

**EcoRIS3**  
Policies & Measures to Support Local & Regional Innovation Ecosystems

**Analysis of the impacts of Covid-19**  
**Fomento de San Sebastián**  
Donostia-San Sebastián, Basque Country, Spain  
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fomento**sansebastián**

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

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## 1 Introduction

The main objective of the ecoRIS3 project, that started in January 2017, is to promote better policies and measures to support local and regional innovation ecosystems within RIS3 strategies.

Within its activities, as a first step, the project included the preparation of partners SWOT analyses to identify the specific gaps to be addressed in the regional innovation chain policies. The objective of such SWOT reports was to draw recommendations to enhance innovation ecosystems within RIS3 strategies and/or other related local or regional Policy Instruments (PI), and to use them to draft specific Action Plans to improve such instruments.

Within its Action Plan, Fomento de San Sebastián (FSS) identified a series of measures which formed part of a broader and more ambitious local economic development plan (*Donostia Up!*), namely the following actions:

1. Action 1: Acceleration and support programme for the creation of innovative technology-based companies in collaboration with research and technology centres.
2. Action 2: Promotion of entrepreneurship among young students/docs/researchers.
3. Action 3 Increase cooperation within the innovation ecosystem.

According to the Action Plan, such actions were initially drafted to be implemented between 2019 and 2020.

However, since 2020, the global crisis generated by the incidence of the Covid-19 virus challenged to adapt FSS response to a context of rapidly increasing unemployment and economic impact with large doses of uncertainty – such as the timeframe for duration and recovery - and a structural cut-off effect in some sectors in particular.

In that framework, the aim of the present report is to identify any deviations, impacts and/or consequences that Covid-19 has had on the implementation of the initial Action Plan presented in the framework of the first phase of ecoRIS3 and on its corresponding results.

It has been drafted thanks to the gathering and analysis of primary data through interviews and surveys with both, members of Donostia-San Sebastian innovation ecosystem (SMEs, Technological and Research Centres, Universities, etc.) and the team responsible for the management of the Policy Instrument addressed.

**Table 1. Action Plan addressed**

<b>The Action Plan aimed to impact:</b>	<input type="checkbox"/> Investment for Growth and Jobs programme <input type="checkbox"/> European Territorial Cooperation programme <input checked="" type="checkbox"/> Other regional development policy instrument
<b>Name of the Plan Affected:</b>	Original: <b>Donostia UP!</b> (till the pandemic)
<b>Managing Authority:</b>	Fomento de San Sebastián
<b>Period of implementation:</b>	<u>Already implemented:</u> 01/01/2019 till 31/12/2019 (within Donostia UP!) <i>Since 2020, as part of a new instrument (PREK)</i>

## 2 Impacts of the pandemic

### 2.1 *Impacts of the pandemic on key sectors and stakeholders of the innovation ecosystem*

In recent years, and in a context of change and transition to new models influenced by digitalisation, new business models and social transformation, there has been the enormous challenge caused by the global pandemic (COVID-19), which has created an urgent need to accelerate this change and transition in order to respond to the new social patterns and habits of consumption and coexistence, that are absolutely key to FSS model. The health emergency brought with it a tremendous social impact, with severe measures of confinement and social distancing that are accompanied by restrictions that have drastically affected business activity, especially those services most exposed to restrictions on mobility, new health measures or changes in consumption patterns, such as commerce and the hotel and catering industry. These are key sectors that plays an important role in the characterisation of the city's business structure and fabric, as well as in employment.

The restrictions brought about by COVID-19 have had an impact on purchasing habits, leaving an as yet unknown consumption "footprint" in terms of household spending and purchasing patterns. Consumers have been forced to consume differently; spending flows are being reconfigured and nobody knows what the "post-COVID consumer" will be like.

While the period of transition towards a situation in which economic activity can normalise, FSS continued to support economic stimulus measures, having developed a set of tools and measures aimed at supporting the most traditional sectors, with the aim of supporting the maintenance of their economic activity and facilitating the transformation of their ways of working and business models through digital tools.

From this local level, through an Economic Reactivation Plans (PREKs) especially adapted to this context, Fomento San Sebastián has proposed to support people and companies with all available resources, in order to respond to two aspects that are considered key:

- a) to maintain the economic activity of the companies and sectors most affected by this first onslaught of the crisis; and
- b) to support workers and companies in a process of adaptation, training and transformation that will enable them to overcome this crisis and strengthen themselves in terms of skills, business and work models, adaptation to new consumer habits, new market opportunities, etc.

To this end, over the last few years FSS has developed a strategy that seeks in particular to support economic development through actions at three interlinked levels:

- Support for the **development of human capital**, as a key element and cornerstone for the development of the territory, favouring the generation of qualified employment, supporting recruitment, the development of skills demanded by companies and society, etc., as well as promoting and supporting the attraction of professionals, entrepreneurs and qualified profiles to Donostia-San Sebastián.

- Support for the development of **business projects** which, as a source of opportunities for quality employment, are a source of wealth and economic activity, promoting the creation of new business activities at the same time.
- And thirdly, in this social and territorial context of the city, to support the **development of an ecosystem of collaboration** between different agents that can support these projects, the development of talent and the city's own brand.

Such actions pretend to answer needs of the overall local business fabric and ecosystem, taking particularly into account as mentioned some traditional sector, whose economic activities and related incomes had been more directly and rapidly affected by the Covid-19, but also answered new challenges for the members of **the local innovation ecosystem** (companies, entrepreneurs and start-ups, research and academia, etc.).

In that sense, as far as the companies are concerned, it is important to take into account that most of the members of Donostia-San Sebastián innovation ecosystem are micro-companies, many of them of relatively recent creation. According to a recent survey launched by FSS among some beneficiaries of its programme to support innovative companies, as far as the impacts on their product portfolio are concerned, it seems that for a large majority (80%) the Covid-19 didn't create, nor eliminate, new product or services during the pandemic.

The situation however did affect their internationalisation processes, as a large majority (+- 70%) declared that their export activity and international relation capacity have been strongly reduced, mostly due to the lack of direct B2B meetings and encounters, and all uncertainties during this period

As far as the main negative impacts are concerned, through no general trend is observed, the following ones could be highlighted:

- a) Impacts on activities: Cancellation or postponement/delays of projects due to uncertainty, therefore impacting international collaboration and contracts. The industry stopping or slowing down decision processes.
- b) Impacts on international relations: Needs to adapt the companies' commercial actions to a scenario with very little physical contact, with additional difficulties to introduce new products and technologies.
- c) Staff absences

Concerning the management of Human Resources, as for the rest of the economic sector, members of the innovation ecosystem had to face punctual absences and, above all, remote work challenges. However, due to their technological and innovation profile, the necessary adaptation to remote working obligations went very smoothly and didn't represent a major difficulty.

According to that survey, for a small majority of SMES (57%), the access to financial support from different public sources during the pandemic has been of key importance to maintain their teams/jobs, activities and competitiveness, in particular when it turns to R&D, in order to boost the economy and entrepreneurship.

As far as some positive impacts are concerned, among some general common remarks received, some companies also refer that, despite all negative effects of the pandemic, the situation has also given them some time to intensify their R&D and innovation actions.

On the top of that, some SMEs, mostly from the digital/software or biosciences sectors – both of key strategic importance within Donostia-San Sebastián innovation ecosystem - have in fact managed to benefit from the situation and were able to increase either their sales and/or their R&D activities.

The situation has been more complicated for young people/entrepreneurs, a key target group of FSS Plan, who had to face several barriers to be able to undertake their projects during the pandemic. From one side, they find themselves in a situation of paralysation of their sector in the early stages of their business development, in addition with more difficulties to access to entrepreneurship promotion services and, in particular to private investment. In addition, some recruitment programmes for young people both, locally and internationally were halted.

For Universities and/or Research Centres, in addition to the difficulties linked to the management of their human resources and around all uncertainties, the Covid-19 has particularly affected their capacity to implement or finalise projects already underway (especially when it came to EU projects). Mobility constraints also made it difficult to collaborate with other ecosystems and, through remote work was possible for certain digital projects, the difficulties to access to laboratories and their equipment during the confinement clearly slowed some research activities.

The institutions see however the Next Generation EU funds and the Recovery and Resilience Facility as an important opportunity to recuperate activities, though with some reservations or concerns about the lack of information around their implementation.

## 2.2 Impacts of the pandemic on original SWOT Analysis

Basically, the Strengths, Weaknesses, Opportunities and Threats identified in the original SWOT Analysis remain in force and accurate, as the structure of the local ecosystem and of its related assets and trends are the result of a long-standing tradition of promoting and supporting innovation both, at regional and local level.

The clustering of agents in a relatively small space, together with the presence of cutting-edge technology and research centres and a number of internationally competitive companies, remains facilitating interaction within the local innovation ecosystem. In fact, further to the Covid-19 pandemic, the supporting institutions in general, and Fomento de San Sebastián in particular, have reinforced their role and their reactivity capacity.

Uncertainties and, above all, reduction of incomes and financial capacity have created new weaknesses and new threats, in particular around the dependence on public sector resources and the risk of fostering non-sustainable growths.

But on the top of that, new and additional positive trends have been observed. Both, companies and institutions have clearly improved their digitisation processes, as well as their capacity of reflection around new lines of interests and new opportunities, in particular to strengthen promising key sectors of the local ecosystem of innovation positively impacted or highlighted during the pandemic (e-health, biotech, digital technologies, etc.).

The following table presents the original SWOT together with new inputs derived from the pandemic.

**Table 2. Update of SWOT Analysis of Donostia-San Sebastián Innovation System**

<b>Strengths</b> <i>(original strengths that remain accurate)</i>	<b>Weaknesses</b> <i>(original weaknesses that remain accurate)</i>
<ul style="list-style-type: none"> <li>- Solid innovation support policies, endowed with relevant resources</li> <li>- Potent technological foundation</li> <li>- Solid industrial fabric, open to innovation</li> <li>- Relational density</li> <li>- Base of qualified human capital</li> <li>- Attractive destination for entrepreneurs and investigators</li> </ul>	<ul style="list-style-type: none"> <li>- Small and peripheral city without global scientific leaders</li> <li>- Lack of connectivity between research centres, and between those and the enterprises</li> <li>- Lack of information about ecosystem capabilities</li> <li>- Difficulties to translate innovation to market</li> <li>- Governance complexity</li> <li>- Limited diversity and occasional deficits of highly qualified human capital</li> <li>- Barriers to the growth of innovative companies</li> </ul>
<b>New Strengths derived from the pandemic</b>	<b>New Weaknesses derived from the pandemic</b>
<ul style="list-style-type: none"> <li>- Institutions have reinforced their role and reactivity capacity</li> <li>- Companies have strengthened their capacity of self-analysis and reflection around new lines of interest for the future</li> <li>- Increase of the digitisation processes in all members of the ecosystem, and in particular in their remote work capacity</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of capacity of attraction of foreign scientific leaders during the pandemic</li> <li>- Reduction of incomes, and thus of financial capacity to invest in innovation processes</li> <li>- Existence of a certain fear to new uncertainties</li> </ul>

Opportunities <i>(original opportunities that remain accurate)</i>	Threats <i>(original threats that remain accurate)</i>
<ul style="list-style-type: none"> <li>- Alignment of local strengths with RIS3 priorities</li> <li>- Promotion of transfer processes to the market</li> <li>- Growth of innovative and technology-based companies</li> <li>- Increase of the strategic capacity and the innovative leadership of companies</li> <li>- Increase cooperation within the innovation ecosystem</li> <li>- Strengthening of the local innovation environment</li> <li>- Improvement in the articulation of supporting measures of innovation</li> <li>- Generation of human capital ready to cope with current social challenges</li> <li>- Circulation of human capital</li> <li>- More openness and increase international mobility</li> </ul>	<ul style="list-style-type: none"> <li>- Dependency on public support</li> <li>- Complacency</li> <li>- Ageing</li> <li>- Talent drain</li> <li>- Fear of change and lack of motivation of human capital</li> <li>- R&amp;D culture, not sufficiently consolidated among enterprises</li> <li>- New global business models</li> <li>- Polarisation of research activities</li> <li>- Budget constraints of the RTO</li> <li>- Stiffness of structures and systems</li> <li>- Duplicities, inefficiencies and lack of policy coordination</li> </ul>
New Opportunities derived from the pandemic	New Threats derived from the pandemic
<ul style="list-style-type: none"> <li>- The crisis has increased the relevance of biosciences, biotechnologies, e-health and digital technologies in general, which were already identified as key sectors in Donostia-San Sebastián local ecosystem of innovation</li> <li>- Opportunity to enhance the competitiveness of a local ecosystem formed mostly by micro-SMEs</li> <li>- New financial opportunities derived from the EU Next Generation EU and resilience and recovery funds.</li> </ul>	<ul style="list-style-type: none"> <li>- Due to the economic crisis (reduction of incomes), the dependence on the public sector to invest in Innovation could increase</li> <li>- A too generous public aid system further to the pandemic may distort the structure of the innovation ecosystem, fostering non-sustainable growths</li> <li>- Risk that Research Centres and stakeholders could generate projects exclusively responding to the calls, especially taking into account the Resilience and Recovery Facility, instead of tackling the strategic interests of the companies</li> </ul>

### 3 Impact and deviation on your Action Plan

#### 3.1 *Reminder of the main objectives, actions and planned results of FSS Action Plan*

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.

Through its participation in the ecoRIS3 project, FSS was originally addressing *Donostia Up!* in particular to improve it 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. To do so, FSS planned to follow the following strategic lines:

- ✓ Support the creation of knowledge based innovative companies (science, technology, innovation).
- ✓ Raise the awareness on the scientific and technological capabilities and competences.
- ✓ Connect the educational system with the innovation ecosystem.

These objectives were 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”.

In that framework, it should be recalled that the Action Plan for the promotion of Donostia-San Sebastián’s Innovation ecosystem tackled only a small part of *Donostia Up!*, through a selection of actions to be carried out initially between 2019 and 2020, namely:

1. Action 1: Acceleration and support programme for the creation of innovative technology-based companies in collaboration with research and technology centres.
2. Action 2: Promotion of entrepreneurship among young students/docs/researchers.
3. Action 3 Increase cooperation within the innovation ecosystem.

Since 2020, in order to react to the impact of the Covid-19 pandemic, FSS has activated new and adapted Economic Reactivation Plans for the city (PREKs I & II in 2020, and PREK III in 2021). The PREKs substitute the former *Donostia Up!* Plan, and are thus an evolution that takes into account the new situation and needs.

In that framework, FSS has proposed to support people and companies with all available resources, in order to respond to two aspects that were considered as key ones: on the one hand, trying to maintain the economic activity of the companies and sectors most affected by this first onslaught of the crisis; and secondly, to support workers and companies in a process of adaptation, training and transformation to enable them to overcome this crisis and strengthen themselves in terms of skills, business and work models, adaptation to new consumer habits, new market opportunities, etc.

While the PREKs included some new ad hoc measures particularly adapted to the context, they did maintain actions to support the members of the innovation ecosystem, as the ones selected in the Action Plan.

### *3.2 Presentation of the main actions that have been implemented and main results*

FSS Action Plan is focused on the improvement of *Donostia Up!* through the implementation of new projects resulting from public-private cooperation, aiming at creating the pre-conditions to collaborate, facilitating synergies between its local stakeholders.

Regarding Action 1 “Support the creation of knowledge based innovative companies”, throughout 2019 and 2020, FSS launched several calls and services within its “*DonostiaINN*” programme.

In particular and aligned with the Action Plan, Technological Vouchers to foster the transfer of technological knowledge between big companies and Technological Centres to SMEs were launched, supporting 90 companies (55 in 2019 and 35 in 2020).

In addition, other measures apart from the ones originally identified in FSS Action Plan have taken place, such as the support grants to employment opportunities in innovation to help companies or Technological Centres to hire under 35 local qualified researchers.

Complementing action 1, FSS also held webinars to support both existing companies and to be created companies, in a wide variety of topics (from business matters, to EU funding opportunities, IP, cybersecurity, etc.), with a particular increase of nr. of beneficiaries between 2019 (107 participants) and 2020 (392 participants), thanks to the switch to virtual events models.

As far as Action 2 “Sparking entrepreneurship” is concerned, several measures were launched and maintained: the Ekin+ general programme to foster new innovative tech-based business projects, that supported 30 projects (16 in 2019, against 14 in 2020), the incubator service to mentor entrepreneurs and start-ups (4 projects in 2019, against 7 in 2020) or a new pilot launched to help emerge new innovative companies in the field of bio-sciences (called Ekin+ Health) with 1 new project selected in 2020.

Finally, related to Action 3 “Increase cooperation within the innovation ecosystem”, and despite the pandemic situation, FSS managed to organize the 2019 and 2020 editions of the Donostia Innovation Week (WEEKINN), gathering 5.000 participants in 2019 against 4.300 in 2020, when for the first time it has adopted a hybrid format.

Besides, Fomento maintains 12 Strategic Agreements with strategic local agents, that enables the emergence of new synergies, new innovative companies (tech-based or not), new projects, etc. In fact, even though the pandemic year, Fomento managed to sign two of those agreements in 2020 (Biodonostia) and 2021 (University of the Basque Country).

### 3.3 Presentation of the main deviations, changes, improvements or setbacks

As for the original Donostia UP!, the PREKs included a battery of measures and tools aimed at the following key areas of intervention for the maintenance and reactivation of the city's economic activity in this context of socio-economic crisis marked by the pandemic, namely:

- Support for companies and their projects to maintain their business activity;
- Support for the maintenance and generation of employment;
- Specific support to the Commerce and Hostelry and Catering sectors;
- Support for the development of new business creation opportunities (entrepreneurship);
- Supporting innovation and fostering collaborative platforms to respond to the city's challenges.

They also placed special emphasis on groups such as women, young people and people over 45. It was an ambitious Plan for a time of transition in which FSS is committed to innovation and talent as strategic pillars of the economic future of the city.

There has been an evolution and adaptation in relation to previous Plans due to the pandemic itself. Therefore, as indicated above, the plan focused on more traditional sectors (commerce and the hotel and catering industry) with more immediate aid due to their specific urgent needs.

However, as far as the activities linked to the original Action line 1 of the former Donostia Up! Plan (Improvement of innovation / internationalisation connection) are concerned, the new PREKs remain supporting technology-based start-ups, in particular through FSS incubation services or the EKIN+ action for the creation, growth, development and consolidation of innovative entrepreneurship projects in the city, with a particular participation of companies from the digital and biosciences sectors. In fact, in addition to the dynamization of the already existing sectoral clusters (audiovisual, Smart, surf and agri-food), the new PREKs had a particular interest in investing and supporting some previously identified “sectors of the future”, such as bio-health, artificial intelligence or industry 4.0, as new strategic targets.

In addition and as stated, the new PREKs also particularly encouraged special emphasis on specific societal target groups, in particular women and young people

### 3.4 Any relevant financial figures to be reported

The new PREK was launched in two different phases in 2020, with a first launching phase with € 2,6 million orientated to economic contingency (to support the continuity of the companies and maintain jobs), followed by a second phase of € 5 million (initially thought for the economic recuperation, to tackle challenges arisen from the pandemic). From a global perspective, the total budget available for that first year of pandemic was lower than in the precedent years (20% less than *Donostia Up!*, that was of € 9,5 million in 2019), but considered as reasonable taking into account all fears and the technical/physical difficulties to implement certain activities.

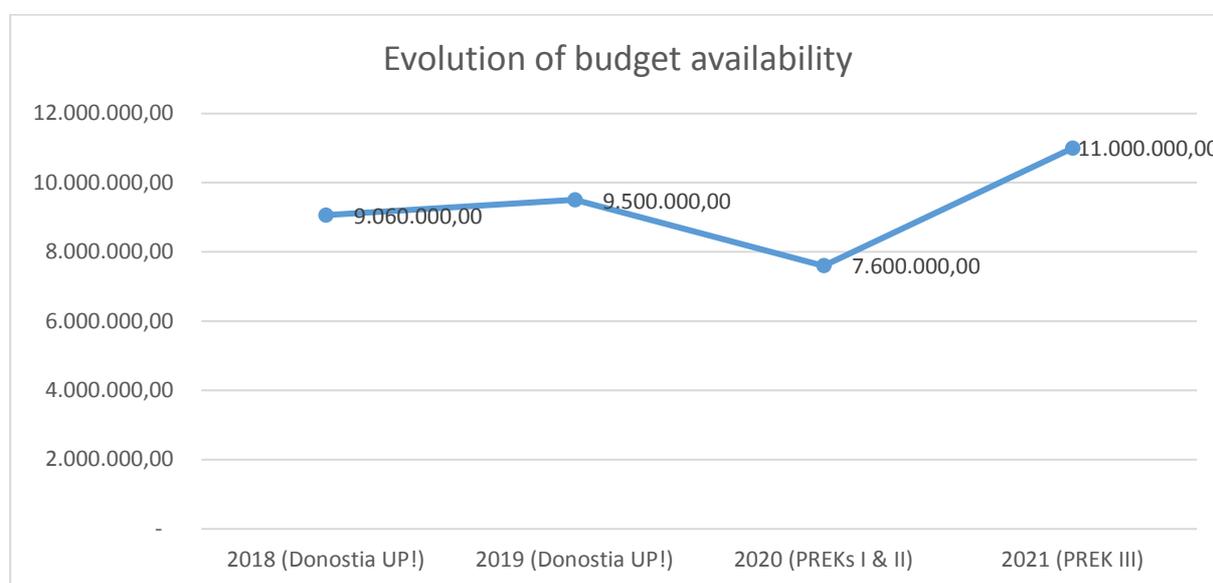
However, the capacity absorption of the beneficiaries and demand didn't reduce, and the budgets lines have thus been adapted to the demand, when and where possible. For example, the nr. of innovative start-ups beneficiating from the Incubator programme increased 43% between 2019 and 2020, and its corresponding budget increased 69%.

As a comparative study with the original Action Plan, the financial data and results presented in the refer to 2019 (*Donostia Up!*) and 2020 (PREKs I & II) figures. However, it has to be highlighted that, in

2021, FSS managed to launch its most ambitious Plan ever (PREK III) from a budgetary perspective, with some 11 Mio euros available.

**Table 3. Yearly evolution of budget available for the Plans**

2018	2019	2020	2021
<b>Donostia UP!</b>	<b>Donostia UP!</b>	<b>PREK I &amp; II</b>	<b>PREK III</b>
€ 9,06 Mio	€ 9,5 Mio	€ 7,6 Mio (2,6 +5)	€ 11 Mio



*Graph 1: Evolution of budgetary availability of the Plans*

### 3.5 Main institutional challenges in the management of the Covid-19 impacts

Since 2020, the global crisis generated by the incidence of the Covid-19 has forced FSS to tackle the challenge of adapting its response to a context of rapidly increasing unemployment and economic impact with large doses of uncertainty as to the timeframe for duration and recovery, and a particularly negative effect on some sectors such as Trade and Hospitality, and especially on Commerce.

The first and main challenge was thus to design and launch integrated plans of actions (PREKs) that include a battery of measures and tools aimed at key areas of intervention for the maintenance and reactivation of the city's economic activity in a context of socio-economic crisis marked by the pandemic, adapted to the evolution of the situation and needs of the companies and entrepreneurs in general, and members of the innovation ecosystem in particular.

The PREKs have been thus a great challenge, especially PREKs I and II, as they changed the natural course of an innovative economic development agency towards a crisis shock model.

This led to a conceptual and budgetary change of course towards measures such as the maintenance of activity and jobs through direct aid.

PREK I in particular had an adaptive approach, as it tried to respond with measures sought to support urgent and specific situations in companies and sectors of the city, but also to maintain the strategic commitment developed in recent years, especially in the field of innovation and entrepreneurship or the transformation of mature sectors, which at this point see their own situation accelerated and where, therefore, survival needs converge with more strategic approaches.

It was also a question of having a tool and a framework that would allow FSS to launch measures that respond to the evolution of the crisis, adapting its own response and trying to channel initiatives from third parties.

However, it is worth highlighting the enormous effort made in the worst moments to continue to maintain as a beacon the need to remain committed to innovation at a time like this. Times of crisis also generate opportunities or niches of opportunity that FSS and innovation stakeholders must be able to seize.

Finally, it has to be underlined that, as for the members of its the innovation ecosystem and the society and economic actors in general, FSS also had to face the challenge of adapting its structure and teams to remote work, online meetings, management of human resources during lockdowns or quarantines, and in particular to provide new digital services such as webinars or digital tutorials.

**Table 4. Impacts and deviations on Action Plan - Main comparative data**

DATA	Planned (from Action Plan)	Implemented/Executed/Reached (2019-2020 data)	Additional/Sustainable execution (2021 data)	Total execution (2019-2021)
Actions/Activities	- Action 1: Acceleration and support programme to create technology based innovative companies in cooperation with the research and technology centres (Innovation and R&D Ecosystem)	- Through Technological Vouchers to foster the transfer of knowledge	-	-
	- Action 2: Sparking entrepreneurship among young students/PHD/Researchers	- Through Ekin+ general programme to foster new innovative tech-based business projects, incubator service and since 2020 Ekin+Health	-	-
	- Action 3 Increase cooperation within the innovation ecosystem	- Through Donostia Innovation Week (WEEKINN)	-	-
Financial execution (€)	<u>Innovation and R&amp;D Ecosystem:</u> a) Technological vouchers 480.000 euros	<u>Innovation and R&amp;D Ecosystem:</u> a) Technological vouchers 982.000 euros (average 491.000 euros/year)	<u>Innovation and R&amp;D Ecosystem:</u> a) Technological vouchers 350.000 euros	
	<u>Entrepreneurship:</u> b) Strengthen EKIN+ accelerator programme and EKIN + award: 150.000 euros/year	<u>Entrepreneurship:</u> b) EKIN+ and accelerator programme: 320.000 euros (average 160.00 euros/year)	<u>Entrepreneurship:</u> b) EKIN+ and accelerator programme: 100.000 euros	

DATA	Planned (from Action Plan)	Implemented/Executed/Reached (2019-2020 data)	Additional/Sustainable execution (2021 data)	Total execution (2019-2021)
	<u>Cooperation</u> c) WEEKINN: Young and Consolidated Innovative companies: 5.000 euros	<u>Cooperation</u> c) WEEKINN: Young and Consolidated Innovative companies	<u>Cooperation</u> c) WEEKINN: Young and Consolidated Innovative companies	
Duration	2019 - 2020	2019-2020	2021	
Nr. of beneficiaries <sup>1</sup>	a) EKIN+ & Incubator: SMEs b) Vouchers: SMEs c) Weekinn: Participants	a) EKIN+ & Incubator: 37 SMEs b) Vouchers: 90 SMEs c) Weekinn: 9.300 participants	a) EKIN+ & Incubator: 41 SMEs b) Vouchers: 42 SMEs c) Weekinn: 4500 participants	
<i>New figure/activity 1 (2020)</i>		EKIN+Health: 1 SME	-	1 SME
<i>New figure/activity 2 (2020)</i>		Support to Social Innovation companies: 10 SMEs	-	10 SMEs
<i>New figure/activity 3 (2021)</i>		-	Tutorials through Webinars (2021): 81	81 participants

<sup>1</sup> The original Action Plan didn't include target data

### 3.6 Any further remarks

As stated, the impact of the coronavirus will change consumer, business and market behaviour in the medium term, in terms of the widespread use of technologies and their new patterns in employment, as well as in new models of work or market access. But companies and entrepreneurs need to continue to provide services adapted to business requirements, which at this time may suffer from variations and adjustments in margins, uncertainty in orders, etc. To this end, they will need support tools both for the business transformation necessary for their company and to maintain employment and hire professionals in the medium term, so it seems essential to continue to invest in this line.

- In the business services sector, it seems that there may be new business opportunities, projects and new companies, especially in the field of ICT, due to needs linked to: movement control, data management, cybersecurity, platforms, load control and distribution, systems maintenance, support for industry (industry 4.0), health projects (equipment and systems), etc. The concept of intra-entrepreneurship may also gain strength at this time.
- In this sense, technological development becomes essential to face social and business challenges, and the connection between research and innovation must be encouraged to transfer it to the market, take advantage of business opportunities, improve quality of life, etc. The health alert has provided the opportunity to better understand the potential of disruptive technologies that were previously unknown to the general public.
- In addition, the traditional sectors have also experienced first-hand that - although they are essential even in this type of scenario - need to be prepared and adapted to the 21st century in order not to be left out of the game. For example, small businesses with pre-defined digital channels have been able to maintain close contact with their customers. This, together with a situation in which it has served to "cultivate" values such as solidarity, will allow these customers to remain loyal to these small establishments. It is therefore necessary to continue to support these sectors with measures to encourage their transition.
- It is necessary to articulate more and better connections between technological agents, companies, education, entrepreneurs and citizens, so that the ecosystems can face the challenges with greater capacity, making the platform concept a key element for action.
- Advanced skills development is required for Donostia-San Sebastián context-specific workforce, combining technological aspects with cross-cutting competences.
- FSS and other local and regional institutions must urgently support those profiles recently displaced from the labour market by facilitating their rapid reincorporation, adapting their training, in order to avoid their chronification. Likewise, it is essential to support the most vulnerable groups by facilitating recruitment and training programmes.

## 4 Conclusions

Donostia-San Sebastián innovation ecosystem is **formed by a dense business and associative environment with a great potential to generate and maintain a solid structure of innovation, science and technology**, connecting the city and the ecosystem. The city is home to strong innovator companies, 5,000 researchers and 29 research centres associated to the Basque Science and Technology Network, and cutting-edge technology, talent attraction infrastructures, 4 universities, an innovation week, etc.

Since the Covid-19 pandemic, as for other economic agents, most members of the local innovation ecosystem have faced **uncertainties, reduction of incomes and financial capacity, cancellations of projects and/or contracts, slow-downs or braking of international activities**, difficulties to manage human resources, etc.

Some of them however belong to **key sectors which importance has particularly increase during the pandemic**, such as digital or bio technologies, and the situation has also given companies some time to intensify their R&D and innovation actions, as well as to increase their capacity of self-assessment.

As a local development agency promoting both, economic development and innovation, among other activities, **Fomento de San Sebastián has rapidly reacted to the social and economic crisis and adapted its supporting measures and resources**, mostly to maintain the economic activity of the companies and sectors most affected by this first onslaught of the crisis and to support workers and companies in a process of adaptation, training and transformation that will enable them to overcome this crisis and strengthen themselves in terms of skills, business and work models, adaptation to new consumer habits, new market opportunities, etc.

Fomento de San Sebastian original Action Plan drafted in the framework of ecoRIS3 included 3 interlinked supporting actions to be implemented between 2019 and 2020, but is in reality a **still ongoing and continuously updated and adapted tool that remains valid**, though with different names and approaches.

Such actions were originally part of a more ambitious Economic Promotion Plan called *Donostia Up!* Since 2020, in order to react to the impact of the Covid-19 pandemic, FSS has activated new and adapted Economic Reactivation Plans for the city (PREKs I & II in 2020, and PREK III in 2021). The PREKs substitute the former *Donostia Up!* Plan, and are thus an evolution that takes into account the new situation and needs.

While the PREKs included some new ad hoc measures particularly adapted to the context, they did **maintain actions to support the members of the innovation ecosystem**, as the ones selected in the Action Plan.

In that sense, as far as the impacts and/or consequences that Covid-19 have had on the implementation of the initial Action Plan and on its corresponding results are concerned, **no major deviation or negative impact have been observed or should be reported**. On the contrary, throughout the 2 years covered, FSS has managed to **improve some initial measures and adapt them** to new opportunities, such as the support to Social Innovation Companies, the creation of a new and ad hoc action to support new innovative companies in the field of bio-sciences (Ekin+ Health) or to offer new online tutorials.