



S34Growth
Interreg Europe



S34Growth addresses regional policy instruments facilitating industrial innovation-related interregional collaboration which can help the renewal of Europe's industry and boost competitiveness.

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Regional Action Plan: Basque Country



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

Regional Action Plan focusing on the improvement of the addressed policy instrument

Part I – General information

Project: Enhancing policies through interregional cooperation: New industrial value chains for growth (S34GROWTH)

Partner organisation: Basque Government

Other partner organisations involved (if relevant):

Country: SPAIN

NUTS2 region: ES21

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Part II – 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: Basque Country ERDF Operational Programme 2014-2020

Part III – Details of the actions envisaged ACTION 1: INTER-REGIONAL INNOVATION VOUCHER SCHEME

1. **The background** (please describe the lessons learnt from the project that constitute the basis for the development of the present Action Plan)

With the aim of improving existing instruments in the regions to facilitate interregional collaboration in industrial innovation activities, the Basque Government is participating in the Interreg Europe project "S34Growth".

During phase 1 of the S34GROWTH Interreg Europe project, partner regions have developed a deep understanding of the different funding instruments to support R+D+I and how these could be reshaped in order to enhance inter-regional collaboration among our regions' innovation actors.

Experiences in Lombardy and Tampere and Catalonia have shown that innovation vouchers are quite an easy and flexible policy instrument to bridge the gap between small business and knowledge centres, initiating long-term relationships between the institutions and facilitating technology transfer to the market.

Moreover, during the visit to the Bio Base Europe Pilot Plant in Ghent (OSDD Flanders) we learnt that thanks to the Interreg NWE program SMEs from Belgium, Germany, Ireland, United Kingdom, Netherlands were offered technological support through interregional innovation vouchers up to 30.000 euros.



Additionally, it became quite clear during the discussion in the OSDD that took place in the Basque Country that innovation vouchers would be an interesting policy instrument to be developed in order to facilitate the access of companies from one region to testing and demonstration infrastructure located in another region.

This is precisely the main action of the Basque Regional Action Plan.

The Basque Government, based on the industrial fabric and technological capabilities of the region has designed its Smart Specialization Strategy defining its areas of productive specialization.

One of those areas of specialization is Advanced Manufacturing, for which the Basque Government has developed a specific strategy, the Basque Industry 4.0 Strategy.

Basque Industry 4.0 focuses on the incorporation of intelligence into production systems, the use of emerging technologies and capabilities in new products and processes, the integration of advanced materials in solutions with higher added value or improved processes, the efficiency and sustainability of the resources used and the integration of high added value services.

Digital transformation is at the core of the industrial revolution underway. Technological breakthroughs, such as big data, artificial intelligence and robotics, the internet of things or high performance computing are enabling the industry to improve processes, be more efficient and develop innovative products and services.

Basque industry faces the challenge of taking advantage of these digital opportunities quickly and effectively in order to ensure its competitiveness in the medium and long term.

Due to the rapidity of changes in digital technologies, most decision-makers in the industry have difficulty deciding when to invest, how much and in what technologies. When asked about public support to address this issue, industry stakeholders mention the urgent need for facilities to experiment and test digital innovations before investing in digitalization.

In order to provide industrial companies, mainly SMEs, with the necessary technological capabilities to meet the aforementioned challenges, the Basque Government, within the framework of the Basque Industry 4.0 strategy, has launched the "Basque Digital Innovation Hub" initiative (BDIH) ".

The objective of the BIDH is to make available to Basque industrial SMEs, easily and cost-effectively, a connected network of assets composed of infrastructures, laboratories, equipment, software, and innovative and excellent scientific-technological capabilities in the environment of the advanced manufacturing. This offer will allow companies to cover their potential needs to design, test and develop products or processes, to perform R & D projects, scaling, testing, training and demonstration.

An initial "Catalogue of 4.0 Assets" has been built to date with the support of Technology Centers, Advanced Manufacturing Centers, Universities and Vocational Training Centers.

The assets of the BIDH will be arranged in six stable nodes (flexible robotics, Big data analytics, cybersecurity, intelligent and connected machines, new materials and additive manufacturing).

As these assets are very expensive, the BIDH cannot afford to equip itself with all the relevant test banks to accelerate the digital transformation of our SMEs. Hence, there is the need to set up an interregional funding instrument that would allow connecting the BDIH to other Digital Innovation Hubs in other regions. This would allow having access to additional facilities, completing the missing competencies and developing new services.



This type of interregional collaboration between Digital Innovation Hubs will not only allow industrial SMEs in the Basque Country to access other hubs located in other regions, but also companies from outside our territory to make use of the assets of our BDIH, thus opening our innovation ecosystem.

2. **Action** (please list and describe the actions to be implemented)

As a result of the exchange of good practices among the partners of the S34Growth project, the Basque Government will set up an Interregional Innovation Vouchers pilot scheme.

The following activities will be carried out in order to implement the Interregional Innovation Vouchers Programme:

Phase I – Survey to characterise the offer

The objective of this Phase I will be to identify networks of assets and singular assets in the field of Industry 4.0 (in European regions) of special interest for the Basque SMEs. For that a survey will be addressed to the S34GROWTH regions regarding:

- Technologies available in their Digital Innovation Hub.
- Fields of application of those technologies
- Detailed description of the scientific and technological assets available for the provision of services to companies

Once the survey is completed, a database will be set up compiling in an orderly manner the totality of the technologies and the services available in each Digital Innovation Hub. The information of this database will be key for the design of the interregional voucher program.

The database will be exploited in order to draft a report on the complementarities of the Basque Digital Innovation Hub and the digital innovation hubs of the S34GROWTH regions.

Phase II – Interregional Innovation Voucher Programme definition

The objective of Phase II will be to define the key elements to be considered in the design of the programme (main beneficiaries, eligible costs, evaluation criteria for the voucher applications, beneficiaries obligations, procedure for the voucher application, etc.) as well as to identify the key processes.

Phase III – Definition of the Key Performance Indicators (KPI)

The objective of Phase III will be to define the key performance indicators in order to monitor and evaluate the level of activity of the programme as well as the level of satisfaction of the participating SMEs regarding the quality of the services received.

3. **Players involved** (please indicate the organisations in the region who are involved in the development and implementation of the action and explain their role)

Basque Government: S34GROWTH partner and responsible for the policy instrument. It provides policy direction.

SPRI – Basque Business Development Agency of the Basque Government. The policies defined by the Basque Government are translated into different services and programmes that serve the business fabric of the Basque



Country. The Basque Business Development Agency is precisely responsible for the management of those services and programmes. As such, SPRI will be responsible for managing the interregional innovation voucher scheme.

Stakeholders: The owners of the Industry 4.0 assets of the Basque Digital Innovation Hub (RTOs, Universities, Vocational Training centers, private companies) will assist in the definition of the interregional voucher programme.

NAIDER: consulting Company that will provide technical assistance to the Basque Government in the design of the interregional voucher programme.

4. **Timeframe**

The indicative timeframe for the different phases of this action is:

Phase I: April – June 2019

Phase II: June – October 2019

Phase III: October – November 2019

5. **Costs** (if relevant)

28.919 euros (VAT included) is the cost of the technical assistance that will be provided to the Basque Government for the definition of the interregional innovation voucher scheme.

The cost of the technical assistance is supported entirely by the Basque Government.

6. **Funding sources** (if relevant)

The future interregional innovation voucher scheme will be funded through the Basque Country ERDF Operational Programme (2014-2020).

An estimated minimum amount of 350.000 euros has been earmarked in the 2020 budget for this pilot action.

7. **Programme management related implications** (decision-making process, financing allocation plan, call preparation plan - terms of reference, timeframe)

The operational decisions on the different features of the interregional voucher scheme will be exclusively taken by the Basque Government after having taken into account the views of SPRI and the stakeholders involved.

The future regulation governing the interregional voucher scheme is expected to be published in the official journal of the Basque Country in December 2019.

8. **Expected impact and results of the policy improvement**

Through this interregional voucher scheme, an extensive set of services and assets (infrastructures, laboratories, equipment, software, etc.) will be made available to companies in the Basque Country. The access to a wider and more complete set of assets and services is expected to accelerate the process of incorporation of SMEs to the industry 4.0.

Moreover, by connecting the Basque Digital Innovation Hub to other regional hub, the costly scientific and technological resources will be optimized.



Annex: OSDD reporting template to support the action plan preparation

(to be filled by partners after each OSDD, the one hosted and the ones attended)

1. New policy learning opportunities provided e.g. on the following: regional innovation strategies and policies, international cooperation policies, S3 implementation, programme management, innovative policy instruments.

The learning extracted from the OSDDs in Tampere, Lombardy and Catalonia has proven very valuable in the preparation of the Basque Country Regional Action Plan as they provided the opportunity to have a deep understanding of the innovation voucher scheme put in place by each of these regions and the special features of each one of them.

The OSDDs have been a great platform for discussing and exploring the opportunities offered by different policy instruments with the objective of strengthening inter-regional cooperation.

2. How did the OSDD support the improvement of the addressed regional policy instrument?

Innovation vouchers are predominantly used to enhance the collaboration between RTOs and SMEs. Discussing this policy instrument in the framework of inter-regional cooperation provided a new perspective to the opportunities for exploring their benefits, for example through exploring complementarities in the usage of existing research & innovation infrastructures.

Moreover, the experiences shared by Tampere, Catalonia and Lombardy around Innovation Vouchers allowed us to clearly ascertain the potential benefits and the risks arising from the implementation of such a scheme.

3. Content related learning and ideas on industrial innovation/industrial renewal/advanced manufacturing (e.g. on innovation infrastructure and R&D expertise and their interregional utilisation, good practices and attractive partnership opportunities on industrial innovation, cluster facilitation and collaboration, internationalisation, export promotion and investment promotion)

Of particular interest to the Basque country are:

- In Italy, investments related to industry 4.0, advanced manufacturing apply flexible hyper or super depreciation rules.
- Open Innovation Platform set up by Lombardy with the objective of stimulating the creation of an innovation ecosystem that would address the challenges of the RIS 3 strategy. The open Innovation Platform has been built by Lombardy around the key principles of the Quadruple Helix Open Innovation model, where "Government, industry, academia and civil participants work together to co-create the future and drive structural changes far beyond the scope of what any one organisation or person could do alone. Since its creation in 2015, more than 7000 participants have registered in the Open Innovation Platform of Lombardy. Over 200 communities have been created thus far, out of which 85 regarding topics of the Smart Specialisation Strategy. Over 1000 discussions have been initiated by the Platform users, more than 200 project proposals have been launched which have received over 430 expressions of interest.
- The Catalan NUCLIS R&D programme whose objective is to provide funding for research organizations and companies that develop joint R&D projects to obtain prototypes and



demonstrations of new products, processes and technologies. The Catalan programme offers financial support to the Catalan company in the project, whereas the foreign partner should apply to their local funding program. Currently, Catalonia has partnerships with Israel, Chile, Germany, France and South Korea.

4. Feedback and views on key OSDD messages and insights received from OSDD reflection meetings with staff members and with the stakeholder group.

When discussing with the stakeholder group in the Basque Country about an innovation voucher scheme open to actors from other regions, they proposed to limit the field of application to the testing and demonstration infrastructures. In such a way, we could reduce duplication of existing infrastructure, save search and investment costs, and further strengthen the competences in specific thematic areas of the participating regions/territories.

Stakeholders also proposed that in the case of Basque companies making usage of a testing and demonstration infrastructure in another region, the recipient of the innovation voucher would be the Basque company. However, in the case of foreign companies making usage of Basque testing and demonstration infrastructures, the innovation voucher would be awarded to the owner of that infrastructure.

5. Learning and ideas gained from the recommendations from OSDD-based policy briefs prepared by AFIL (S2-S4) to be utilised in the development of the regional action plan.

It is worth mentioning the idea to create synergies with other EU-level projects working on policy instruments for sharing innovation infrastructure such as Innovoucher, Pilots4U, Smart Pilots or INNO_INFRA_SHARE.

6. Other remarks and ideas

Date: 20th May 2019

Signature:

