



S34Growth - Enhancing policies through interregional cooperation: New industrial value chains for growth



Lombardy Regional Action Plan

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1. General information

Project: S34GROWTH (PGI01400)

Partner organisation: AFIL-Associazione Fabbrica Intelligente Lombardia

Other partner organisations involved: ITIA-CNR (external expert) - Regione Lombardia (stakeholder) - Finlombarda (stakeholder)

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2. Policy Context

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

Name of the policy instrument addressed: "Innovation Voucher".

The formal name of the instrument, as approved in the OP, is: *"Azione I.1.b.1.1 Sostegno per l'acquisto di servizi per l'innovazione tecnologica, strategica, organizzativa e commerciale delle imprese"* (english translation: *Action I.1.b.1.1 Support for purchasing services finalized to technology, strategic, organizational and commercial enterprise Innovation*)

Vouchers support the implementation of innovation actions of SMEs.

Regione Lombardia is using the vouchers' system since 2003 and the instrument is working well from the technical point of view. Up to now, it aimed at supporting generic innovation processes but did not canalized regional resources towards clear focused goals in terms of technologies and applications. At the end of 2013 Regione Lombardia has defined its own Smart Specializations Strategy – RIS3 (last update November 2017). In 2014 the Region has formally recognised 9 Technological Clusters as tools of soft governance between the territory and the local government for the implementation of its RIS3.

Cluster AFIL cooperates very closely with Lombardy Region – Directorate General University, Research and Open Innovation (DG UROI) which consider the 9 Lombard Clusters as instruments of soft governance between the Local Authority and the territory in the implementation of its Smart Specialisation Strategy. As a result, Regione Lombardia is now shaping a new vouchers' system aligned to more precise goals consistent with RIS3 and with the R&I Work Programs of the specialisation.

In June 2017, Lombardy Region lunched the call for "Innodriver-S3", a new edition of the vouchers aimed at supporting SMEs in the acquisition and development of advanced innovation services. The main evolution of Lombardy voucher instrument can be summarised as follow:

FROM 2010	TO 2017
Click Day	Evaluation and ranking list
Costs up to	Fixed costs for the service
Analytical financial report	Standard cost for personnel
Regional funds	Structural funds

3. Introduction to the action plan

3.1 The background

The main objective of the S34Growth project is to develop and improve existing regional policy instruments to facilitate interregional collaboration, which in turn will support the renewal of Europe's industry and competitiveness.

AFIL, the Lombardy Technological Cluster on Advanced Manufacturing, received the mandate of Lombardy Region to participate in this project with the twofold aim of improving the addressed regional policy instrument with a better alignment with the needs emerging from local companies and with an innovative interregional element, fostering the interregional collaboration based on smart specialisation. Besides this primary objective, the cluster and the regional authority agreed on a secondary goal to be achieved through this project considering their commitment toward Vanguard Initiative. Indeed, S34Growth was approached as a synergic action to be exploited for the identification of innovative funding instruments to be implemented in synergy with the 10 Regions involved for the development of Vanguard Initiative pilot network that are currently facing several barriers in the implementation phase.

The first phase of the project served to improve the mutual knowledge of the partners, their innovation ecosystem and the related policy programme. AFIL and Lombardy Region, as stakeholder, participated to 9 OSDDs (Tampere, Norte, Scotland, Basque Country, Eindhoven, Catalonia, South Netherlands, Zuid Holland and Flanders) and hosted the Lombardy OSDD with the involvement of several regional stakeholders. The main outcomes collected from the participation to the meetings were reported in a shared format and they can be summarised as follow:

Lessons learned

- Priorities and Smart Specialization Strategy implementation in the partner Regions
- Policy instruments designed and implemented to finance research and innovation in different areas
- Opportunities for improving existing instruments and related challenges to be faced
- Opportunities deriving from macroregional strategies
- Innovation ecosystem and infrastructures in the regions (interactions and connections among regional actors)

Improvement suggested for policy instrument

- LUNCH of an improved "S3 -INNODRIVER", making the participation of service providers outside Lombardy easier (upgrade of the service providers platform, raise awareness on the instrument)

- Analysis of measures and instruments supporting the development of demonstrators (learning, feasibility and eventual design of the instrument)
- Investigate synergies between different directorate of Lombardy Region as well as between the regional and national level

In addition to the interregional meetings, regional stakeholders' groups have been established with the aim to keep key actors engaged to the project vision and constantly receive feedback and inputs related to the contents discussed. In the following table, a summary of the groups nature and the type of information share with them is provided.

Table 1. Lombardy Regional Stakeholders Groups

Stakeholder Group	Composition	Focus
Political and strategic group	Regione Lombardia (<i>Regional and managing authorities</i>) Finlombarda (<i>Regional development agency</i>)	Discussions related to policy instruments and interregional cooperation strategies in line with RIS3.
Operational group	Organisations actively participating to AFIL Working Groups: <ul style="list-style-type: none"> • Companies • RTOs • Universities • Associations 	Discussion on the expectations deriving from projects aligning them with our associates' needs (i.e. key topics, target regions for cooperation, challenges related to Vanguard initiatives...)
General stakeholders	AFIL members and local public	Dissemination of projects objectives and first results

During these years, these activities carried out contributed to the identification of concrete actions to be implemented in the second phase of the project both at regional level and at interregional level interacting with S34Growth partners. In the following paragraphs, a detailed description of the objectives envisaged, the activities planned and the resources to be committed will be provided.

3.2 Vision & Objectives

"Improve the competitiveness of local companies supporting them in the implementation of innovation actions and stimulating cooperation toward the creation of European Value Chain".

This is the vision guiding the definition of Lombardy action plan objectives and activities which can be achieved with the support of key players (i.e. Clusters, research centres, universities and companies) and the definition of an innovative and effective industrial policy programme. Accordingly, the objectives to be reached through the implementation of this action plan are the following:

- a. Improvement of the targeted policy instrument: S3-Innodriver (Innovation Voucher)
- b. Implementation of lessons learnt and good practices identified during the Phase 1 of the project through OSDD activities
- c. Identification of proper funding instrument for the implementation of interregional networks of Pilot Plants

In the following chapters the actions planned toward the achievement of these objectives are presented. It is important to highlight since the beginning that some results cannot be obtained without the involvement and the support of other partner regions since the goals outlined imply a continuous exchange of information and strategic coordinated planning. Accordingly, while some actions will be carried out at regional level others will have an interregional dimension.

3.3. Managing organization

AFIL is the main Lombardy partner involved in the project and it is responsible of the elaboration of the action plan as well as the implementation of the activities proposed. Being a technological cluster officially recognised by Lombardy Region, the active involvement and the commitment of the Regional authority is ensured together with the participation of the other actors in charge of the definition and execution of policy instruments in Lombardy. These actors contributed to the project activities since the beginning through the participation to OSDD events and regional stakeholders meeting. Accordingly, they are all aware of the objectives and the contents of the action plan proposed and the role they will play toward the achievement of the goals envisaged.



Figure 1. Action plan execution team

3.4 Action envisaged

In line with the objectives set by the Lombardy team, the actions envisaged in Lombardy action plan are:

1. Good practices transfer: detailed analysis of the good practices identified during the OSDD and discussion on how to develop at regional level the relevant inputs collected from other regional authorities and stakeholders. This action has a regional focus and it will be carried out as a follow up of regional stakeholders' meetings with the involvement.
2. Improvement and expansion of regional voucher system: set of activities aimed at establishing an interregional voucher programme based on the existing model implemented by the S34Growth Regions. This action has an interregional focus and it

will be implemented by a sub-group of Regions interested in improving their voucher system or designing the instrument from scratch. The relationships established in the framework of S34Growth project will contribute to facilitate the dialogue and the alignment among regional schemes.

3. Support to the implementation of demonstration projects: action planned to support the development and implementation of ongoing demonstration projects developed in the framework of Vanguard Initiative. Considering that the S34Growth consortium has been established among the Vanguard pilots' co-leads, the activities carried out in interregional action plans can be exploited to build up new instruments or programme to jointly support the realization of demonstration projects both in the Vanguard framework and outside.

The timeframe of the plan and the activities duration are reported in the Gantt chart attached in Annex I -**Gantt chart**, while a detailed description of the plan and the related budget are reported in the following paragraphs.

3.4 Estimated budget

The budget estimated for Lombardy action plan considers the resources needed for the implementation of the actions planned at regional and interregional level.

In Table 2, a forecast of the expenses per semester is provided according to the following budget line:

- Staff costs: costs related to AFIL employees allocated on the S34Growth activities including the development of interregional action plan and other general task related to project management and communication
- Office and administration: flat rate of 15% of staff costs
- Travel and accommodation: costs for AFIL employees' travels planned for the S34Growth meetings and the restricted group meetings to be planned for the development of interregional activities included in the action plan.
- External expertise and services: expenses for the organisation of meetings and events envisaged in the plan (both at regional and interregional level). Travel and accommodation costs for stakeholders participating to meeting and events.

With respect to the original budget reported in the Application Form, the financial needs for Phase 2 is higher considering the interregional dimension proposed in the plan.

Table 2. Estimated Lombardy action plan budget

	04.2018-09.2018	10.2018-03.2019	04.2019-09.2019	10.2019-03.2020
Staff costs	€ 13.000,00	€ 10.000,00	€ 7.000,00	€ 10.000,00
Office and administration (15% of staff costs)	€ 1.950,00	€ 1.500,00	€ 1.050,00	€ 1.500,00
Travel and accommodation	€ 2.100,00	€ 1.099,00	€ 1.104,75	€ 2.599,00
External expertise and services	€ 3.000,00	€ 1.000,00	€ 1.500,00	€ 1.500,00
TOTAL	€ 20.050,00	€ 13.599,00	€ 10.654,75	€ 15.599,00
			Budget Phase 2	€ 59.902,75

4. Action 1 - Transfer of good practices

4.1. List of activities

Task 1.1 Detailed analysis of the good practices identified in Phase 1

As follow-up action of the activities initiated in the regional stakeholders' meetings, a detailed analysis of the good practices identified in Phase 1 will be developed with the intent of giving evidence to the synergies and eventually implementing new solutions or improving existing procedures at regional level.

Some of the good practices identified are:

- o Norte2020 demonstration projects
- o Basque Country DIH model
- o Innovation Quarter (Zuid Holland)
- o Flanders cluster policy

Timing: M1-M3

Task 1.2 Evaluation of the implementation feasibility at regional level

The Lombardy regional stakeholders group, according to the different competencies and capabilities will evaluate the implementation feasibility of the good practices identified. In case this will impact on other stakeholders not yet involved in the regional stakeholders group the targeted actors will be contacted and engaged in the process. The concrete output of this activities can be a detailed report on the best practices to be delivered to the managing authorities who will then evaluate the implementation in this programming period or in the next one.

Timing: M4-M9

Task 1.3 Identification of synergic implementation with other partners

Once new or improved good practices have been introduced at regional level, some efforts will be devoted to the identification of possible interactions and synergies with other Regions and related stakeholders. The cooperative implementation of these good practices can amplify their impact as well as enhance and facilitate the cooperation among key actors.

Timing: M7-M12

4.2. Partners involved

This action has mainly a regional focus and so it will involve AFIL and its stakeholders/expert (Lombardy Region – Finlombarda – ITIA-CNR). In addition to the core group, other key actors will be involved in the process or informed of its output. These stakeholders can be (other clusters, RTOs, companies, industrial associations and universities).

Moreover, other project partners can be involved on spot to support the transfer of these practices according to their competences and expertise.

5. Action 2 - Improvement and expansion of regional voucher system

5.1. List of activities

Task 2.1 - Fine-tuning of "Innodriver S3 - Innovation voucher"

As starting point, AFIL together with Lombardy Region and other relevant stakeholders will discuss some improvements to be implemented at regional level to the existing voucher scheme. In particular, referring to the examples provided by other Regions and considering the objectives fixed at the beginning of the project, it will be discussed the improvement of the governance to better align the voucher instrument with the needs of the companies active in the area of advanced manufacturing.

Timing: M1-M3

Task 2.2 - Optimize the on-line registration system

In order to support the implementation and management of the voucher instrument, Lombardy Region, with the support of its IT supplier, exploited an online platform for the validation of service providers and the registration of the beneficiaries. This platform (QUESTIO), established in 2004 and later adopted in the context of regional calls, has recently been integrated in the regional Open Innovation platform allowing a more efficient utilization of these tools. Accordingly, at regional level activities are still in place to optimize users' experience and make the platform easily accessible by foreign users. Thanks to the support of the cluster and the discussion ongoing in the regional stakeholders group, relevant needs and suggestions can be pointed out to further improve the online tool.

Timing: M1-M3

Task 2.3 - Identification of synergies among regional voucher schemes

With the intent of expanding regional voucher schemes in an interregional dimension, a sub-group of 6 partners will work on the improvement of the instruments applied at regional level making them suitable to be aligned among different Regions and accessible by foreign service providers and beneficiaries. This process will start from a deeper analysis of the already existing instruments and the identification of synergies among the programmes that can facilitate the interregional alignment and cooperation. Moreover, Regions that have not established a voucher system yet, will exploit this initial phase to properly design their own instrument from scratch.

In order to proceed with the designing of an interregional voucher scheme it is fundamental to agree on the service provider validation criteria and the scope of vouchers to be offered to beneficiaries (i.e. Seal of Excellence, patents, collaboration among SMEs and RTOs...). Accordingly, partners will schedule a number of meetings to outline the measures that should be included in the joint instrument on the basis of the objectives that each regional authority aims to achieve with the issuing of vouchers.

Timing: M1-M3

Task 2.4 - Evaluation of existing platform features for interregional collaboration

Considering the need of an online platform to facilitate the validation process of service providers and the matching of demand and offer, partners will jointly evaluate the requirements of the online system to be applied at interregional level. This consideration will start from the analysis of the already existing tools and the evaluation of their current features. At the end the best solution to be implemented will be selected and eventually adapted to the specific requirements identified.

This can result in the design of a completely new platform or, most likely, in the exploitation and extension of an already existing regional solution. Moreover, the interoperability of this interregional tool with the systems implemented at regional level can be investigated to facilitate the adoption of the solutions avoiding switching costs.

Timing: M1-M3

Task 2.5 - Set-up of cooperation platform and testing

Following the decision on the tool to be adopted, partners will start the setting up of this cooperation platform with the support of the IT service provider(s). The tool will be an online space where validated service providers can present their service portfolio and beneficiaries can search for the best solutions for their needs. In order to make this system efficient it is important to guarantee the technical performances as well as an adequate support from intermediaries that can act as validators of the service providers and facilitator of the matching between demand and offer.

Once the system is in place and the access is guaranteed at interregional level, some tests can be run to verify the requirements and the reliability of the platform. Service providers and beneficiaries will be supported in the registration to make the platform operational for the first calls issuing (Task 2.8)

Timing: M4 – M9

Task 2.6 - Definition of the topic to be jointly addressed with innovation voucher

Once the mechanism and the supporting tools have been clearly defined, partners will jointly work on the definition and alignment of the topics to be addressed by the innovation vouchers. This activity should be guided by the Regions' RIS3 that can outline the priorities on which each Region should focus leveraging on the complementarities with other partners to address the needs not directly linked to the regional specialisation.

Timing: M1 – M9

Task 2.7 - Elaboration of a joint voucher programme

In parallel with the previous activities, the rules to be applied to this joint voucher programme will be evaluated with the support of the regional managing authorities. Accordingly, regional funds to be allocated to the programme and the expenditure eligibility rules will be outlined. Moreover, effort will be devoted to the qualitative evaluation and monitoring systems to be applied at interregional level for the projects evaluation

Timing: M4 – M9

Task 2.8 - First calls issuing and management

Closing the joint design of the interregional features of innovation voucher instrument, Regions will launch a pilot call to test the effectiveness of the instrument and the interest gathered by beneficiaries. The features and the technical requirements to be applied are the ones defined in Task 2.6 and Task 2.7. In case of negative feedback, follow-up and correction measures can be applied.

Timing: M10 – M12

5.2. Partners involved:

While Task 2.1 and Task 2.2 are carried out at regional level with the involvement of the previously mentioned regional stakeholders, the remaining activities will be developed with the sub-groups of 6 S34Growth partners interested in the development of an interregional voucher programme evaluating the technical feasibility and the potential benefits

- o Tampere
- o Skane
- o Basque Country
- o Lombardy
- o South Netherlands
- o Zuid Holland

6. Action 3 - Support to the implementation of demonstration projects

6.1. List of activities

Task 3.1: Presentation of the needs from specific investment projects (i.e. Vanguard demo-case)

The first step toward the identification of support measures for demonstration projects will be the identification of the specific needs coming from already established networks.

These partnerships have already developed detailed concept notes and business plans, but they are facing some problems in finding investment resources to proceed with the implementation of project idea. Partners can organise restricted meetings where to invite partnerships representatives to present their projects and related financial needs. This will contribute to concretely assess the specific and different requirements coming from the interregional demonstration projects and generate detailed reports on the needs emerged.

The partnerships that could be addressed as starting point are Vanguard demo-case projects. Being part of an already established network of Regions, they can take advantage of a consolidated political commitment and of an active group of stakeholders engaged in the project implementation.

Timing: M1 – M2

Task 3.2: Matching of potential instruments and demo-cases

Starting from the discussions initiated in Phase 1 and leveraging on the input coming from technical representatives of the partnerships, the partners involved in this action will match the needs emerged in task 3.1 with the most appropriate instruments that can potentially solve the barriers toward implementation. Of course, recommendations and suggestions collected in OSDD policy briefs will be considered and shared with the relevant stakeholders but the portfolio of instruments to be considered can be extended beyond the ones analysed during the Phase 1 (i.e. Joint programming, Fund of Funds, Interreg B...)

Timing: M2 – M6

Task 3.3: Joint implementation plan of financial instrument(s) able to support the targeted projects

Regions involved in the sub-groups will work together for the definition of an implementation plan to design a portfolio of instruments to be activated at regional level in synergy with the other levels (i.e. National and European). This plan will support the targeted project in overcoming the financial barriers they are facing with the aim of ensuring the realisation of local infrastructures to be then connected and operated at interregional level.

Also in this case, leveraging on Vanguard demo-case projects clearly outline the Regions that should cooperate toward the achievement of a common objective. In this sense, it could be useful to learn from previous best practices that can be replicated in other regions.

Timing: M7 – M12

Task 3.4: Lobbying activities at EU level for new joint instruments

The analyses carried out in the previous tasks can be exploited as a starting point for lobbying activities toward European Commission raising awareness on the needs coming from the interregional partnerships and the possible solution to support them in overcoming the problems related to the implementation.

Timing: M7 – M12

6.2. Partners involved:

While Task 2.1 and Task 2.2 are carried out at regional level with the involvement of the previously mentioned regional stakeholders, the remaining activities will be developed with the sub-groups of 6 S34Growth partners interested in the development of an interregional voucher programme evaluating the technical feasibility and the potential benefits

- Norte
- Lombardy
- South Netherland
- Flanders

Annex I -Gantt chart

