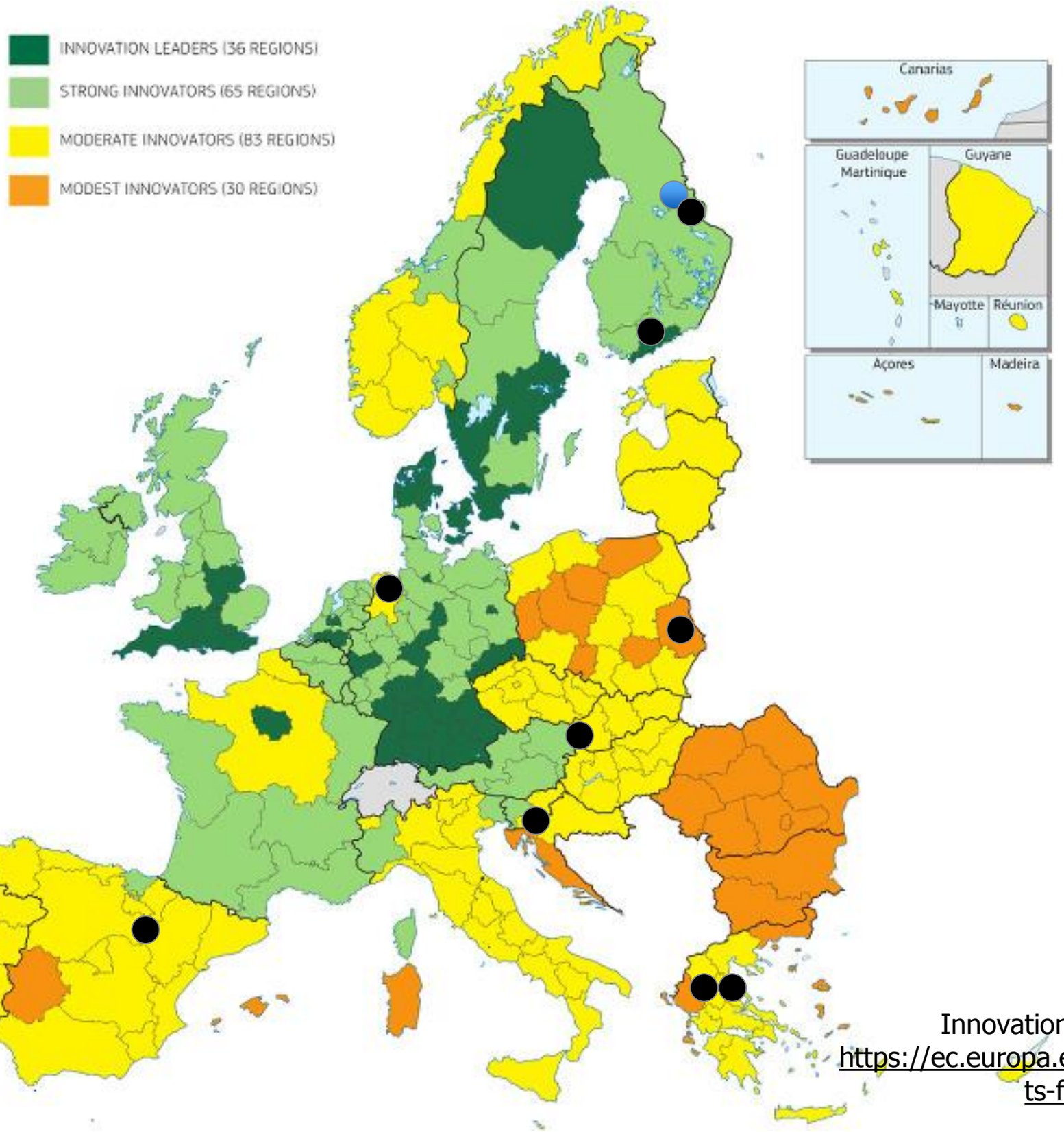

Innovation Union Scoreboard 2016;
https://ec.europa.eu/growth/industry/innovation/facts-figures/regional_en

- **Overall objective**

The overall objective of the BRIDGES (Bridging competence infrastructure gaps and speeding up growth and jobs delivery in regions) project is to improve RIS3 governance and upgrade RIS3 innovation infrastructures into industry-led centres of competence (ICC).

- **Problem addressed**

BRIDGES wants to primarily break the vicious circle of regional lock ins, dominant in less advanced regions, and restricting the RIS3 impact. The focus of the project are knowledge asymmetries between innovation advanced and less advanced regions, addressing them through networked solutions. It also contributes to the uptake of commercially unexplored excellence results of the more advanced regions. Thus the RIS3 performance is improved in both types of regions.

- **Policy instruments in the partnership**

All partners involve ESIF since RIS3 is in focus. However, some partners do not have enough SF sources for financing RIS3 actions, and we are seeking combination of resources to leverage their effectiveness.

- **Self defined indicators**
  - Number of enterprises cooperating with research institutions (PP1,2,3,5,6,7)
  - Number of research infrastructures / research institutions with cooperation agreements with businesses outside Uusimaa area, PP4.

Planned outputs

The outputs are as follows:

- Amount of ESIF mobilised across the partnership: 3 600 000€
- Number of enterprises cooperating with research institutions (partners 1,2,3,5,6,7): 230
- Number of research infrastructures / research institutions with cooperation agreements with businesses outside Uusimaa area, PP4: 5
- Number of ICC improved (revised structure, criteria for projects to promote, criteria and agreements for research2industry partnerships, accepted by the managing board of the innovation agency), involving partners 1,3,5,6,7: 5
- Number of RIS3 bio-based investment projects implemented: 6 – 8
- Number of RIS3 policies improved: 5-6 schemes RIS3 paths criteria=Bioeconomy investment projects criteria, 6 schemes of innovation vouchers aligned with RIS3, the ESIF and/or more types national funding, 1 -2 practical schemes of project cooperation based on interregional synergies.

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Conceptual background

- **Main references**
  - 1) Regional innovation systems theory
  - 2) Knowledge spillovers theory
  - 3) Evolutionary approach, constructing regional advantage, networked development
  - 4) RIS3 literature encouraging interregional types of cooperation as a way to improve regional innovation systems and RIS3 implementation.
  - 5) Interreg IV C programme, the experience and understanding we gained in reference to good practices and good practice transfer.

Concept

- **BRIDGES is conceived as a function**, defined in the space of a regional innovation system, **of knowledge spillovers (KS)** relevant to three RIS3 implementation parametres (=the three good practice themes), and **leading to sustainable constructed regional advantage.**

- **Constructed regional advantage is is achieved through**
  - Improved innovation infrastructures as RIS3 facilitators (good practice theme 1)
  - Investments in RIS3 bio-based industries; special focus on research-to-business investments (good practice theme 2)
  - Funding tools and networks supporting the above (good practice theme 3)

- **Good practice themes**
  - Good practice theme1 Industry-led centres of competence, as RIS3 implementation infrastructures:
  - Good practice theme2 Research 2 Business innovation partnerships
  - Good practice theme3 Leveraging of funds and interregional partnerships (multilevel synergies), strategic research to business partnerships and the tools to support them.

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Scope and aims

Aim: Research-to-Business investments in bio-based industries, part of RIS3

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How do we identify and set up such investments?

- Innovation maps
- Innovation research opportunities maps
- Proactively matching innovation absorptiveness potential with research opportunities; actively explore proof of concept

How do we fund such investments?

- Combination of funds, e.g. ERDF + Leader, ERDF + TEKES (national)+other national
- Innovation vouchers for the proof of concept, interregional actions allowed (we assume that proof of concept is minimum).
- Private co funding of investments

How do we keep the process going?

- Adjustments in the ESIF provisions
- Keep on using combination of funds, maybe take them eventually to programming level
- RIS3 intermediaries specialised to industry led centres of competence.

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- **Two hypotheses**

1) Less advanced regions can renew towards more advanced status, by adopting advanced processes & seeking required knowledge where it exists, provided absorptiveness capacity is ensured.

2) In addition, more advanced regions can benefit from new innovation partnerships, by diffusing their research & innovation solutions, leading to more income and possible new fields of research.

- **BRIDGES challenges on which we focus**

1) mismatches between RIS3 productive & RDI bases

2) distance from & better exploitation of research excellence as a path to further specialisation

3) Restricted resources towards RIS3, the combined result of which is shown in the weak impact of the RIS3 implementation.

Issues 1 & 2, are very common in less advanced and/or peripheral regions, issue 3 is more relevant to innovation leader regions, that have much less structural funds than the less advanced regions.

BRIDGES challenges and our interpretation of them

Types of regions		Project parameters (RIS3 & RIS aspects selectively)				
		Resources (knowledge)	Methods (GPs)	Critical mass (economic base, knowledge base, GP base)	Performance	
		1	2	3	usual	induced (project)
Innovation leaders	**Ia**	1a (OK)	2a (OK)	3a (OK)	1a*2a*3a	
Pockets of non-inov. leaders in I	**Ib**	1b (not using 1a)	2b (not using 2a)	3a (OK)	1b*2b*3a	1a*2a*3a
Non-innovation leaders	**II**	1b (not)	2b (not)	3b (not)	1b*2b*3b	
Project…		treats **II** as **Ib**; i.e. we consider that industries compete but regions cooperate to specialise in new areas and /or to partici-pate in common supply chains. This approach deals with relatedness, embeddedness and, improves RIS ecosystem; through increasing returns, improves critical mass and strengthens upscale DUI.				2a*(1b/1a)*3b 2a*(1a*1b)*3b

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Methodology

- **Types of activities**

Overall, BRIDGES is a learning & joint development project.

1) RIS3 fact finding & economic geographer's interpretation Policy review and making RIS3 jointly understood (sector vs industry, business vs industry…)

2) Good practices i) introduction to the GP themes to reinforce a base of common understanding of what we are seeking and why, **ii)** GP description criteria focusing on the core issue the GPs need to answer, and on **iii**)their transferability, costs and results.

3) Constructing regional advantage

i)deepening of the economic base: regional innovation maps to identify the RIS3 sub industries with the highest innovation absorptiveness capacity (=what the region produces well and what has been improving); [EC]

- **Types of activities.**

3) Constructing regional advantage

ii) expanding the potential of the economic base through bio-based researcher's interpretation, helping less advanced regions access state of the art diversification possibilities (our side of entr.disc).

iii) transforming these interpretations into investment plans, with starting point **[EC]*researcher's interpretation.**

iv) maintaining the momentum by

strengthening RIS3 innovation infrastructures with interdisciplinary industry/research functions and competences

maintaining combination of funds at regional / national, regional / interregional levels.

strongly encouraging interregional partnerships after the end of the project, through e.g. innovation vouchers, rsearch-to-business and research-to-research cooperations.

- **Types of activities**

5) Joint development

i) As part of the project plan implementation, two interregional working groups (IWGs).

IWG1 deals with industry led centres of competence; its purpose is to facilitate the adaptation of the innovation agencies into industry-led centres of competence. To achieve this, IWG1 aims at digging out the potnetial for change and core interests of the innovation agencies of the partners.

IWG2 deals with regional innovation systems and how to improve through the means that are available within the project. It draws together all the policy makers. What we hope to achieve through IWG2 is 1) improved funding tools for the RIS3 paths; 2) paving the way for longer interregional innovation partnerships.

ii) As part of the way the project is managed

Frequent exchanges with the partners, at each step the best for each region and how far it can reach; understanding together and learning together.

- **Types of activities**

6) Embeddedness: the regional stakeholder groups reflect the localised triple helix. Industry representatives come from fields that are potential direct beneficiaries of the action plans.

We have created common, semester-based policy learning themes across the partnership, to ensure comparability, but also flexibility when needed (often).

7) The rôle of the advisory partners: Advisory partners often appear to have a controlling function (they tell the "right" from "wrong"). In BRIDGES project, they are responsible for the conceptual validity of the learning issues (policy review, GPs, regional maps, RIS3 interpretations) and guidance of the regional partners, as they coordinate IWG1 and IWG2.

Structure of activities and time plan

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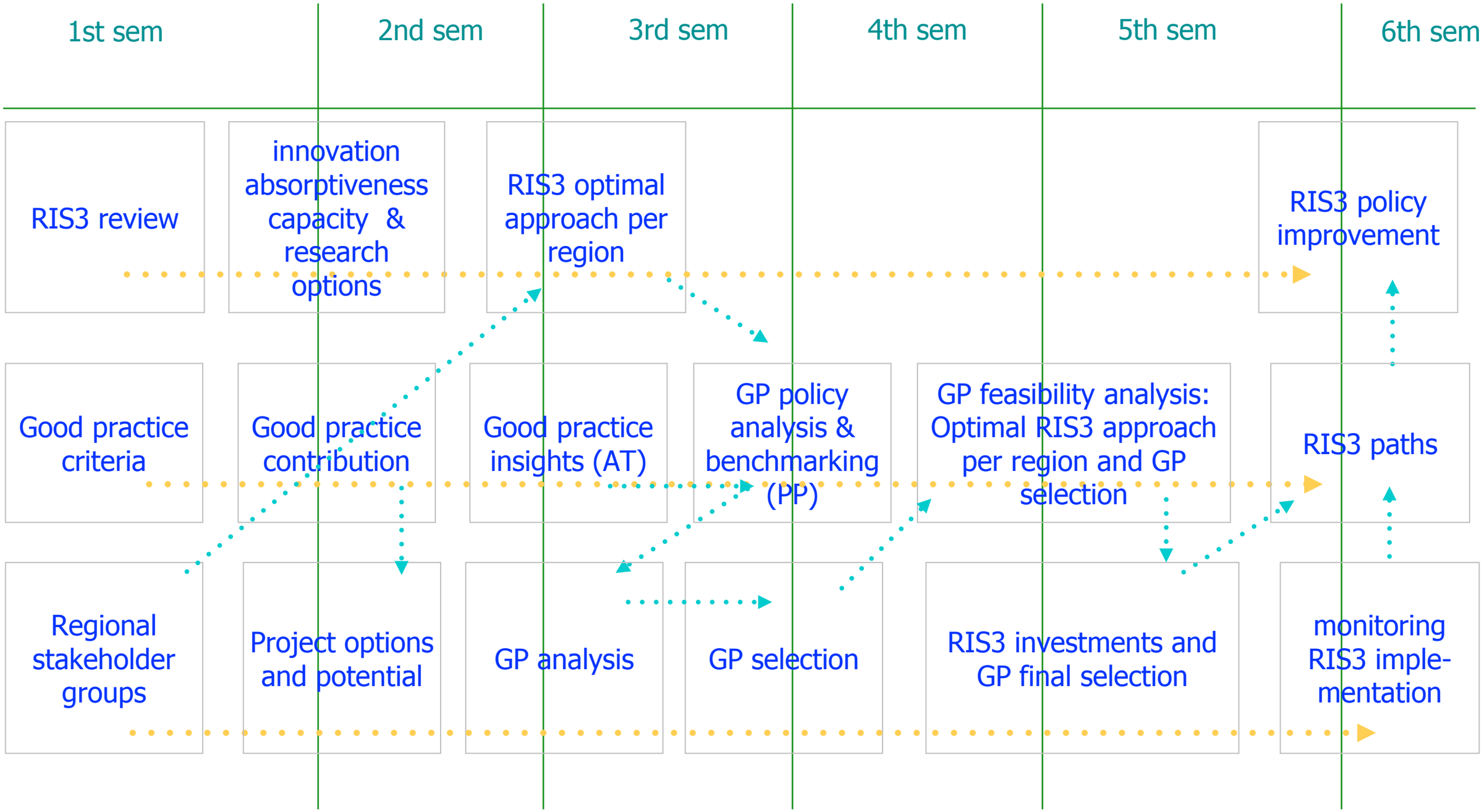

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Results to date and first insights

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Results to-date

The 30th of September marks the end of the 1st semester of the project.

Outputs are more or less according to schedule. We introduced and are maintaining a high level of interaction among the partners, throughout the project period.

Some first findings:

1) RIS3 review (reports, online sessions, follow up sessions), readiness towards an action plan, + 1 to 5:

1) wine industry: bring small winemakers to export-level quality ++

2) food processing: ++ / +

3) sustainable construction and biofuels: +++

4) furniture: +

5) energy:+

6) other bio economy +

Results to-date

2) Good practices: GP1 challenge (1 GP, 1 suggestion),

GPt2 (1 GP to the pint, we are collecting more), GPt3 overpopulated and under explored.

3) Regional maps: not ready, after initial hesitations, now we like them and are finding interesting things, e.g. patents in less developed areas. What has happened to them?

4) Does the model work?

i) Rational & thread confirmed; but the range no: the benefits for the innovation leader region are insignificant (it appears at the present) within the strict partnership.

ii) Thus we expanded the options for the innovation leader region, to ensure evident benefits. How?

(1)allowed, larger areas to benefit from the research (research institution -to-industries (not-y only); (2) we include pockets that need to be developed and we promote researhc to business models to them; (3) we are considering research -to-research - to business collaborations as well

First insights

- **Are there specific barriers to the effective design, implementation and update of smart specialisation strategies in less developed regions?**

- in general, less developed regions have natural resources, but lack most of the rest, including critical mass, they do not have the base for smart specialisation, they have traditional concentrations. E.g. they lack effective methodologies, the knowledge base, both institutional and economic is not 'good enough', and very often, also critical mass is missing. These issues are at the heart of BRIDGES project.

	Project parameters (RIS3 & RIS aspects selectively)				
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First insights

- **What are critical success factors for successful RIS3 design and implementation when facing such barriers?**

Methods must be state of the art, interpreted to localised conditions, prioritising constructed regional advantage. Such methods might involve approaches not well known or accepted in less developed regions, so there must be training of the regions before-hand.

RIS3 is about industrial growth, therefore competences not sector- but industry related are important.

Research-to-business concepts should be faster disseminated and uptaken.

A minimum level of competences might be good to ensured by both regional policy makers and regional development intermediaries. In particular, it would be good to have interdisciplinary staff, competent in both industry-specific & research knowledge persons.

We need good practices from how a less developed region (orange or yellow in IUS) converges to light green region (in IUS), because it means that it has also reached the market and then this is an iterative process, success breads success.

First insights

- **How can smart specialisation help address broader structural problems (related to e.g. RDI, education, business environment, governance, transnational cooperation)?**

By dedicating efforts to build a system of smart growth around the prioritised industries.

- **How can RIS3 help improve our understanding of regional economic disparities, of slow and limited growth in (EU) regions, and of structural factors and macro-economic framework conditions limiting economic growth?**

We need to demystify change + disseminate excellence based development methodologies, to create, encourage a common language of development (as previously it was the capital formation the one and only thing.

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Thank you!

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