

HIGHER PROJECT
INTERREG EUROPE
PROGRAMME

Abruzzo
Region
ACTION
PLAN

*Better Policy Instruments for High
Innovation Projects in the European
Regions*

ABRUZZO REGION

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PART I - GENERAL INFORMATION

PARTNER ORGANIZATION:	ABRUZZO REGION
NUTS2 REGION:	ABRUZZO
CONTACT PERSONS:	SERGIO IACOBONI – DANIELE ANTINARELLA – ALESSANDRO MUCCI
EMAIL ADDRESS:	sergio.iacoboni@regione.abruzzo.it daniele.antinarella@regione.abruzzo.it alessandro.mucci@regione.abruzzo.it

ACTION PLAN MAIN OBJECTIVE AND GOALS

In the framework of the Higher Interreg-Europe project the Action Plan is the main document aiming at transfer the best practices and lessons learned Phase 1.

The action plan is a document providing details on how the lessons learnt from the partnership will be exploited in order to improve the policy instruments described below. It foresees the main actions to be implemented, their timeframe, the stakeholders involved, the costs and funding sources and guidelines on monitoring and implement it successfully.

This Action Plan will be implemented by the Economic Development of Abruzzo Region, based in Pescara, in strict collaboration with R.O.P. E.R.D.F. - E.S.F. 2014-2020 Managing Authority, based in L'Aquila and the offices of the Europroject Service, also based in L'Aquila.

PART II - POLICY CONTEXT

The regional socioeconomic context highlights structural weaknesses in terms of competitiveness of the economy and poor attitude of enterprises to absorb highly qualified human resources, to develop and implement innovations in organizational processes and technology.

The share of spending, public and private for R&D regional GDP (ISTAT 2010) stood at 0.92%, below the national average of 1.26%, and therefore the European target of 3%, which was pursued by the Lisbon strategy.

This delay is confirmed by the fact that between 2000 and 2010, the same expenditure has not undergone any major changes, but only small fluctuations in 2003 and 2004. The strategy of the ROP aims to encourage R&D, especially the private sector, promoting and supporting the growth of innovation in enterprises.

In addition, the regional socioeconomic context highlights structural weaknesses in terms of competitiveness of the economy and poor attitude of enterprises to absorb highly qualified human resources, to develop and implement innovations in organizational processes and technology.

The number of employees in the field of R&D, is higher than the share of South Italy, but far from the national average. At the regional level, it is necessary to increase the innovation activities of enterprises and counter the loss of competitiveness of the local economy, only in the areas of specialization.

The lack of private investment has been addressed through the aggregation processes.

All the policy instruments of ERDF and ESF ROP intend to support companies that have adopted strategies of innovation and internationalization and support aggregation processes.

In the previous programming period 2007-2013 were funded Innovation Poles related to 12 different regional economic sectors and about 135 network of enterprises/business, involving universities and research centres.

The policy instrument addressed by Abruzzo Region in the HIGHER project Application Form is Action 1.1.4 of the ROP ERDF 2014-2020 "*Sustainability of collaborative research and development activities for the development of new sustainable technologies, products and technologies*"; at the same time the project activities had a cross influence also on 2 strategic horizontal objectives of the programme: the RIS 3 Strategy and the "Pescara Charter"; moreover, the activities of the Axis III of the R.O.P. E.R.D.F. 2014-2020 concerning the implementation of financial instruments have been influenced by the HIGHER Project best practices.

So, in this sense, the Action Plan is structured in order to impact on all the mentioned instruments of the current programming period as described below and not only on the one originally indicated in the Application Form.

Policy Instrument directly addressed by the Application Form

ROP ERDF Action I.1.4

During the 2007-13 programming period, Abruzzo Region supported the strategic role of R & D partnerships between enterprises, public-private research centres and universities.

In particular, in the previous programming period, Abruzzo Region funded the Innovation Poles, i.e. networks of independent enterprises (SMEs, large companies, innovative start-ups, etc.) representative of the main regional productive sectors.

The poles were designed to make available facilities and services with high added value, and interpret the technological needs of companies. They constitute an important growth flywheel especially for small businesses that otherwise would not be able to increase their competence and to increase its market competitiveness.

This policy instrument aims to continue supporting only the poles that in the previous programming period demonstrated a real aggregative capacity and effective propensity to develop new technologies and / or new products and / or new organizational processes, whose positive impact is reflected on enterprises, offering them qualified real services in terms of extra-regional partnerships also to encourage investments and research activities, to facilitate the deployment of the regional companies on the technological frontier trajectories.

Public grants are limited to the poles operating in domains of specialization included in the entrepreneurial discovery process S3 and in sectors relating to Enabling Technologies (KET - Key Enabling Technologies).

In particular, this policy instrument aims at co-financing, through Abruzzo region ERDF allocation, activities carried out in collaboration by enterprises and research institutions and universities, mostly through the involvement of already existing public private aggregations, such as the Technology Districts, Public-Private Laboratories, and the Innovation Poles. Therefore, the projects co-financed are to be developed in a collaborative way in which the applied research is the base.

With this initiative, the regional authority aim is to continue the promotion of the support for the Innovation Poles, the business networks, the clusters, and other similar ventures in order to strengthen the development of new innovative projects, enhancing the business economic growth after the crisis.

Additionally, the policy instrument aims also to promote the establishment of international partnerships in order to support regional enterprises operating in cutting edge technologies.

In this sense, the policy instrument encourages the participation of regional enterprises in consortia in projects funded by programs directly managed by EU, as Horizon 2020.

The beneficiaries of this action are regional enterprises, also in pool and / or with research centres / universities, operating in domains of specialization included in the entrepreneurial discovery process S3. The Action is open to the entire region.

The policy instrument " *Support for collaborative R & D activities in order to develop new sustainable technologies, products and services* " has been implemented through public calls aiming to select the best R & D projects related to new products / processes / services.

The instrument is closely linked to achieving the objectives of the S3.

A set of criteria has been designed in order to select the operations to be submitted to the Supervisory Committee, which will cover:

- the formal admissibility (correct submission of applications, eligibility of the proponent, compliance with national and European State aid regulation legislation, etc.);
- the substantial eligibility related to the compliance of the project proposals with the purpose of the instrument;
- reward criteria.

The preliminary-evaluative selection, has been followed by a formal act of granting to the identified beneficiaries. The Stakeholder group relevant for policy instrument are the Regional Universities: University of Aquila, University of Teramo, University D'Annunzio Chieti Pescara, Business associations as Confindustria Abruzzo, Confesercenti, Confartigianato, Confcommercio Public institutions as Abruzzo Chambers of Commerce, Regional Innovation Poles: Automotive, ICT, Fashion, Agroindustrial and Chemical-Pharmaceutical

These stakeholders, besides the regional authority, directly involved in the project, are some of the main representatives of the triple helix model involved in the implementation of innovative projects such as those funded by the policy instrument.

Therefore, as intermediate and final users, they are the most relevant ones to participate in the stakeholder groups, improving this way the governance related to it.

So far, two call for proposals has been published aimed at supporting research initiatives and the other one to finance research projects of enterprises that employ researchers and who develop new eco-sustainable products through new forms of public-private collaboration were launched. **The first call for "large projects", which combines several ERDF actions with a total allocation of 20 million euros, generated investments of around 45 million euros.** The second call, **with a budget of 4 million euro, received 115 project applications, while in total about 40 projects** were financed. Both calls refer to the development trajectories indicated by the single technological domains highlighted in the regional strategy "smart specialization". In addition, they have been committed for participation in a project by the means of a memorandum of understanding with the Ministry of Economic Development already signed and which is in advanced stage of implementation

and a further large research project, aimed at the "life sciences" domain only. Up to today, around € 9 million has been spent on projects under S3.

Horizontal regional policy instruments addressed by the Project

1) RIS3 Strategy

This policy instrument chosen in the Application Form and the other Axis I and Axis III Actions as well, have been developed according to the directives established by the regional smart specialisation strategy.

In fact, the Abruzzo S3 is the regional framework for the promotion of research and innovation policies according to a vision of "smart specialization".

In particular, in order to increase productive efficiency and competitiveness of the regional economic system and to increase research and technological innovation and transfer, including through the upgrading of the ICT application, S3 supports:

- aggregation processes of enterprises through the publication of public calls aimed at innovation clusters / networks of companies for the identification and implementation of new products / processes and services and for the realization of complex research and development projects;
- grants for investments to support: i) purchase of machinery, equipment, software, hardware, aimed at improving the methods of production and / or distribution; ii) activation of highly qualifying and innovative services aimed at improving business processes, the organization and management of marketing; iii) transfer of new technologies to the micro and small enterprises;
- actions for advanced training in the area of organization and innovation of enterprises, also in a perspective of coordination of policies and actions in the area of research, development and innovation (interregional vision);
- actions to facilitate the relationship between the banking system and the system of companies operating within the region (guarantees for the realization of innovative investment programs).

Abruzzo ERDF Program was approved in august 2015, so already in October Abruzzo Region tried to present the RIS3 Strategy based on a desk analysis and statistic evidence: that document got 192 remarks from the Commission and the main point was: *"..... your Strategy is more a research than a on going process"*.

That's why Abruzzo Region decided to rewrite the document, starting from the governance: it was officially stated that the Strategy would have been shared together with stakeholders, meaning the real actors of the local development; in the meanwhile the Program was stopped.

From January 2016 Abruzzo Region started selecting about 500 SME's and about 10 large enterprises from our region, using some shared criteria such as: SME's participating to Horizon 2020 or to the 6th Framework Program or at least to ERDF 2007-13 Program, SMEs having patents registered in the last 2 years; SMEs investing in research more than the regional average, and so on.

Studying this statistic sample Abruzzo Region realized that the more innovative enterprise of the region could have been divided in the following 5 main areas (Technological Dominion), 3 already known and operating and the last 2 still to be rediscovered: Automotive; ICT/Space; Health Care, Agri-food and Fashion/design.

Then it was decided to complete the process, with the entrepreneurial discovery, in order to know directly from the selected stakeholder the main medium term investment prospective: during the following 8 month about 25 focus groups were managed (5 per each dominion), and than just reported what learnt in our new Smart Specialization Strategy; for instance Automotive sector proposed 3 main strategic strand: hybrid (or full electric power train), vehicle lightening (especially for the last mile commercial delivery) and design for disassembling ("cradle to cradle" engineering). After the submission to the Commission in September, the Strategy was approved in a couple of months. The added value of Abruzzo EDP, as highlighted by other HIGHER partners is in the method achieved: every call for proposal founded by EU followed this way and all the main resources of the 2014-20 programming period are oriented towards the 5 technological sector, supporting the private investment foreseen.

In order to achieve the effective engagement of local development actors, the following stakeholders categories were invited in the different phases of the process:

- Regional Agencies;
- Local government Research organizations (e.g. research centres, science parks, laboratories);
- Higher Education institutions;
- Regional / Local Companies (SMEs);
- Regional / Local Companies (Large);
- National companies;
- Foreign-owned companies with facilities in the region;
- Business associations;
- Chambers of commerce, Labour unions;
- Regional government (as Managing Authority);
- National CLUSTERS (as networks of innovating regions).

The next steps of the EDP during the current programming period are the involvement of emerging actors, the improvement of trans-regional dimension of EDP (es. National Strategy); the management of conflicts between stakeholders in the EDP, the transfer of the EDP results into coherent policy decisions.

Only by the end of the 2014 - 20 programming period it will be possible to realize if the Strategy and the EDP - encouraging R&D and promoting and supporting the growth of joint innovative projects - succeeded in the main goal, that is to increase the share of public and private spending for R&D on regional GDP, from the 1%, to national average of 1.30%, and a bit closer to the European target outlined in the Lisbon Strategy (3%).

2) The “Pescara Charter”

In the regional territory there are 3 National Parks (Abruzzo National Park, Gran Sasso and Monti della Laga National Park, Maiella National Park), one regional park (Sirente Velino), and 38 protected areas including WWF oasis, national and regional reserves.

Abruzzo Region ranks first in Italy for its percentage of protected area, which accounts to 36% of the regional territory.

At the same time the region has one of the highest productivity rate in Southern Italy and its economic structure is largely based on SMEs.

In 2015, Abruzzo was the one of the most industrialized region in Italy (29.3% of value added from industry).

Abruzzo in fact enjoys industrialization rates that are above the National average (66 enterprises per 10,000 residents vs. a national average of 64).

The main objective of the Pescara Charter it to merge these two “souls” of the Region: the greener face and the industrialized one.

This policy instrument completed the processes started at regional level with the Smart Specialization Strategy, trying to promote the creation of a welcoming and inclusive "social" climate for research and business, and supporting development of wisdom (knowledge) and skills (know-how) for sustainable industry at all levels of learning. Of course, the landscape this instrument is moving in is designed by the European reference of achieving an intelligent, sustainable and inclusive growth.

“Sustainable industry” was officially identified by the Abruzzo Regional Council as the main economic and social driver of regional development, complying with the following areas of sustainability:

- Environmental: representing the capability to preserve over time the three functions of the environment: supply of resources, receiver of waste, direct source of utility;

- Economic: representing the capability of an economic system to generate enduring growth of economic indicators, in particular earnings and employment;
- Social: representing the capability to guarantee conditions of human welfare (safety, health, education) distributed equally by class and gender, and to promote social inclusion.

At this point was made the decision to focus on sustainability and circular economy (without overlooking the importance of social and economic sustainability): the Pescara Charter is the link between the previous industrial policy actions and aims to develop existing local manufacturing activities (or others that could be hopefully attracted), by leveraging the ability to integrate/develop new knowledge/new technologies, maximizing synergy among economic, social and environmental sectors.

The Pescara Charter was officially set up in 2016 by a specific Regional Council act, offering to applicant companies a “*region-enterprise partnership agreement*” that provides specific advantages for enterprises committed to pursuing the above mentioned aims of sustainable industry, establishing advantages in terms of:

- simplified procedures (level of bureaucracy is reduced to the minimum, as are local administrative costs)
- reduction of administrative and local taxes (regional taxes related to production activities are as low as possible);
- supporting legislation (dedicated legislative initiatives for simplification are on the way);
- priorities (every call for proposal founded by ERDF 2014 – 20 Axis I and III is oriented towards the 5 technological dominions: among these specific additional evaluation scores is allocated for enterprises with the Pescara Charter label).

Membership is voluntary and is based on companies' compliance with 61 environmental, social and economic sustainability conditions set out in the Charter.

To be eligible to become a Charter partner, the applicant must meet several conditions having the environment as the priority; depending on the number and type of conditions met, Charter membership may be “*basic*”, “*intermediate*” or “*advanced*”; each level of membership will offer different types (or rate) of advantages.

The added value is the method shared with the stakeholders in order to achieve a more efficient use of structural funds and increased synergies among EU, national and regional policies.

A real attempt to drive the change started with the RIS3 to a circular economy regional model, with an open (every enterprises operating in the region can try to become a partner), easy (the related web platform is managed directly by regional offices), original (with this characteristics) and free (no additional resources are needed) instruments to support and promote innovative and sustainable SMEs, using the given EU funds.

At the moment about 130 enterprises (among the most innovative and dynamic we have in Abruzzo) are officially registered on the Pescara Charter web platform (with different level of membership) and actively involved with circular economy processes.

Of course, the Charter is not a closed document; it will be implemented as stakeholders needs change, also with contributions from the Pilot Committee and permanent round tables on management of environmental impacts, innovation and human capital, that actually represent the governance of the system.

Pescara Charter is also the key point trying to qualify Abruzzo as a partner of an interregional cooperation initiative on circular economy to be submitted to the thematic platform "Industrial modernization", with other regions selected using the Regional Benchmarking tool, from the RIS3 platform in Sevilla.

Additional Policy Instrument of the R.O.P. E.R.D.F. 2014-20 addressed by the Project

ROP ERDF 2014-2020 Axis III – Financial Instruments

The POR FESR Abruzzo 2014-20 foresees the use of Financial Instruments within the Priority Axes 3 "Competitiveness of the production system" and 9 "Prevention of seismic risk and support to the economic recovery of the crater communes ", the actions are focused on the following issues:

- competitiveness and attractiveness of the production system, to support business start-ups and dimensional growth of micro and small companies operating in the region, with particular reference to the most innovative sectors and in line with the S3 areas;
- innovation and development of the productive system, with the aim of promoting investments in machinery, plants and intangible assets and accompanying the reorganization and corporate restructuring processes;
- strengthening of the credit system, in order to boost the guarantees system, to improve the conditions of access to credit and to support corporate investments.

In the 2014-2016 period, companies active in the Abruzzo region rose from 128.109 to 127.063; the only two sectors that recorded positive dynamics were those of touristic accommodation and catering facilities and finance and business services, while industry firms in the strict sense reduced overall by -2.07%.

The performances of the main production sectors in 2016 are very different: positive for the manufacturing industry (all the economic indicators show positive trends compared to 2015: + 3.7% turnover, + 5.1% foreign turnover + 2.8% domestic orders and + 4.3% foreign orders, while employment growth stands at + 1.4%), more negative for commercial and handicraft companies, with negative values of annual turnover (respectively -1.7% and -1.8% compared to 2015) due above all to the negative dynamics of small and large companies and companies operating in the personal and business services sectors.

The action of the ROP in this area focuses on supporting new companies (start-ups) and among them those with the most innovative and coherent features with the S3 areas. At the moment there are 177 innovative start-ups registered in Abruzzo, in the special section of the Chamber of Commerce. From a comparison of the number of companies on an annual basis, it is clear that in the last 3 years the number of innovative start-ups in Abruzzo has progressed strongly, with a decisive increase in 2017 (+21 start-ups). It is therefore clear that the number of innovative start-ups in Abruzzo is growing, a situation probably favoured by the grants available at national and regional level.

The financial instruments foreseen by the Regional Council within the Axis III are of 2 different kinds:

- a 22 million € Guarantee Fund to facilitate the access to credit; the SME's targeted are those that have difficulties to access to credit trying to implement innovative investment programs or needing working capital for a liquidity crisis or to finance the share of private capital, in the case of new or active start-ups;
- a 5 million € Loan Fund aiming at favour the birth and growth of micro, small and medium-sized enterprises operating both in the traditional and craft sectors and in those of S3 or processes of energy efficiency in companies (including SMEs) and the self-production of energy from renewable sources in order to increase their competitiveness. The Fund will provide beneficiaries with microcredits (up to 25.000 euros) or loans up to 60.000 euros.

Lessons learnt by the partnership of the HIGHER Project

All the activities of the Project were very interesting and inspiring: all the partners worked quite closely in a collaborative way. Actually, thinking about the structure of this action plan, we focused on 4 good practices (A, B, C and D) learnt from other partners and 2 working documents (E and F) officially shared during the project activities.

Good practices learnt from other partners

A) Joint Cross-Border Smart Specialization Strategy Galicia & Região Norte-

Partner of the HIGHER Project: CeiiA from Portugal Northern Region

The Smart Specialization Strategy of Galicia and Northern Portugal (RIS3T) is the first cross-border RIS in the EU. Its main objective is to generate economic knowledge, quality employment and social welfare by jointly promoting strengths and common challenges. Thus, the RIS3T aims to boost the participation of the euro-region in European calls for inter-territorial cooperation and constitutes a framework to launch coordinated actions and projects capable of competing with greater success in attracting funding from the H2020. The design of the Strategy was coordinated by each side of the border, by the Galician Innovation Agency (GAIN) and the Regional Coordination and Development Commission of the North (CCDRN).

The strategy moves from the analysis of previous collaborations between the two regions and the regional context and the potential for specialisation, in the form of a Diagnosis of the Galicia - Northern Portugal R&D system. The Diagnosis ends with a SWOT analysis, from which the guiding principles that serve as the basis for the RIS3T Strategy definition. The conclusions from the Diagnosis and the joint strategic reflection exercise gave rise to the definition of a shared and agreed vision for the future of both regions on the basis of which the 6 strategic collaboration areas were established: Use of energy from biomass and the sea; Strengthening of competitiveness in the agro-food and biotechnology industries; Industry 4.0; Fostering competitiveness in the mobility industries; Modernisation of tourism and creative industries by using ICTs; Advanced solutions for healthy living and Active Ageing.

B) Smart Specialization Strategy in Stockholm: The Stockholm Model

Partner of the HIGHER Project: Nordregio

The presentation of the Stockholm model was held on 30/03/2017 in Cambridge by the Stockholm County Administrative Board.

In previous program periods, structural funds calls have resulted in many small and often fragmented projects, requiring heavy administration and with little impact on regional structures and a real development. This could be improved through a collaborative and continuous process, based on the EDP precepts. A stakeholders' partnership with knowledge in each actual field of intervention is involved in identifying relevant regional challenges during the analysis phase. Then a prioritization

is made by that partnership and a regional mobilization process takes place, to involve relevant actors in order to highlight strategic on-going processes and areas of intervention. Once a call is launched, relevant actors are prepared to develop strategic collaborations (related projects or larger, joint projects). All projects focus on stimulating growth in established SME as the main beneficiaries. The projects are based on collaboration between different regional actors (stakeholders) e.g. public actors, academia, research institutes, incubators, collaborative platforms or companies, in order to carry out the activities in the project.

C) “BSR Stars S3”

HIGHER Partners involved in the BSR Stars S3 Project: Nordregio and LIC (Lithuanian Innovation Center)

This good practice was presented during the “Stockholm Innovation Summit” held on 22nd February 2018.

BSR Stars S3 is an international project that seeks to enhance sustainable growth opportunities in the Baltic Sea Region, focusing on the fields of bio- circular and digital economy. BSR Stars S3 stimulates transnational and cross-sectoral partnerships, develops integrated innovation support infrastructures and innovation management tools, and increases the capacity of innovation actors to utilize smart specialization strategies (S3). It is part of the EU Strategy for the Baltic Sea Region under the BSR Stars flagship, and has received funding from the Interreg BSR Program.

D) Strategic Research and Innovation Partnerships for S3 (SRIPs) from Slovenian Ministry of Economic Development and Technology officially presented in Ljubljana in July 2018
Partner of the HIGHER Project: AUMS (Association of Urban Municipalities of Slovenia)

Expenditure on R&D and human resources in science and technology occupations in Slovenia is relatively high, however a number of innovation outcomes are low as indicated by a low number of patents, trademarks, service’s share of business R&D and a low number of innovative companies. (this is comparable with Abruzzo Region situation) The purpose of the instrument is in the areas where Slovenia has recognized comparative and competitive advantages to promote knowledge-based development and better cooperation within the research community and industry with the aim of diversifying into new technologies, products and services (the creation of startup, and spinoff companies and diversification of production in existing enterprises) and, consequently, the creation of jobs with higher added value.

The cooperation between stakeholders in SRIPs is built on:

- coordination of R&D activities;
- sharing of capacities;
- development of human resources;
- exchange of knowledge and experience;

- networking and collective representation of interest abroad.

Working documents officially shared during the project activities

E) Analysis of the HIGHER Policy Instruments

It is a study document officially delivered by the HIGHER project partnership, that has clearly shown the need of additional financial engineering instruments to support innovation, internationalization and entrepreneurship for all the partners, and in particular for Abruzzo and Norte Portugal Regions (pages from 15 to 54).

F) Benchmarking analysis Abruzzo Region - Galicia, document officially delivered within the activities of the HIGHER Project.

The two regions have been selected with support of the Sevilla Platform <http://s3platform.jrc.ec.europa.eu/> UE tools dedicate on Smart Specialization Platform.

Based on the information and platform analyses, mainly European regions matching, the Abruzzo Region Group focused and selected Galicia Region for the regional comparison.

Galicia was identified since the one of the indicators used by the platform, the distant index, 0.0331 shows many similarities between Abruzzo-Galicia regions (interactive tools); for instance both regions have highly developed automotive sector with Citroen PSA (Galicia) and SEVEL ITALIA in “Val di Sangro” area (Abruzzo); this area of collaboration has been deeply analyzed in order to highlight good practices, transfer the know-how and knowledge. On the other hand, the analysis also highlighted excellent agro-food sector in both regions. We found very interesting the common governance of ERDF and ESF tested in Galicia. Furthermore, we can underline that Galicia is also leading the above mentioned good practice “Joint Cross-Border Smart Specialization Strategy” with Região Norte, HIGHER project partner.

PART III – ACTIONS IN DETAILS

ACTION 1 - IMPROVING IMPACT OF THE EU FUNDS

Background

This Action is inspired by the above mentioned lessons learned A) “*Joint Cross-Border Smart Specialization Strategy, Galicia & Região Norte*”, studied during the Benchmarking analyses “Abruzzo – Galicia”; the most relevant points are indicated within paragraphs 3.2 “*METHODOLOGY FOLLOWED FOR DIAGNOSIS OF THE EUROREGION’S INNOVATION SYSTEM*” and 3.3. “*METHODOLOGY FOLLOWED TO ESTABLISH GOVERNANCE*” of the Document, D) “*Strategic Research and Innovation Partnerships for S3 (SRIPs)*” and F) “*Benchmarking analysis Abruzzo Region - Galicia*”.

The main idea is to reproduce, since it will be sustainable, the wide opened, intersectoral and transnational governance system, tested in the Spanish e and the Portuguese regions.

Elements of good practices that inspired us and we intend to transfer:

In the Benchmarking analysis, we found interesting the common governance of ERDF and ESF tested in Galicia and the choice to match ERDF and ESF funds; in Abruzzo region there is a strong debate on management of the structural fund (In the next program it is very likely to have a unique Fund structural program). This inspired the following Action 1.1.

In the Slovenian Strategic Research and Innovation Partnership (SRIP) we found interesting the cooperation with supportive innovation environment: technological parks, university incubators, accelerators, technology transfer offices etc., even among sectors not directly addressed by S3. This inspired the following Action 1.2.

From “*Joint Cross-Border Smart Specialization Strategy, Galicia & Região Norte*”, we learnt the relevance of trans-national cooperation within the dominions of the different S3 Strategies, since the repercussions of the Regional Strategies cannot be limited within the boundaries of the relative territories. This inspired the following Action 1.3

Actions

Action.1.1 Multi-fund call

In order to make it easier for different programmes and instruments to work together boosting the impact of the EU budget, following the Galicia experience, Abruzzo Region published its first multi-fund ERDF (within the Policy Instrument object of “Higher” project) - ESF call for proposal (<http://www.regione.abruzzo.it/content/intervento-il-sostegno-regime-di-aiuti-progetti-di-ricerca-industriale-sviluppo-sperimentale>); the selection procedure is ongoing and based on the results gained, a model for a multi-fund will be elaborated, shared with MAs of the others structural funds and delivered for implementation.

<p>Action.1.2 Multi-sectoral Governance</p> <p>As shown Abruzzo region RIS3 Strategy is based on 5 technological dominions (Automotive; ICT/Space; Health Care, Agri-food and Fashion/design), so that the ERDF Axis I and III resources have been accordingly oriented; basing on the Slovenia experience, it will be implemented a governance methodology paper involving also other important economic areas as Tourism and Agriculture, financed on different funds. The output of the action will be an analytical report, describing the level of integration achieved in terms of joint projects.</p>
<p>Action.1.3 Trans-national collaboration in the RIS 3 context</p> <p>Based on the experience of the Cross Border RIS 3 of Galicia and Northern Portugal The Abruzzo Region intends to enhance interregional collaborations with “close” European regions, meaning with a short distance in terms of RIS 3 Platform territorial index. In order to select the regions to involve in this process, the Sevilla Platform (a JRC instrument) will be used. This will be carried out by a study document of S3 priorities of the selected regions, an invitation letter to local authorities and/or stakeholders, a Skype conference. The final output will be a shared proposal of agreement for future collaborations between both public and private bodies, on common priorities and/or domains.</p>
<p>PLAYERS INVOLVED</p> <ul style="list-style-type: none"> ✓ Regional departments and other organization involved in macro regional strategy ✓ Regional business Agencies, supporting associations ✓ Stakeholders: Large Enterprises and SMEs, Universities and Research Centres, Public Administrations, Innovation Poles, ERDF and ESF MA. The “other organisations involved in macro regional strategy”.
<p>TIMEFRAME: November 2018 – September 2020</p>
<p>FUNDING SOURCES: The implementation of actions 1.1, 1.2 and 1.3 will be funded by ERDF and regional resources; these costs mainly include staff costs that are paid by the regional government (estimated in about € 6.000,00). Meeting and workshops (if needed) will be co-organized with stakeholders and will be cost free.</p>
<p>OUTPUTS:</p> <p>Action 1.1: one multifund call</p> <p>Action 1.2.: one methodology paper involving the 5 technological dominions (Automotive; ICT/Space; Health Care, Agri-food and Fashion/design) of the RIS3 and other sectors as Tourism and Agriculture, financed on different funds and one analytical report, describing the level of integration achieved in terms of joint projects</p> <p>Action 1.3: one shared proposal of agreement for future collaborations between both public and private bodies, on common priorities and/or domains</p>

ACTION 2 – TOWARDS CIRCULAR ECONOMY

Background

This action is strictly linked with best practice C) “BSR Stars S3” in which are involved 2 HIGHER Partners: Nordregio and LIC (Lithuanian Innovation Center). The project was presented during the “Stockholm Innovation Summit” held on 22nd February 2018.

Since Abruzzo Region is, at the same time, one of the greenest territory in Europe (about 1/3 of the territory is covered by national and regional parks and natural protected areas) and one of the most industrialized regions in Italy (29.3% of value added from industry), the issues of sustainability and circular economy are crucial to develop any industrial supporting policy.

HIGHER Project is focused on innovation policies and the activities carried on during the project highlighted very clearly how “High Innovation Projects” can not be implemented but basing on circular economy. Not by chance, even 2 International Projects Summits (in Stockholm and in Ljubljana) foreseen in the Application Form (pages 39 and 40) have been focused on circular economy as well as the final Project event in Brussels, within the European Week of Regions and Cities 2018.

Implementing the innovative instrument of “Pescara Charter” is the way we are going to use in Abruzzo to link RIS3 technological paths with circular economy issues.

Elements of good practices that inspired us and we intend to transfer:

The main principles for implementation to be transferred, learnt by the presentation are:

- improve capacities of regions to implement regional smart specialization strategies with focus on bio-and circular economy;
- enhance new partnerships and business-research cooperation in bio-/circular economy and co-specialization of the BSR.

Action

Action 2.1 Empowerment and updating of the “Pescara Charter”

The “Pescara Charter” (as presented during the project meeting in Ljubljana in July 2018 and in Brussels during the workshop on Circular Economy as a side event of the EWRC 2018) is a pact between Abruzzo Regional Council and enterprises in identification of 61 sustainability conditions. Sustainability is a common thread through the work of the Union in many different areas, this is both by necessity and by choice. Actions will be addressed to increase the supporting measures in promoting energy efficiency and clean energy among SMEs. The charter wants to create a welcoming and inclusive "social" climate for research and business and supporting development of wisdom (knowledge) and skills (know-how) for sustainable industry at all levels. Action will be focused on simplification of the criteria and relevant indicators in order to facilitate participation of Micro and SMEs and now under represented. The Pescara Charter is the link between industrial

policy actions and aims to develop existing local manufacturing activities (or others that could be hopefully attracted), by leveraging the ability to integrate/develop new knowledge/new technologies, maximizing synergy among economic, social and environmental sectors. An awareness event will be also organized among the current members, in particularly large enterprises and their own supplier within their supply-chain as to verify participation of the SMEs.

According to the BSR Stars program presented during the “Stockholm Innovation Summit”, the aim of this action is to implement the Pescara Charter toward the circular economy: the idea is to use the already existing web platform of the Charter to promote Industrial symbiosis enabling one company to utilize waste or side products of another company. The direct output will be the proposal of new simplified selection criteria to achieve the Charter memberships.

PLAYERS INVOLVED

- ✓ Regional departments and other organization involved in macro regional strategy
- ✓ Regional business Agencies, supporting associations
- ✓ Stakeholders: Large Enterprises and SMEs, Universities and Research Centres, Public Administrations, Innovation Poles, ERDF and ESF MA.

TIMEFRAME: January 2019 – September 2020.

FUNDING SOURCES: The implementation of action 2.1 will be funded by ERDF and regional resources; these costs mainly include staff costs that are paid by the regional government (estimated in about € 5.000,00). Meeting and workshops (if needed) will be co-organized with stakeholders and will be cost free.

OUTPUT:

Action 2.1 one proposal of new simplified selection criteria to achieve the Pescara Charter membership.

ACTION 3 - FINANCIAL INNOVATION

Background

In the previous programming periods aids for research, innovation, internationalization and birth of new companies were provided only in the form of grants: it would be useful to experiment a mix of financial instruments – even different from the “usual” grants – showing the advantages and the added value of rotativity, leverage effect and possibility of a lower aid intensity.

This action, focused on Financial Innovation, is strictly linked with good practice B) “*Smart Specialization Strategy in Stockholm: The Stockholm Model*” (presentation held on 30/03/2017 in Cambridge) establishing a long-term collaboration for development between companies of varying sizes, research institutes, and a number of public organizations and with the relevant actions related with financial synergies.

A good business climate prevails in the Stockholm region – many small innovative companies are established, and there are supporting incubators and innovation offices at universities and colleges. But the companies’ access to venture capital in the early stages is not sufficient. After the UK, Sweden has the largest venture capital sector in Europe in terms of investments in relation to GNP. Despite this, the supply of capital in the early stages has decreased substantially since the financial crisis. Small, innovative companies are finding it difficult to grow quickly enough in the face of global competition. Many end up in the “valley of death”. Private funds are increasingly being invested at later stages of corporate development, when the risks are smaller and return more reliable. This is why incentives are necessary for private investors to also invest capital in the early stages, above all in technology- and capital-intensive sectors characterized by long lead time lags and high risks. Both venture capital companies and individual private investors need a long-term, competitive framework if investments in the early stages are to increase. These include funding-fund solutions, larger and less complex investment incentives, or a more accommodating tax policy. The resources available for financing purposes are not currently distributed over the sectors and regions in which they generate the biggest benefit. We believe that venture capital can be used more efficiently than it is today. Using financial instruments, the state can supplement private investments and secure the supply of capital at all stages.

The action is also linked to lesson learned E) “*Analysis of the HIGHER Policy Instruments*” that has clearly shown the need of additional financial engineering instruments to support innovation, internationalization and entrepreneurship for all the partners, and in particular for Abruzzo and Northern Portugal Region (pages from 15 to 54).

Elements of good practices that inspired us and we intend to transfer:

The HIGHER activities and the partnership helped us to realize that is fruitful to support innovation projects with a mix of grants, warranties and other financial instruments, already available in a very

innovation-oriented territory like Stockholm. This is why the establishment of a Regional Credit Observatory could be useful to provide the policy makers with the necessary information to implement such a kind of financial support.

Actions

Action 3.1 Regional Credit Observatory

The idea to establish a Regional Credit Observatory stems from the fact that in Abruzzo there is weak interaction between the world of credit and that of industry. This situation is even worst after the 2008-2009 crisis, causing an increasing credit crunch. The Observatory will be the place to match the different actors and stakeholders: regional government, ROP ERDF financial instruments managing Authority, the Association of Italian Banks, the Bank of Italy, the local Entrepreneurial Guarantee Consortia, Fi.R.A. S.p.A. – the Regional Financial Agency, Abruzzo Development Agency, etc.). This will facilitate the policy makers in defining the regional credit policies using the ROP ERDF 2014-2020 resources dedicated to financial instruments, reported in action 3.2 of this Action Plan. The output will be the preparation of a formal institution for the establishment of the Observatory and the related operational regulation.

Action 3.2 Implementation of ROP ERDF 2014-2020 Warranties and Loan funds

In the next months, using part of the 22 ME Guarantee Fund, will be launched a first call for about 13 M€ in order to provide SME's with guarantees and to facilitate their access to credit.

Moreover, in order to support also SME's start ups, a second call will be published by the end of 2019 for about 5 M€ aiming to provide new entrepreneurs with micro (up to 25.000 €) or small (up to 60.00 €) loans. This way, also new companies that usually have difficulties accessing the credit system and whose activities are consistent with the technological paths of the regional S3 can receive direct support in the initial or development phase.

PLAYERS INVOLVED

- ✓ Regional departments
- ✓ Stakeholders: Regional business Agencies, supporting associations, Association of Italian Banks, the Bank of Italy, the local Entrepreneurial Guarantee Consortia, Fi.R.A. S.p.A. – the Regional Financial Agency, Abruzzo Development Agency etc.

TIMEFRAME: January 2019 – September 2020.

FUNDING SOURCES: The implementation of actions 3.1 and 3.2 will be funded by ROP ERDF 2014-2020 (about 27 MEURO). The Regional Observatory costs will mainly include staff costs that are paid by the regional government (estimated in about € 9.000,00).

Meeting and workshops will be cost free.

OUTPUTS

Action 3.1 : one preparation of a formal institution for the establishment of the Observatory and the related operational regulation

Action 3.2 : implementation of ROP ERDF 2014-2020 Warranties and Loan funds