

EcoRIS3
Policies & Measures to Support Local & Regional Innovation Ecosystems

ACTION PLAN
FOMENTO SAN SEBASTIAN
Basque Country, Spain
November 2019

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fomento**sansebastián**

DESARROLLO ECONÓMICO DE SAN SEBASTIÁN
DONOSTIAKO GARAPEN EKONOMIKOA
SAN SEBASTIAN ECONOMIC DEVELOPMENT

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1 Part I- General information

Project: **Policies & Measures to Support Local & Regional Innovation Ecosystems (ecoRIS3)**

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2 Part II – Policy context

The Action Plan aims to impact:	€	Investment for Growth and Jobs programme
	€	European Territorial Cooperation programme
	x	Other regional development policy instrument

Name of the policy instrument addressed: **Economic Promotion Plan Donostia Up!**

Through the participation in the ecoRIS3 project, Fomento San Sebastian is addressing the local policy instrument **Economic Promotion Plan Donostia Up!**

At regional level Fomento San Sebastian has closely worked with the Managing Authority to boost competitiveness in the region by offering the local perspective on the implementation of the Policy Instrument, as stated in the Application Form. Boosting SMEs competitiveness has been a permanent objective of the Basque Country business support policies. Throughout the years, the Basque Government and other regional institutions have developed different programmes and instruments to develop innovation ecosystems. Therefore, as leading actor at regional level, Fomento San Sebastián will be able to influence the policy instrument through its local stakeholder group and the local innovation ecosystems.

At local level, since 2012, San Sebastián has put great efforts to promote innovation and talent through the Economic Promotion Plans Donostia Up! The city has invested nearly 32 million euros to promote a smart, enabling and sustainable development. The implementation of these plans has led to the inception of more than 1,400 new companies; it has improved competitiveness in nearly 3,500 small and medium-sized companies; and it has helped to create or keep more than 5,000 jobs. A close private-public cooperation has been achieved in the design and implementation of these plans.

As a result, and considering the leverage FSS would have in order to guarantee an improvement of the **policy instrument**, FSS had to readjust and update the policy instrument to keep it in line with the objectives and actions of the project, which has been fundamentally concentrated on improving the instruments to support the local innovation ecosystem.

FSS has found that **the policy learning process is particularly valuable to improve local policy instruments**, and eventually bring the results up to propose possible improvements to regional innovation and policies. Therefore, the Action Plan will focus just on the improvement of the **support measures within the local economic development strategy**.

Fomento de San Sebastian (FSS), the local innovation and economic development agency and ecoRIS3 Lead partner, has been bringing closer together the agents of the local innovation ecosystem through different projects and initiatives, some of them supported by EU funding programmes. FSS has signed strategic partnership agreements with leading local companies and research and innovation centres, to involve them in boosting the city innovation environment.

The implementation of the ecoRIS3 project is helping FSS to develop and refine the ideas and tools to design and implement a smart specialization strategy built on the local strengths to address a number of key challenges. In fact, the SWOT strategic analysis carried out in the framework of the project implementation indicates that the Donostia-San Sebastián innovation ecosystem has got good foundations, with a strong technological base, good human capital endowment and a sound institutional architecture. The key agents of the innovation ecosystems are aware of the value of innovation and of research as a support of it. They are also aware of the difficulties to transfer knowledge to the market and to intensify cooperation between the organisations, as they often compete to consolidate and grow, to attract talent and resources, or to evidence their activity.

At the same time, the SWOT report pointed out the need to design and implement a smart specialization strategy built on the local strengths to address a number of key challenges:

- ✓ Strengthen the collaboration among the SMEs and the technology centers.

The report has identified a need to improve the connectivity between research centres, and between those and the enterprises. Linkage and cooperation between the research and technology centres and the companies is conditioned by the differences in approach, which causes dysfunction and discontinuity between research and industry, yielding poor results in knowledge transfer from Academia to enterprises.

From the human resources point of view, the most innovative enterprises found it difficult to find highly qualified human capital that can add real value. Local workforce profile is quite uniform: a standard scientific and industrial profile prevails, and there is scarce diversity of professional profiles, origins or gender balance.

There is limited information on the capacities and skills of the organizations within the innovation ecosystem. There is room for improvement regarding the mobility of researchers between technological and research centres, as well as between those ones and companies. This hampers the knowledge of each centre capabilities and the launch of interdisciplinary projects.

✓ Increase the human capital base

There is need to nurture local talent, equipped with the skills and competences adapted to the labour market changing conditions and generating opportunities to retain or return it, and by attracting inward talent. Through the actions envisaged in this Action Plan, FSS will help to introduce more flexible and diverse educational methodologies to develop creativity, communication skills or team-work oriented to challenge solving. A key point will be to work on the youth's entrepreneurship skills (school students, PhD students and researchers), in total alignment with "Entrecomp: the Entrepreneurship Competence Framework", the European tool that defines entrepreneurship as a transversal competence, which can be applied by citizens to all spheres of life from nurturing personal development, to actively participating in society, to (re) entering the job market as an employee or as a self-employed person, and to starting up ventures (cultural, social or commercial).¹

✓ Improve visibility and communication of innovative entrepreneurship

Putting research and innovation at the heart of the local ecosystem can only be done through intense communication. Aware of that FSS has been implementing already 5 editions of the Donostia Innovation Week (Donostia WeekINN), a yearly event that makes visible the innovations launched by all actors of the local innovation system: companies, research centres, associations or entrepreneurs. Donostia WeekINN displays a complete program of activities around the innovation strategy that takes place in the city, from different business sectors, educational institutions, public bodies, research and technology centers, entrepreneurs and citizens in general. It is about offering a space for visibility, testing, training, information and learning around this attitude and commitment to innovation in Donostia. In collaboration with more than 70 local stakeholders from the innovation ecosystem, activities are organized throughout the week to share experiences on innovation.

The current Action Plan will enlarge the activities and events organised by FSS to enhance the visibility of innovative entrepreneurship and its potential.

Based on this rationale, FSS will improve the policy instrument through the implementation of new projects resulting from public-private cooperation, aiming at creating the pre-conditions to collaboration, facilitating the ecosystem members to meet. The local environment and neighbouring offer the adequate framework to raise propose complex projects with the participation of diverse actors, to create such cooperation culture.

To do so, FSS will follow the following strategic lines:

✓ Support the creation of knowledge based innovative companies (science, technology, innovation)². As the SWOT analysis has highlighted, there is a need of improving the

¹ Entrecomp: The Entrepreneurship Competence Framework, p.6. <https://ec.europa.eu/jrc/en/publication/euro-scientific-and-technical-research-reports/entrecomp-entrepreneurship-competence-framework>

² To be qualified as Innovative, local projects must to comply at least with any of the following features:

- A clear added value with respect to the current market or society
- Intensive use of technology, knowledge and/or innovation
- R&D Projects
- Production of new and useful products and/or services

competitiveness of traditional activities, with new products and services, reducing production costs or strengthening the companies' structures to reach new markets. To achieve this goal, the local economic model may need to evolve towards the creation of companies and jobs in sectors linked to research and technology, as the progress in global value chains depends on increasing the knowledge and creativity component of economic activity.

- ✓ Raise the awareness on the scientific and technological capabilities and competences. Awareness is the first step towards collaboration. The activities each research or technology centre, or company, is focused in are just broadly known, and it seems that vicinity is not enough to make knowledge flow.
- ✓ Connect the educational system with the innovation ecosystem. Human capital endowment is one of the key factors for the development of the innovation ecosystem. Therefore, it seems obvious that the educational system, which is the main responsible for talent creation and attraction, should be fully integrated within the innovation ecosystem and well connected with its main players. This connection is reasonably good at university level, but is more limited in primary and secondary education.

These objectives are linked with the city strategic vision, in which research and innovation are a key feature, as the city “has been able to generate a whole economic sector linked to RDI, leading the regional industrial power, and has become an international reference in Science and Technology and in the activities linked to the creative economy”.

3 Part III – Details of the actions envisaged

1. Action 1: Acceleration and support programme to create technology based innovative companies in cooperation with the research and technology centers

During the preparation of the SWOT analysis, the research centres reported some difficulties to cooperate with companies and to transfer research results to the market and to produce an impact on the industry, they may be tempted to get focused on academic research, being discharged of producing such direct impact, or focusing on lower-value supporting services. On the other side, and according to the interviewed experts, a significant number of companies, especially the smallest ones or those belonging to the traditional sectors, have not got a consolidated R&D culture. These companies find it difficult to get involved in R&D projects or to collaborate with Technology Centres, due to the lack of

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- Involvement of processes or business models that are more efficient than the existing ones generating a greater impact on the socio-economic development of our city.
 - Projects engaging highly skilled job profiles and developing new highly qualified professional profiles with added value.

skills (lack of own products, lack of planning or leadership skills...), or because they expect or need to obtain short-term results.

This action aims at creating the pre-conditions to collaboration, facilitating the ecosystem members to meet by providing tools and cooperative schemes to implement collaborative research projects and to transfer technology to the SMEs. To achieve this goal, Fomento San Sebastian FSS will implement a comprehensive programme to support highly innovative SMEs and entrepreneurs that are ambitious and have the potential to develop, grow and have a European or international impact. Quite often entrepreneurs lack business and financial management skills, commercial and market access skills, or fund-raising capacity, weaknesses that may threaten the consolidation of their undertakings and hinder their growth

FSS will support SMEs with a tailor made plan including a wide range of measures such as: technological vouchers, trade missions, support to get additional financial support, training activities for young researchers working on real projects and support to improve innovation in local SMEs, etc. For instance, technology vouchers³ will be jointly provided by Fomento San Sebastian and the collaborating technological and research centres (i.e. Tecnalía, IK4, Bionostia, Vicomtech, Technum, BiomaGUNE and Nanogune) to promote local projects covering from start-up, growth and consolidation in the market as well as strengthens competitiveness of the industrial sector. The aim of this initiative is to promote partnerships between local companies and research centres and encourage research centres to increase their understanding and channel their research towards the needs of SMEs to promote SME innovation.

A special effort will be made on the attraction and circulation of human capital within the local ecosystems. This is one of the most efficient mechanisms to spread and boost innovation, and to strengthen the ecosystem as a whole. Circulation of human capital enables knowledge transfer and helps the different actors to go up in the scale of innovation towards higher value activities. For instance the Talent House project, is promoting the engagement of high-level talented professionals/researchers by centres, universities and businesses in San Sebastian. Talent House provides a range of services of personalised advice in the management of administrative procedures to make visiting professionals' arrival and stay in San Sebastian easier and more pleasant

The programme that FSS will implement will include the following services:

- ✓ Tailor made training to PhD students (researchers) to foster their integration in the business and industry to allow smooth and systematic interinstitutional cooperation between manufacturing and knowledge-transfer centres.
- ✓ Intra-entrepreneurship oriented training to keep talented people's motivation and to encourage personal growth within the organisations.
- ✓ Increasing the number of technology centres offering technology vouchers - more range / more specializing services
- ✓ Increasing the budget to offer technological vouchers of the hand of units I+D+ i business

³ 70% of the services are provided by the technological and research centres and 30% by FSS

- ✓ Mentoring services from already experienced business managers to spin offs.

Interregional learning ecoRIS3

The contents of this programme partially inspired and enriched by the interregional learning of the Workshop nº4 and study visits held in Vilnius Lithuania on the 27th & 28th November 2018 on the topic of “Business and Science cooperation”. During the Workshop, FSS has got first-hand information of the following Best Practices:

- ✓ Nanotech@NortePT - Nanotechnology from Norte of Portugal (P9 CIM do Ave) “

This BP is an excellent example of technology transfer between Academia, RTOs and industrial sector (ranging from industrial clusters, to industrial associations and industrial stakeholders), involving added value processes and/or products containing nanotechnology with potential applicability for society benefit. The set of activities (such as workshops, demonstration actions, etc.) implemented within this BP to increase technology exploitation into new products and services has inspired FSS to increase the services offered by the technology centres, through the technological vouchers.

- ✓ The study visit to Physics and Technology Science Centre, the largest scientific research institution in Lithuania, has enriched the vision of FSS on how to reinforce cooperation among PhD students and researchers with business, as well as how to channel the research carried out to provide solutions to SMEs.

2. Action 2: Sparking entrepreneurship among young students/PHD/Researchers.

The SWOT analysis highlights that San Sebastian has got a sound human capital base, being the high percentage of higher education graduates the most relevant indicator. However, this does not cover all needs concerning the replacement and enhancement of human capital, which is the key factor for the development of a competitive innovation ecosystem. San Sebastian faces serious challenges to maintain and improve its human capital base, generating and attracting the talent the ecosystem requires

On the other hand, FSS is full aware and committed of one the main opportunities identified within the frame of ecoRIS3: Generation of human capital ready to cope with current social challenges.

A greater effort in education along with new approaches and learning methodologies are required to educate human capital ready to cope with current social challenges. Nowadays the accumulation of information is no longer relevant, but the ability to solve problems and find solutions. Therefore, it is necessary to reinforce horizontal competences, consider globalisation and digitalisation when educating the youth, and strive to attract foreign talent, particularly locally-born researchers and professionals with experience abroad. Human capital needs are rapidly evolving, so more dynamic alternative systems are required to educate the staff. Technology Centres play a key role in training highly qualified personnel, through the involvement of young researchers in projects.

Firstly by implementing measures and programmes to foster the entrepreneurial mind-set.

The aim of this action is to intensify the efforts in education, particularly in secondary compulsory education and vocational training to train young people to the competences requested by a digital and changing labour market. Every year a contest will be launch by the local authority and companies to tackle social or business challenges to be addressed by disciplinary teams composed by students. Each micro-challenge will be addressed by one school, vocational training centre and/or University, through a structured process that ensures the alignment of objectives and expectations, to make sure the challenge is achievable but also that is appropriately addressed and the challenger gets a valuable outcome. During the process the student groups will be trained in personal, entrepreneurship, innovation and communication skills. Training will help them to deliver results but it will enhance their educational profile. The Challenge will be supported by an on-line platform that will allow gamification of the process, and will have a strong communication component and a result monitoring system.

Some of the activities already implemented at the 2019 Donostia WeekINN edition are:

- Future thinking methodology session in cooperation with Biodonostia research centre: A vision of future on our health. The aim is to build a collective future of ageing in Donostia. This will serve as a guide to ensure that innovation in the city leads us to the future we envision.
- Donostia Innovation Challenge: an experimentation programme focused on disruptive technologies. Using a methodology based on micro challenges addressed to local schools, students are encouraged and trained to explore and find solutions to improve the city using disruptive technologies.
- 2 event on the use of Internet:
 - o Cinema and technology:
 - short introduction to the Internet followed by the film “Ralph breaks internet”.
 - projection of the documentary film “Apollo 11”, jointly organized with the Basque Film Library and the Donostia International Physics Centre
 - o Informative talk on cybersecurity for families.
- 3 talks on: Women and science, Football and science, and Nanotechnology and ageing

Secondly, by promoting tailor made training to foster entrepreneurship among PhD and researchers, so they can create their own business. This programme will focus on key concepts for early-stage enterprise creation, including ideation, prototyping, testing, building networks, sales, marketing and raising finance Secondly by intensifying the efforts in education, particularly in secondary compulsory education and vocational training. Very often, when designing innovation strategies, attention is focused on higher education and training of researchers. However, the spreading of innovation and its absorption by the companies, and more broadly the operation of local innovation systems, strongly depend on the availability of human capital at different levels, with the adequate skills and able to apply innovation to production processes.

Within this action, FSS will implement a new programme to spread entrepreneurship, especially among the young students including the following services:

- New contents for young public, for Donostia Innovation Campus: short-intensive training, gaming platform.
- Training of entrepreneurial skills based on challenges related to the scientific-technological field.
- Specific entrepreneurial skills training programs for doctoral students
- EKIN+ program International stays of technological start-ups. FSS is currently working along with Torino Città Metropolitana to strengthen cooperation in the biomedical sector for future projects
- EKIN+ research programme (acceleration of innovative projects that are born in the technology centres)
- Enable a specific co-working space for entrepreneurs - skills testing and training (with special focus on technological start up).

Interregional learning ecoRIS3

This action has been enriched by the mutual learning events developed through the exchange of experiences. Best Practices and study visits, namely:

- ✓ “LAB: Innovation Laboratory promoted by the Vidzeme University of Applied Sciences (ViA)” in Latvia has been an inspiring experience to promote cooperation among students and research centres through the implementation of a cooperation platform for solving different problems using creative and innovative approach.
- ✓ BioIndustry Park and BioPMed in Torino, has provided us with new ideas on how to create collaborative ecosystems for researchers to meet business and technology to create innovation, so researchers can develop technological innovations that meet clear needs, to develop innovative and competitive businesses at international level. This interregional learning is the rationale behind the pilot action proposed by partner 7, Torino y cooperation with the Lead partner.

With this action, FSS envisages to improve the policy instrument through the support to the Implementation of new innovative projects that will foster the interactions among the agents of the innovation system, so that proposing more efficient and more structured collaborative projects and actions, directly answering Axis1 that focuses on creating links and synergies among the local stakeholders.

3. Action 3 Increase cooperation within the innovation ecosystem

Awareness and proximity facilitate the continuous interaction between the components of the innovation ecosystem. However, the diagnosis reveals that encounters are occasional and results from previous personal or professional relationships, or from very specific scientific or technological interests. The creation of permanent framework for cooperation, with adequate and attractive contents and structured to facilitate interaction, can contribute to deepen mutual understanding and to identify common interests (thematic presentations, technical info-days, visits...

This action foresees the creation of new services provided by FSS to:

- ✓ Co-design of a special program to improve the identification of potential spin that could develop the industrial use of research results
- ✓ Co-design of new tools to improve connection between the spin off and business.

Interregional learning ecoRIS3

This action has been enriched by the Best Practices identified and debated during the Workshop n°4 and held in Vilnius Lithuania on the 27th November 2018 on the topic of “Business and Science cooperation”. In particular, the BP presented by P6 Torino “The 2i3T incubator” This BP puts its emphasis on the liaison between University and Industry, and encourages the fusion of academic skills and managerial competence. FSS has learned on the University Scouting activities that have allowed to identify at the University almost 1.500 competences mapped, developing a dataset with potential for Technology Transfer to business.

The Action Plan will also implement as a transversal action a key element of communication including activities such as:

- ✓ International conference for interregional learning on technology transfer good practices.
- ✓ Exchange meetings among technological startups
- ✓ A dedicated channel of communication and news on innovative entrepreneurship.
- ✓ Highlighting the social recognition of the entrepreneurial mind-set, with the Best Entrepreneur Award within the EKIN+ umbrella programme. This prize aims at enhancing visibility of local entrepreneurs working on the initial stage of the business idea.
- ✓ Strengthening visibility and communication of innovative business with the DonostiaINN Awards for Innovation on 2 categories: Young and Consolidated Innovative companies.

Most of the dissemination activities will be held during the Donostia Weekinn, the main local event to showcase innovation in the city involving all stakeholders and bringing together SMEs, international experts, young people, citizens and research centres to allow cross fertilization and mutual learning. The aim of this event is offering a space for visibility, exchange of ideas, training, information and learning around the innovative mind set attitude and commitment to innovation in Donostia. In collaboration with the entities and agents of the local innovation ecosystem, activities are organized throughout the week to share experiences on innovation.

4. Stakeholders involved

The stakeholders of the local innovation system cover the entire chain of knowledge and the generation of added value through innovation. This goes from the creation of knowledge through University and Scientific Research, to support systems for business innovation in product, process, organization and marketing. Although a large number of agents focus on Engineering and Technology, the network covers a wide range of knowledge areas. FSS has reached cooperation agreements involving more than 20 stakeholders from the local innovation ecosystem.

Fomento de San Sebastián (FSS), as the city institutional driver to promote an intelligent, sustainable and integrating local economic development, plays a fundamental role within the local ecosystem of innovation. It promotes the connection between the different agents, and supports research and innovation as key elements to foster economic development and transform the city economic structure towards a knowledge-based economy. FSS will be the main coordinator of the Action Plan and the institution in charge of:

- ✓ Guaranteeing the closely cooperation among the various actors of the local innovation ecosystem,
- ✓ Securing funds for the implementation of the new services foreseen in the Action Plan,
- ✓ Monitoring the Action Plan.

Technology Centres. San Sebastian boasts a rich innovation ecosystem, with a large number of technology centres, and FSS is collaborating with most of them. Collaboration is fluent, and their involvement to provide services and support to support the consolidation and growth of innovative technology based companies will be key as local drivers of innovation. At the moment, FSS is working on yearly basis with 7 Technology & Research centres and the goal of the current action plan is to increase this number up to 9. The Technology & Research centres will provide mentoring and consulting, by means of the technology vouchers to the local SMEs, and they will also work in cooperation with the local education system actions (schools and University) to train entrepreneur and business capacities linked to challenges.

Local SMEs, will be key beneficiaries of the Action Plan, they will be receiving support to absorb innovation by the Technological centres and also cooperating with schools to create a framework to develop open innovation and collaborative partnerships. For instance the programme B2B INNPLANTA will be providing technology coaching to local SMEs provided by the R+D of technology based consolidated companies like IKOR IBERMATICA I 68, HISPAVISTA or SPYDO.

Academia (schools and in vocational training centres or universities) will be also actively involved as the main beneficiaries of training activities to develop skills, competences on innovation

5. Timeframe

The Action Plan is meant to improve and strengthen some existing programmes and actions. Therefore, some of the actions are already being partly implemented and improvements will be introduced in the future editions of the programmes, beginning 2019, with the full implementation planned to be achieved in 2020.

6. Indicative costs

Below the main features for the budget:

Entrepreneurship:

- Strengthen EKIN+ accelerator programme and EKIN + award: 150.000 euro

Innovation and R&D Ecosystem :

- Technological vouchers 480.000 euro
- Weekinn: Young and Consolidated Innovative companies: 5.000 euro
- New tools to improve connections

7. Indicative funding sources:

The Action Plan will be funded by FSS through the Economic Promotion Plans Donostia Up! This local policy instrument was created in 2012 and has displayed 39 M euro so far to promote a smart, enabling and sustainable development in San Sebastian City. The yearly budget is within the range of 9 M euro.

Date: _____ 18th June 2020 _____



Signature: _____

Stamp of the organisation (if available): _____