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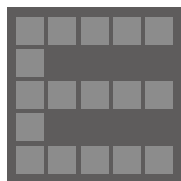
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## Innovation and New Structural Funds: Regionalizing Lisbon

Claudio Martini, President of Regione Toscana

In spring 2000 with the launch of the Lisbon strategy the European Union announced its engagement to make within ten years the European economy the most competitive one in the whole world. Now, at a time which should be the medium point of this process, the Lisbon objective seems not only far but Europe in general doesn't seem to be fully able to catch the growing opportunities arising at the global level.

It is common opinion that the Lisbon and Gothenburg strategies require a general relaunch to pass from theory to practice, yet this ambitious objective is strongly tied to the next financial performance of the Union, both in terms of resource allocation and of general strategy of the interventions. The relaunch of the Lisbon strategy needs to aim at competitiveness in terms of greater quality and innovation with the participation of all countries. European growth potentiality is in peripheral areas – these are the new member States, the peripheral areas, as well as regions lagging behind when compared to outstanding metropolitan areas. Such growth potential can provide dynamism both to the intra- and extra-EU market for the greatest benefit of all.

Actually there is no opposition between cohesion and competitiveness, but complementarity, and the whole territory can economically benefit from the new scenario of the enlarged Europe. On the other hand,

supporting competitiveness cannot be limited to national policies only, without taking into account other levels of government. This could seriously hamper the effectiveness of the European Union's action and the support of the European citizens to the European project.

If competitiveness is an European issue, it is Europe's task to implement mechanisms to manage its own internal lack of balance. The ability to support peripheral economies all over should be safeguarded in accordance with the spirit of the European Constitution and the principle of territorial cohesion. In coherence with the above mentioned objectives, the discussion on the new cohesion policy for the period 2007-2013 has identified in a greater convergence, cooperation and competitiveness the priority objectives for the next structural interventions.

The current in-depth discussion about intervention mechanisms finds regions at the fore front line in the process of evaluating what has been accomplished so far, in the perspective of clearly and effectively defining the strategic lines of the new cohesion policy in the context of the enlarged Europe.

The desire that clearly emerges is that European regions wish to be involved right from the beginning in the process of planning and implementing European policies. They deem vital that all channels of communication with the Commission are maintained open according to a principle of shared participation that the recent enlargement and the new need for consent require.

In this perspective, the experiences of inter-regional networks must be safeguarded and encouraged as they allow to test ex-ante what will be the new lines of structural intervention that point to trans-border exchanges as one basic method for greater cooperation, convergence and competitiveness.

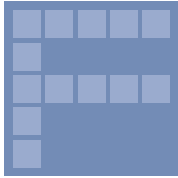
The voice and experience of regional networks should contribute to the ongoing discussion within European institutions to effectively counterbalance the recent tendency to turn back to neo-nationalistic visions that try to gain ground against cohesion and of the overall competitiveness of the European system. The experience of these two years of activity of the ERIK Network constitute a first significant step in this direction and our efforts have been recognized by the Commission, who has expressed a clear interest for the results of the ERIK Network.



The concrete application of the results of the ERIK Network include locating good practices that are applicable to the new Structural Funds programming period as well as the expression of policy guidance papers that can be used both by regional policy makers and the Commission.

The experience of regional networks is truly important when considering the policy of the European Union as regards such sectors that are governed by regions for territorial development. Particularly innovation and technological transfer need a greater attention and synergy also in the context of the next seventh Framework Programme. This is also mentioned in the conclusions of the recent CRPM (Conference of Peripheral and Maritime Regions) workshop held in Valencia last March. There it was emphasized the need for:

- Deploying a Regional Research Strategy Support Scheme
- Launching an ERA-NET scheme specifically dedicated to regions
- Clarifying the involvement of regions in technology



# Cohesion and Competitiveness in Enlarged Europe

## Cohesion, Regions and Competitiveness

*Guy Durand, DG Regional Policy, European Commission*

The Union is confronted with:

- high socio-economic disparities between Member States and regions.
- Increasing competition on the one hand with the USA and Japan and on the other hand with the new emerging countries of South East Asia, in particular, China and India.
- a technological revolution and the ageing of its population.

In a knowledge economy, the richest and largest cities and their regions can more easily adapt to globalisation. Their substantial demand for goods and quality services stimulates the activities of a wide variety of companies and of complementary specialist bodies, which by their interaction have information, knowledge and expertise, which enable them to innovate more easily. Regions which do not have diversified and interactive socio-economic activities have more difficulty in adapting to competition. To compensate, these regions must develop policies, which stimulate innovation, in order to avoid being trapped in low value products.

Innovation is at the heart of the adjustment processes and of the dynamic of development. It is the engine of competitiveness. Innovation is the result of frequent interactions between people, firms, organisations whose knowledge and know-how are strengthened reciprocally and accumulate. This is why increasing importance should be given to networks which connect companies to their environment (e.g. other companies, universities, training and research centres...)

The economy and innovation depend on the exchange of two types of knowledge: written knowledge (formal information) and, informal knowledge, which makes it possible to apply information to a concrete problem. The knowledge necessary for creation rests on frequent movement of people. It remains therefore primarily local. Information networks are worldwide (accessible everywhere via the internet) while knowledge networks and innovation environments are local.

The model of clusters, which Michael Porter defines as a group of companies and of institutions sharing the same area of competences, and which are closely related geographically, inter-connected and complementary, is at the centre of economic development. Geographical and cultural proximity between people, companies, universities and centres of research, who discuss issues

and are able to act together, allows the development of the poles. Each stakeholder of the pole thus has a comparative advantage owing to its location in an environment favorable to innovation (e.g. Silicon Valley).

In regions four situations can coexist, each one requiring aid measures for innovation adapted to its specific character:

1) A competitiveness pole based on at least one major companies (e.g. Philips in Eindhoven, Mercedes in Stuttgart) which develops local co-operation with other companies in particular SMEs, universities, schools of engineering, technology centres, training centres.

2) A university pole of excellence (e.g. Louvain, Cambridge), which facilitates spin-off companies and which takes part in economic development by co-operation with companies of the region, The opening of the university to the economic world leads to major fertilisation between research and companies.

3) One or more groups of SMEs which spontaneously organise themselves in clusters (e.g. Italian industrial districts) or which were helped by public authorities to develop a cluster (e.g. the Spanish Basque country).

4) SMEs without co-operation links. For them innovation can be facilitated by individual aid provided by business support services in the areas of management, organization marketing, technological transfer, ICT, recruitment, and other professional and commercial services.

For the period 2007-2013 the Commission has proposed a cohesion policy with sufficient resources to reduce the disparities between regions and to contribute to strengthening growth, employment and competitiveness in all the regions of the Union. Faced with the competition of low labour cost countries, the EU regions can develop, in the long run, only by directing their economies towards high value-added products and services. This requires the national and regional public authorities to define and implement, in each one of their regions, an innovation strategy to help stakeholders to make changes. In view of their proximity to those on the ground, the regional authorities have a crucial role to play.

In order to meet the needs of the productive sector, the public authorities should involve the principal regional socio-economic actors in the development of their innovation policy strategies, in a spirit of partnership. These actors are mainly the representatives of industrial and services companies, universities, research and development bodies, innovation centres and other

services providers to firms.

## Assets and Weaknesses of the Cohesion Policy in an Enlarged Union

*Marjorie Jouen, Notre Europe*

The EU is facing the most significant enlargement in its history. Whilst this is certainly the biggest challenge facing EU cohesion, it is not the only one. Broadly speaking, according to the Third report on economic and social cohesion (European Commission 2004) and extensive scientific literature on the subject, the EU will, in the near future, face four major problems: an increase in regional and social disparities, new territorial inequalities, persistent or worsening social exclusion and the public's lack of involvement in the European Project. One could add a fifth challenge linked to the overall capacity of the EU to generate economic growth, create new jobs and sustain the global competition or, in other words, to increase the European competitiveness and meet the Lisbon and Gothenburg objectives. The cohesion policy offers a broad array of instruments and a method which is widely acknowledged, to meet these challenges. However certain reforms have to be achieved in order to prepare the future and address some specific new issues (M.Jouen, Adaptation of cohesion policy to the enlarged Europe and the Lisbon and Gothenburg objectives, Study for the European Parliament – DG REGIO, 2005).

### The assets of the cohesion policy as regards convergence and competitiveness

The contribution of the Structural Funds to the strengthening of cohesion is as much due to the amounts distributed as to the fundamental principals set in 1988: the concentration of aid, additionality, multi-annual programming and partnership (J.Bachtler and S.Taylor, The Added Value of the Structural Funds: a Regional Perspective, EPRC, University of Strathclyde, 2003, p.49; [www.epcr.strath.uk/epcr](http://www.epcr.strath.uk/epcr)).

These conditions for granting funds have played an essential role in changing public management methods of the Member States and the regions, in the evolution of mentalities and finally in the performance obtained (A.Cappelen et al., 'The impact of EU regional support on growth and convergence in the European Union', Journal of Common Market Studies, Vol. 41, N.4, 2003). It is clear that Community added value is not limited only to the projects that cross national borders or are of European size, but that Community intervention can create its own synergies.

More precisely, irrespective of its distribution according to priority objectives and of the use of different funds according to the spheres of intervention, the EU has three instruments at its disposal: beside the mainstream of the regional and national programmes of Objectives 1, 2 and 3 and of the Cohesion Fund, are the

Community Initiative Programmes (CIPs) and the innovative actions.

Network cooperation is particularly embodied in the CIPs, such as INTERREG, EQUAL, URBAN and LEADER. In order to stimulate innovation, the Union encourages regions or towns faced with similar problems to exchange experiences and to use their diversity and their complementarity in order to make progress. It provides them with methodological support in the shape of technical assistance. Recourse to "calls for projects" rather than to administered management of measures also gives more dynamism to local projects that are opened up to competition. Today, through numerous networks and associations, this cooperation is a significant and informal factor of European cohesion. It relies on multiple links between regions, towns, businesses, trade unions and associations arising from civil society.

The innovative actions authorise the Commission to carry out experiments directly with the regions and other local actors in order to find new methods of public management. The lessons drawn from these pilot projects are then tested within the framework of the CIPs, whose main function is to facilitate experiments on a larger scale and the dissemination of good practices through trans-European cooperation networks.

Analysis of the Structural Funds programmes of the EU of 15 demonstrates that 80% of the actions of the Objective 2 programmes coincide with the priorities of the Lisbon Strategy, whilst in Objective 1, the situations would be more divergent – 30% in cohesion countries and 60% outside. For Objective 3, there would be almost total convergence. For 2000-2006, the Cohesion Fund and the Structural Funds have invested some EUR 9 billion in research, technology and innovation, around EUR 21 billion in modernising and developing small- and medium-sized businesses and EUR 6 billion in information society infrastructure (D.Hübner, Lisbon and cohesion policy : complementary objectives, UNICE – competitiveness day, Discours 04/535, Bruxelles, 9 décembre 2004).

As regards sustainable development, cohesion policy has played a major role. For 2000-2002, structural financial support for environmental projects reached EUR 3 billion per year, two thirds of which came from the ERDF and one third from the Cohesion Fund. Furthermore, due to cofinancing, European actions have had a strong influence on Member States' actions in the area of the environment; and this is without mentioning private investment (Labour Associados SLL, Impact of Community policies on social and economic cohesion, Report for the European Commission – DG REGIO, 2003, p. 425).

### The necessary reforms to meet new needs

Albeit these good results, there is increasing hesitation on the part of the net contributor countries in relation to certain aspects of cohesion policy. They consider that the associated costs are too high in terms of the result

achieved and recommend a return to national solidarity. They advocate huge reforms to reduce the budget dedicated to cohesion in order to focus the intervention on the needs of the new Member States and the competitiveness objective.

Although the idea of renationalisation lacks of consistency (M.Jouen, 'Le futur budget européen: la renationalisation est-elle évitable?', Pouvoirs Locaux n°60, Paris, 2004), this debate can help to focus contributions on what the EU does best, i.e. its added-value as regards co-operation and innovation, and how to achieve cohesion in the enlarged EU, namely the specific and evolving needs of the new Member States, the territorial cohesion and the preparation of the future accessions. In terms of the way in which it works, it should be an instrument that teaches economic, social and territorial development, by respecting management and strategic planning constraints, by providing technical assistance and greater leadership at European level, by being more flexible about timescale, by ensuring better coordination with sectoral policies and, finally, by making increased use of private funding. This gives us an idea of what European cohesion policy should look like after 2006.

## Evolution of Regional Dimension of Innovation Policy in Poland

*Aleksander Bakowski, INTEGRIS*

Regional dimension of innovation policy was not recognized before 2000 as an important issue by Polish authorities responsible for innovation policy, namely State Committee for Scientific Research and Ministry of Economy. No measures addressing this aspect were included in one of the first documents devoted to innovation policy "Guidelines for innovation policy in Poland until 2002". Situation has substantially changed when EC announced in 2000 call for proposal for Regional Innovation Strategies in Newly Associated Countries (RIS-NAC). It has ignited thinking about the role of innovations in regional development. The message from the Commission was clear: "to make your region more competitive you need a clear vision how to modernize local and regional economy through innovations i.e. Regional Innovation Strategy based on regional specificity and regional consensus of all regional actors". This message came on right time when regional self governments were developing the holistic visions: strategies of regional development and was adopted. However, it required some time and tremendous efforts to convince regional authorities about the importance of innovation issues for regional development. Finally, due to strong support from the National Contact Point for the UE Framework Programmes network and in particular its regional structures several proposals lead by regional bodies have been submitted out of which five were successful. Development of RIS was a real challenge for regional Marshall Offices – elaboration of completely new idea using new methodology and having no or little

experience in participation in the EU funded projects. Nevertheless, success of five regions was a very strong stimulus for the others to follow. Positive response for demand from the regions was given by Ministry of Scientific Research and Information Technologies, which announced supplementary call for proposals for RIS development in 11 regions which were not successful in the EU call. To keep the momentum 10 supplementary 2 years projects, 50% funded from the state budget have started beginning 2003. Therefore, when the EC announced 2nd call for the RIS projects in 2004, Polish regions were very well prepared and 7 new projects have been approved for realization.

An idea of creating a network of regions developing RIS emerged in 2003 in response to the needs of exchange of information, especially transfer of knowledge from the more experienced regions to the newcomers, and providing a forum for fast problem solving. Currently the network IntegRIS has members from universities, regional development agencies, regional governments, business support organizations from all Polish regions. IntegRIS is a platform for information exchange between regions, dissemination of good practices, expert support, implementation of RIS using structural funds and provision of recommendations for innovation policy in Poland. Network secretariat is located in National Contact Point for EU Framework Programmes.

It is obvious that having RIS is only the beginning and the most difficult part of the game is the implementation of the strategy and selection of the most effective measures to achieve the strategy goals. Accession of Poland to the EU opened new opportunities to use the EU structural funds to finance implementation of RIS. In the final version of National Development Plan for 2004-2006 several measures were adopted which are targeted at creation of innovation systems in regions: implementation of RIS, development of innovation infrastructure, development of human resources for knowledge based economy and finally direct support to innovative enterprises. For the new programming period of structural funds 2007-2013, support to innovation found more prominent place. Innovation is one of the ten top priorities of NDP. This priority will be implemented through the number of measures. The measures addressed to increase competitiveness of Polish enterprises will concentrate on changes in system of research financing and management and reduction of barriers and implementation of financial support for enterprises which undertake innovation activities. Research must be structured in such a way to be more attractive for enterprises (development of strong research consortia: centers of advanced technologies) and enterprises must provide input to strategic visions of industrial and technological development (development of enterprise consortia: technological platforms). fast growth of awareness of importance of development of regional innovation systems for regional socio-economic development in Poland was a result of very positive feedback between European initiatives and initiatives undertaken on national and regional level.





## The Florence Conference & ERIK Network Position

On the occasion of the ERIK conference in Florence held on 25-26 November 2004, the ERIK network presented its Position on the role of Innovation Support Measures in European and Regional Policies. The position was a reaction of the ERIK network partners to the planned reforms of the EU Structural Funds. The text sets out general priorities of regional innovation policies as well as the priorities for future EU Cohesion Policy as regards regional innovation policy aspects. What follows is the full text of the position.

### ERIK Network Position on the role of Innovation Support Measures in European and Regional Policies

#### Introductory Considerations

IN RECOGNISING the growing role played by innovation in expanding wealth and job creation opportunities and in supporting regional development, social cohesion and competitiveness

IN RECOGNISING that globalization of markets, the expansion of international trade and the strong growth of foreign direct investments have helped to create worldwide networks and define a new international division of labour but also have emphasised the role of proximity in the development and diffusion of innovation. It ensues that communities and regions are increasingly the cradle of new products and processes IN RECOGNISING that innovation is less and less the result of the isolated work of firms but rather the outcome of companies and institutions interacting in partnerships and that policies to stimulate innovation need to address the problem of networks of firms and research organizations and to tackle systemic failures such as weak ability of companies for cooperation and institutional rigidities

IN RECOGNISING that a main shift is taking place within regional development policies from subsidy based policies that thwart business innovation to targeted territorial policies which address the specific causes that prevent each region from realizing its full potential and that accelerating innovation is a requisite for making full use of local tangible and intangible resources The Erik Network is proud to support the organization of this conference, jointly organized by Regione Toscana, the EC Regional Policy Directorate and the OECD Governance Directorate. It provides opportunities to assess the work achieved by governments and international organizations to speed

up and better articulate policies aimed at stimulating innovation and regional development. It is an important opportunity to exchange experiences and information about best practices in countries in three continents.

#### Priorities and Recommendations for the Regional Innovation Policies

Main priorities and general recommendations

The Erik Network UNDERLINES the crucial role of regions in building innovative capacities and in particular their contribution to strengthening regional research and innovation systems. This includes:

- Strategic planning for innovation: Innovation strategies and action plans have been established in a growing number of regions. These exercises aim at assessing regional strength and weaknesses, setting up goals and mobilizing public and private money to attain these goals and to implement new policies and measures.
- Building regional partnerships: A knowledge economy does not exist without a knowledge community formed by networks of institutions and firms. Local and regional policies are increasingly focusing on facilitating the synergies between different actors, often in a form of public-private partnerships, helping to create frameworks for dialogue and providing incentives for developing long standing cooperation. The role of social capital is recognized as a key factor in these processes.
- Assisting SMEs and firms formation: The innovative capacities and flexibility of small firms are increasingly recognized. It is also clear that SMEs face particular difficulties in accessing research results in undertaking successful innovation processes. Regional authorities have taken numerous initiatives to assist SMEs, in particular to encourage the cooperation between the SMEs, to create direct links and the transfer of expertise between large and small firms and to establish venture capital funds and local guarantee schemes.
- Supporting R&D expenditure. While increasing public expenditure is a target of many central governments, regional authorities are increasingly called upon to share the investment burden with the central level whether in unitary or federal frameworks. In this frame Regional authorities must be committed in targeting the private and public expenditure according to local priorities
- Placing more focus on policy evaluation and benchmarking. With the increasing cost faced when providing support to innovation infrastructure and

programmes, evaluation and benchmarking of policies, notably on a regional level is becoming common place. The development of a toolbox of approaches and experience-sharing through regional networking has also increased. The search for new evaluation methods for innovation policies gains even more importance in the light of recent developments of EU Structural Funds reform that has put innovation at the top of the agenda

IN RECOGNISING these new trends in policy making and the importance of a well coordinated and coherent approach to regional innovation

RECOMMENDS the promotion of a clear division of tasks and responsibilities between the different levels of government with regard to innovation policy, in particular the stimulation of technological development and measures to encourage new products and processes and the setting up of joint programmes. The network also RECOMMENDS to pay due attention to the creation or the strengthening of collaborative institutions within clusters of firms and to promote the creation of associations, fora and tables in order to ensure the widest possible circulation possible of knowledge and ideas among members.

The network RECOMMENDS to emphasise the role of regional and local agencies in supporting SME - particularly in the industrial sector - and in encouraging the supply of qualified services and knowledge transfer critical to the global competitiveness of small companies. These qualified services and knowledge transfer should include the main elements of innovation - technology, business and market development and should be based on the real demands from companies. While these services and transfers can be provided by a large spectrum of public and private institutions, joint initiatives, more co-ordination and cross agency teams are crucial to reduce the fragmentation of qualified regional and sub-regional supply and knowledge links and design appropriate packages of services that are more hands-on and market oriented and also deliver value for money to companies.

IN RECOGNISING that entrepreneurship policies are often pursued from an employment creation perspective alone, which underplays the importance of new firms as a source of ideas and innovations

The network RECOMMENDS: a) to prioritise regional policies to assist innovative entrepreneurs in developing their projects and in particular to assess their needs and help them reach the stage of investment readiness and subsequently b) to reduce transaction costs with financing institutions and business angels able to meet their needs for funds IN RECOGNISING that foresight and strategic policy planning are important not only for public decision making and policy making but also for the private sector and for potential investors since it helps to reduce uncertainties for the future and facilitate stakeholders commitment to regional development

The network RECOMMENDS to promote the development of a foresight culture among regional and local communities and to embark on regular evaluation and benchmarking of regional innovation policies. The network also AGREES on expanding the policy dialogue that took place at the conference to countries outside the EU and the OECD

### Regional innovation policies in the enlarged European Union

The Erik network WELCOMES the Third Cohesion Report and the proposal for the Council Regulations laying down general provision on the Structural Funds and the Cohesion Fund that set innovation and the knowledge economy at the top of policy agenda. The Erik network WELCOMES incorporation of the Lisbon and Gothenburg objectives to the EU Cohesion Policy that is to become a "key vehicle" for their realization. This demonstrates that innovation is considered instrumental for regional development.

IN RECOGNISING that gradual advancement of innovation to the top of EU cohesion policy is largely due to lessons learned over 10 years of experience in implementing experimental projects and programs on regional innovation coordinated by the Regional Policy DG.

IN RECONISING that Regional Programs of Innovative Actions (RPIA) offer regions a unique opportunity to independently plan and implement projects that could not be otherwise implemented under mainstream programs. Over decades of innovation support EU regions have expressed a growing demand for such a flexible policy tool to an extent that currently 139 European regions out of 156 eligible are in different phases of their RPIA implementation. This is an unprecedented success in terms of mobilisation of regional policy-makers and practitioners around an EU initiative focused on regional development. The European dimension of RPIA is a crucial aspect as such a wide geographical coverage helps to develop a pool of expertise and good practices that can be applied to very different regional contexts.

The network UNDERLINES that mainstreaming of innovation and knowledge oriented measures, although being a step in the right direction, should not exclude space for on-going testing of experimental measures that are better equipped to face the changing economic and social trends.

The Erik network RECOMMENDS that EU Structural Funds, most notably European Regional Development Fund, continue to offer a possibility for on-going testing of experimental measures in the field of regional innovation policy. Closing up a "regional innovation laboratory" risks limiting the space for new ideas developed by the regions due to a more formal character of mainstream programs that do not allow more risky undertakings. Experience of regions clearly shows that there is a need for regional innovation policy tools that allow a certain level of risk and are more flexible and accessible than mainstream





Structural Funds. This is especially important given the recent enlargement of the EU and the accession of the regions from the new Member States.

IN RECOGNISING that technological innovation is not only a matter for highly-developed, core regions, but that it has proved to be a way to successfully speed up the development of marginal areas and to help overcoming of industrial decline the Erik Network RECOMMENDS that the role of the regional networks created to support good practice exchange be

addressed and strengthened in order to make sufficient use of the innovative actions heritage in the enlarged EU of 25. The networking activities should be undertaken both at the European and regional level.

## Alentejo Regional Programme of Innovative Actions 2003-2004

The Alentejo Regional Programme of Innovative Actions (Portugal) is a programme under the Innovative Actions Programme of ERDF managed by CCDRA - Comissão de Coordenação e Desenvolvimento Regional within a period from January 2003 to December 2004. The Regional Programme of Innovative Actions appears in a regional strategy willing to promote the regional innovation capacity based on the establishment of an enlarged partnership aiming, on the one hand, the qualification of private investment projects and, on the other hand, the reinforcement of regional based public policies.

This Programme aims to increase regional competitiveness and productivity through innovation development and scientific knowledge. Simultaneously, the Programme of Innovative Actions of Alentejo intends to:

- Promote and strengthen public-private partnerships through innovative methods and practices;
- Increase demand for technological research and development of enterprises and regional organisations;
- Match technological research and development to companies' innovation;
- Facilitate the interaction between local companies and the regional technology infrastructure;
- Provide for interregional network building and experience sharing;
- Develop "good practices" in applying European funding to knowledge-based actions;
- Close the gap between Alentejo and other portuguese and european regions through the increased use of new information and communication technology and the development of innovation and research & development.

The Programme of Innovative Actions results from the regional acknowledgement that the disparities among different European Union regions regarding Investigation & Development and the use of new information and communication technologies are substantial. In order to prevent the increase of these disparities and to profit from the opportunities resulting from the new economy, it becomes necessary that the less favoured regions implement innovative practices and actions aiming the development of new benefits and opportunities.

In this context, the European Commission approved, in 23-12-2002, the Regional Programme of Innovative Actions of Alentejo (PRAI ALENTEJO), which is integrated in the reinforcement of the regional innovation capacity, supported by an enlarged public-

private partnership.

The institutions benefiting from PRAI ALENTEJO are municipalities and municipalities associations, public companies, foundations and non-profit associations, entrepreneurial associations, Regional and Local Development Agencies, Public Administration and other public and private organisations.

The strategic themes in which PRAI ALENTEJO relies on are:

- "Regional economy based on knowledge and technological innovation": to help less favoured regions to raise their technological level;
- "e-EuropeRegio": information society at the service of regional development;
- "Regional identity and sustainable development".

Under these strategic themes, PRAI ALENTEJO is promoting six innovative actions which intend to increase regional competitiveness through the use of innovative instruments and strategies like a Regional Strategic Innovation Plan, a Technological and Innovation Investigation Centre, a financial support fund to the innovative experiences and companies and a Business to Business Portal on the natural stone sector. On the other hand, the Regional Programme of Innovative Actions aims to promote regional sustainable development through a pilot project that allies innovation and traditional values in the agro-food sector.

With the implementation of these actions, PRAI ALENTEJO assumes an important role in promoting regional innovation as a part of a concerted strategy to reinforce regional innovation capacity.

## Basse Normandie ATRACTIV Regional Programme of Innovative Actions

The Basse-Normandie Region is currently engaged in a Program of Innovative Action called ATRACTIV, a French acronym for Regional Development, Network of Economic Players and Competitiveness through Information Technologies and Enhancement. The Program, which has a total cost of EUR 5.9 million, with half being contributed to by ERDF funding, runs from April 2003 through December 2005.

This program has been designed to face the challenge posed by two major turning points in the Basse-Normandie economy:

- A radical change brought to the workplace by the era of Information Technology (IT)
- An important redeployment of the traditional industries, with the downsizing or withdrawal of major groups

Although Basse-Normandie is often perceived as a region based on agriculture and food products, the reality shows a more complex picture, with the automotive industry now the first job provider, and a vast array of small and midsize companies in industry and services. However, in view of the global competition, the Region must become more attractive to retain its young workforce, and to entice both French and foreign investors. At the same time, the Region must keep its distinctive clean and safe environment, with a recognized quality of life which is an important factor of attractiveness.

To address these problems, ATRACTIV has set three strategic objectives:

1. Development of new economic activities to help with the start-up of new businesses
2. Promotion of Information Technologies throughout the Region's territory
3. Enhancement of the Region's quality of environment, products and services

On a practical basis, the Basse-Normandie RPIA is divided into three (3) major Themes and five (5) Actions, with nine (9) specific Projects related to the Actions.

The Themes are:

- Knowledge-based Regional Economies and Technological Innovation
- Information Society and Regional Development
- Regional Identity and Sustainable Development

The five Actions and respective Projects are geared to cover the fields supporting the major Themes:

Action 1: Innovation and Creation of Technological Activities, which includes three Projects: High-speed machining, Modernization of the Regional Technology Development Network, and Support to incubating projects

Action 2: Appropriation of Information & Communication Technologies by Citizens and Enterprises, including two Projects: Setting up of a Regional ICT Resource Center, and Implementation of an Internet Training School for workers.

Action 3: Implementation of a Health Electronic Data Network to ensure a better healthcare service to all patients region-wide.

Action 4: Provide Business Development Zones with high-speed Internet connection to make them more attractive to entrepreneurs and companies.

Action 5: New Methodologies of Risk Prevention and Management, with two different Projects attached: Establishment of a European Risk Management Institute, and Implementation of new ecological methods for growing vegetables;

Some Actions will be implemented through existing institutions or networks, such as the University of Caen or the Center of New Technologies, while others will require the setting up of new resource centers or structures, as described in the above Actions.

The whole Program is supervised by a Steering Committee made up of representatives of the Regional Council, the Prefecture of Basse-Normandie, the three Region's counties (Calvados, Manche, Orne), and the Regional Economic and Social Council. It selects the pilot projects, follows up the implementation of the actions, and reviews the post-completion reports. Each specific Action is monitored by its own Operational Committee composed of institutional and business ad-hoc representatives.

The Basse-Normandie Regional Council is the managing authority for the project, and as such, ensures the projects evaluation and their daily follow-up, as well as the respect of the EU regulations. Through this ATRACTIV Program appears the real challenge for Basse-Normandie, which is to maintain its traditional lifestyle, and at the same time create the proper environment for the technologies of the future, in other words to make herself attractive on both counts.

## Emilia Romagna: Health, Life Sciences and Regional Technological Innovation

The Emilia-Romagna Regional Programme of Innovative Actions (RPIA) aims at promoting and boosting innovative dynamics in the regional system with particular reference to the Health and Life Sciences sector. The strategy focuses on raising competitiveness in regional firms producing goods, services or technologies for the health-care system, through a more intense collaboration with the research and innovation community. It fosters also the development of innovative tools enabling a greater integration between the regional health-care system and the enterprises, as well as better services for the citizens, thanks to the design and implementation of projects and services connected with the Information Society. The Emilia-Romagna RPIA is part of the global strategy of the European Union addressed to sustain the transfer towards a knowledge based economy and society, improving the policies related to Research & Development and the Information Society. The actors involved are: SMEs working in relation with the health sector, Research centres in the field of bio-tech, medical disciplines, ICTs, Health organisations.

### Objectives

- To improve the knowledge of the entire regional system focused around the health theme, regarding quantitative, qualitative and structural aspects and aiming at studying the relationships between the various actors.
- To stimulate the creation of innovative enterprises and the development of technological innovations by exploiting the regional public-private partnerships.
- To enhance information flows between the sector operators in order to encourage technology transfer and innovation, the improvement of services to users and in general the efficiency of the whole system.

### Actions

- Action 1.1 drawing a regional map of the health and life science system, aimed at studying single features and relations between the different actors involved, taking into consideration both consolidated production systems and new innovative technological clusters;
- Action 1.2: implementation of research and technology transfer projects involving public-private partnerships at a regional level, composed both by groups of industrial SMEs and research centres or health facilities. Such projects are aimed at increasing competitiveness or fostering development of SMEs supplying products, technologies and services for the health care system. In this action have been sustained 12 projects involving:
  - 27 SMEs belonging to 18 different productive sectors, research centres, administrations
- Action 1.3: realisation of pilot projects for new form of innovation promoting integration of scientific research at regional level and experimentation of new methods based on

advanced technologies to improve efficiency and equity of health services. In particular:

- The realisation of a virtual bio-tech and life sciences technological park on the web, networking all the regional research system in this field and providing via web the typical services of a techno-park for enterprises, health organisations, researchers and any other subject,
- The realisation of an innovative system to improve the quality of life of unhealthy people living at home, also improving the control at distance of the status and the prevention of risks, thanks to ICTs, robotic and domotic technologies;
- Action 1.4 The start up of a new applied research laboratory, promoted at the University level, on an advanced field of life sciences;
- Action 2.2: development of innovative services based mainly on ICT applications, aimed at improving remote access to information and integration of sanitary services. The projects have been proposed by SMEs, in co-operation with health organisations and, eventually, with research centres, aiming, in particular, at:
  - New services and new telematic applications;
  - New technologies for medical support at distance;
  - Integration, improvement and access to medical data banks;
  - With this action 19 projects were financed, involving:
    - 49 SMEs belonging to 22 different sectors (mostly software producers)
    - 11 research centres,
    - 20 health organisations,
    - 3 local administrations
- Action 4.1: interchange with other regions, aimed at facilitating the networking at both national and European level for an easier dissemination of knowledge, exchange of good practices and benchmark of success areas.

### Budget

The total budget is of 10,329 million Euros of which 2,58 million funded by the European Regional Development Fund (ERDF), 2,58 million supported by other national and regional public funds and 5,16 million coming from the private sector.

### Managing Body

Technical assistance to the Region was provided by ASTER, the regional consortium of the Region, the Universities and Research centres that represents also the context of the regional partnership in the field of research and technology transfer. The Regional Health Department was also involved in the evaluation of the projects.

Further information

[www.ermesimprese.it/finanziamenti/az\\_innovative/prai\\_eren.html](http://www.ermesimprese.it/finanziamenti/az_innovative/prai_eren.html)

## Toscana PRAI ITT, Innovation Technology In Tuscany

The Tuscan RPIA starts from the consideration that the regional productive system, due to its interesting composition which sees a net prevalence of SME, does little to encourage private investment in technological innovation. Meanwhile, public investment in R&D on the one hand and the superior regional training system on the other show a increase, albeit slight, in investment in research and development activities.

The decision to adopt the creation of cooperation networks as a fundamental element of the programme was determined by the small, sometimes extremely small, dimensions of the companies which form the fabric of regional production. In SMEs innovation is not always seen as a central competitive element and the internal resources to start innovative processes are often insufficient. Encouraging network creation appeared to be the most effective way forward for the implementation of innovative projects, and the Regional Programme of Innovative Actions seemed the best instrument to realize this objective.

The Tuscan RPIA insists on the first strategic theme – The regional economy based on knowledge and technological innovation: to help less developed regions and increase their technological level; the initial duration of the programme was 24 months, from the 1st of January 2004 to the 31st of December 2003, the total cost of the programme was set at 6,000,000.00 euro.

RPIA ITT aimed to stimulate the process of technological transfer and the spread of innovation in specific sector-based and technological contexts of the Tuscan economy. This was to be achieved through the creation of cooperation networks structured between companies, universities, research centres, the public sector (local public institutions), innovation centres, company service providers, training agencies, social factions (workers and trade unions etc) and financial organisms.

The programme was composed of one territorial policy in the real sense of the word, and of three sector-based policies: the first concerned the “fashion system” (textiles, clothing, footwear) which stands out on the one hand for its weight in terms of turnover and employees, and on the other hand for the final phase of its “life cycle”; The second concentrated on one sector, optoelectronics, which stands out for the excellent scientific resources which it has available and for the period of growth which it is experiencing, due among other factors to the continuing differentiation of

the applicative sectors; the third aimed to promote the development of innovative activities in a sector which is still limited in terms of size but which is considered strategic for the development of the regional economy: the industrial application of biotechnology. programme was implemented by encouraging the proposal of pilot initiatives subject to various criteria intended to guarantee the effective application of the network approach.

Production and the research sectors was extremely positive. 36 pilot projects, which directly involved 484 actors, were proposed. From these 14 pilot projects and the same number of networks were financed, involving 227 actors. The programme has thus contributed in a notable manner to informing the territory of the importance of cooperation networks, activating the process of technological transfer and the spread of innovation and promoting its overall efficiency.

The RPIA ITT has promoted dialogue between the different regional territories, often characterised by a high level of specialised polarisation, and, furthermore, has stimulated links between production sectors, which vary in their development phases and in their relevance to the regional economy, thus working incisively on innovative processes.

Overall, the project's results have been positive, particularly if contrasted to their allocated resources.

The validity of the network strategy for the spread of innovation and the process of technological transfer has been confirmed above all in the cases in which cooperation between network nodes was more intense and concrete.

The policy experimentation conducted by RPIA has been adopted by the regional authority and integrated into other initiatives within the economic policy. RPIA support actions were of notable importance, in particular those regarding modelling and dissemination. The former codified the strong and weak points of the experiences carried out and therefore constituted an instrument which can be utilised for planning future interventions. The latter, orientated both towards the agents of cooperation networks and other potentially interested actors in the sector/market, contributed to the creation of the necessary conditions for their success.

Regarding the publicity the Department of Economic Development, Area of Regional Policies for Innovation and Research, organised a series of meetings and





workshops at regional, national and international level to present and publicise the PRIA Innovation Technology in Tuscany 2002-2003. The last two levels of publicity were facilitated by the fact that the Regione Toscana is the leader of the National Coordination of Innovative actions (Cordinamento Nazionale Azioni Innovative) known as « CoorInna », and co-leader with the Regione Emilia Romagna of the Erik Network. Moreover, on the Regione Toscana's web site a number of web pages have been created for publication and dissemination of the Programme and the single pilot projects.

The Programme ITT 2002/2003 was inserted into a wide framework of systemic policies for regional technological innovation, a framework which becomes still more complicated if considered inter-temporally. Assuming the inter-temporal prospective, the RPIA ITT constituted an initial preparation in identifying policy and operative methodology which, if opportunely standardised and adapted, will form important instruments for intervention within the innovation sector and within technological transfer. Already, a short time after the conclusion of the Programme, the logics network is used as a foundation by some of the DOCUP (Document of territorial planning) measures ob.2 2000/2006, and in particular by the measure 1.7 Technological Transfer. Other measures of the DOCUP have also capitalised, although with less intensity, on the experienced acquired by the RPIA ITT. These are measure 1.3 Financial Engineering, 1.8 Industrial and pre-competitive research aid in collaboration with research centres and enterprises and 2.8 Support actions for the information.

It is therefore likely that the logics network will form the methodological foundation for future interventions regarding innovation and technological transfer. The RPIA 2002/2003 also contributed to outlining the probable action directions of the Regional Programme for Innovative Actions in the next planning period. The central element of the Programme will be the support of initiatives regarding technological transfer, the spread of innovation and the promotion of technologically advanced services and knowledge among the SMEs, with the greatest possible involvement of all local and territorial subjects. The integration of these subjects into the networks will allow initiatives regarding the promotion of innovation to be inserted into a wider planning context which offer them a greater guarantee of continuity



## News

### Krakow Conference

The second and final ERIK event took place in Krakow (Poland) on 21st April 2005. The conference "Technological Innovation and Regional Cohesion in a wider Europe" was co-organised in cooperation with the IRE Network and the Malopolska Region. The event was attended by 110 participants representing regional authorities and specialised organizations dealing with innovation and regional development coming from various EU Member States (e.g. Austria, Cyprus, Czech Republic, Estonia, Finland, Italy, Poland, Spain, Sweden, UK) and EU Accession Countries (Romania) dealing with. The speakers included regional political representatives, regional policy makers, the European Commission's Directorates General for Regional Policy and Enterprise, representatives of business associations and regional networks as well as renown international experts such as e.g. Marjoire Jouen whose article can be found earlier in this issue of the ERIK newsletter.

The event was an opportunity to discuss and exchange good practices on regional innovation policies with a specific focus on the role, opportunities and challenges for the regions from new EU Member States and Accession Countries. Active participation allowed for an open discussion on the EU cohesion and regional policy beyond 2006 between EU and Accession Countries regions and the European Commission. The role that regions can play in relaunching the Lisbon strategy was analysed. The debate also included discussion on the unique character of ERDF's Regional Programs of Innovative Actions. The regions expressed concern as regards planned disappearance of Innovative Action. Future possibilities to find funds for similar policy experimentation were discussed.

The conference was concluded by a round table discussion "Building strategic alliances for innovation in the enlarged Europe" that pondered on the role of regional networks in innovation promotion and good practice exchange, especially in the context of new SFs. The discussants included representatives of the European regional networks (ERIK, IRE, ERRIN) as well as the Polish regional innovation network INTEGRIS (see also article by Dr Aleksander Bakowski earlier in this issue).

The event was accompanied by ERIK study visit and IRE Workshop with a focus on business incubation. These extra conference activities were an opportunity to

disseminate and discuss concrete project results among partners and all other interested bodies operating in the field of innovation and technology transfer.

During the Krakow conference representatives of the ERIK Managing Body announced the willingness of the network partnership to continue and further develop the activities of ERIK under the new program named ERIK+. The ERIK+ proposal has been submitted to the European Commission in May 2005.

All the presentations given at the conference "Technological innovation and regional cohesion in a wider Europe" and during IRE Workshop on "Innovative business incubators" as well as speakers' short biographies can be found at ERIK website (see [http://www.eriknetwork.net/conf02\\_ag.html](http://www.eriknetwork.net/conf02_ag.html)).

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