



S34Growth

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Regional Action Plan: Norte Region

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

Regional Action Plan of the Norte Region focusing on the improvement of the policy instrument Demonstration Projects

ANI – Portuguese National Innovation Agency, S.A.

Part I – Contact information

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Part II – Policy context

ANI manages a set of financial incentives for research development and innovation, with a view to supporting the valorisation of scientific and technological knowledge by turning it into economic growth.

The policy instrument being addressed by ANI in this Action Plan is the **Demonstration Projects**¹. This instrument aims at supporting the demonstration, in real productive conditions, of results from previously concluded Research and Development (R&D) projects, including the setting of pilot lines, and addresses the growing need to integrate, test and demonstrate results from R&D projects developed at a national, regional or international level, and to disseminate them to a wider audience, both geographically and sectorial, thus boosting the chances for cross fertilisation and further valorisation.

This is a new instrument that builds on the experience gathered in previous Operational Programmes that showed the still significant challenges of integrating results and technologies from R&D projects to build demonstrators and pilot lines in Portugal, namely in the North region ('Norte'). In fact, Norte is still a lagging territory with considerable innovation challenges. Despite the importance of its economy and the significant progress it has made in terms of some innovation indicators such as R&D expenditure, it still performs poorly

¹ More information at <https://www.ani.pt/pt/financiamento/incentivos-financeiros-pt-2020/demonstradores/> (Portuguese version only).

in several innovation output indicators. Only a small number of SMEs develop R&D activities in the region and enterprises demonstrate low levels of R&D competences and collaboration with the scientific and technological system. This leads to difficulties in the access to new knowledge, which in turn translates into poor innovation intensity and underachieving economic valorisation of new ideas. Therefore, there is a need to develop policies tackling Norte's innovation challenges. In this context, it is important to facilitate technology-to-market processes in the Norte region, especially targeted at the 8 priority domains of the RIS3 Strategy², with the industry playing a key role in the solution.

Under the **Operational Programme of the North Region of Portugal for 2014-2020 ('Norte 2020')**, ANI acts as an intermediary body in the design and implementation of the Demonstration Projects, working closely with the programme's Managing Authority, the Norte Portugal Regional Coordination and Development Commission (CCDRN). This Action Plan thus aims at impacting the 'Norte 2020' Operational Programme and ANI is fully committed with the actions envisaged in it in order to overcome one of the region's main challenges of facilitating technology-to-market processes.

Due to its objectives and relevance, this policy instrument was set up through the following legal framework:

- It was included under the Priority Axis 'Research, Technological Development and Innovation' of 'Norte 2020', responsible for the implementation of R&D demonstration results programmes and instruments (individual or collaborative) in the North Region of Portugal;
- It was considered in the Specific Regulation of the thematic domain of Competitiveness and Internationalisation ('COMPETE' – RECI) of 'Portugal 2020' Partnership Agreement for the 2014-2020 programming period with the European Commission, responsible for the implementation of R&D demonstration results programmes and instruments (individual or collaborative) at a national level.

The measures taken before the implementation of this Action Plan in terms of increasing the effects of such instrument were framed within the more general measures adopted in Portugal for the 2014-2020 Structural Funds programming period:

- Orientation towards results – the support was limited to projects which demonstrated their potential contribution to specific regional development objectives and result indicators;
- Focus on key priorities – the support implied an alignment of the project with the 'Norte 2020' RIS3 Strategy, the Research and Innovation Strategy for Smart Specialisation of the Norte Region of Portugal, in order to concentrate resources on the priorities relevant for the region;
- Wide dissemination of the calendar of the calls – the calls were to be published in advance, so that potential beneficiaries could better prepare their applications.

So far, this new instrument has had 4 calls for individual and 4 calls for collaborative R&D demonstration projects (Table 1). Preliminary results show an increasingly participation of the Norte region companies in this type of projects, especially SMEs. This represents an investment of the region's industry on the demonstration of R&D results and supports the conclusion that ANI, as managing entity of the Demonstration Projects, needs to continue to improve this policy instrument, in its individual and collaborative component, in order to further meet the needs of northern companies.

² Full document available at http://norte2020.pt/sites/default/files/public/uploads/documentos/norte2020_ris3.pdf (Portuguese version only).

Table 1 – Calls for Demonstration Projects under ‘Portugal 2020’

Type of call	Call	Deadline
Individual	<u>10/SI/2015</u>	30/03/2015 – 24/06/2015
Individual	<u>32/SI/2015</u>	30/11/2015 – 15/03/2016
Individual	<u>05/SI/2017</u>	23/02/2017 – 30/06/2017
Individual	<u>30/SI/2017</u>	04/12/2017 – 28/02/2018
Collaborative	<u>09/SI/2015</u>	30/03/2015 – 24/06/2015
Collaborative	<u>31/SI/2015</u>	30/11/2015 – 15/03/2016
Collaborative	<u>04/SI/2017</u>	23/02/2017 – 30/06/2017
Collaborative	<u>29/SI/2017</u>	04/12/2017 – 28/02/2018

Part III – Details on the actions

This Action Plan for the time period of 2019-2020 includes a set of **3 actions**. These actions include initiatives that can positively influence the Demonstration Projects in the North Region of Portugal over the next 2 years, until the end of ‘Portugal 2020’ Structural Funds programming period for 2014-2020. The implementation of these initiatives does not require structural changes in the current version of the policy instrument and aim at increasing the effects of such instrument in the North Region of Portugal.

Although the overall objective of the S34Growth project was to “develop and improve existing regional policy mechanisms and instruments to facilitate interregional collaboration”, due to the specificity of the Demonstration Projects and the relevant inputs provided by project partners and the Regional Stakeholders Group (RSG) through Phase I of the project, 2 actions have regional focus and one has a specific interregional collaboration effort with the S34Growth project partners. Through project partners’ discussions during Phase I, it has been clear for ANI that implementing a kind-of interregional Demonstration Project would be a challenge under the current programming period. **This said, although not part of the Action Plan, ANI also thought about a set of actions to be developed after the end of the project (annex 1)**. They are a direct result of ANI’s interregional learning experience but, due to their nature, the implementation of these actions requires comprehensive changes to the current formulation of the Demonstration Projects, namely in terms of the Specific Regulation of the thematic domain of Competitiveness and Internationalisation (‘COMPETE’ – RECI), and can thus only be considered to be included in a possible definition of the Demonstration Projects under the new Structural Funds cycle, in the post-2020 period.

For each of the 3 actions of this Action Plan, we specify the nature of the action, propose an execution timeframe, provide information on the leader entity in its execution and other entities to be involved in the development of the action as well as estimate, if applicable, the associated costs and funding sources needed to implement the action. Although the Action Plan is only foreseen to be implemented between 2019-2020, the 2 regional actions have already been implemented (2017-2018, still during Phase 1) as a result of ANI’s participation and learning experience in the project.

The 3 actions proposed are, therefore, a **direct result** of the:

- Participation on 6 On-Site-Deep Dives (OSDDs) of the project (Tampere, Skane, Scotland, Catalonia, Zuid-Holland and Flanders), 2-3 days of field visits to the project partners' regions in order to collect good practices
- The feedback received from project partners and other participating regional stakeholders when organising the OSDD Norte, regarding new ways to improve the Demonstration Projects, which took place between 18-19 January 2017, in the cities of Porto, Matosinhos and Braga, and
- The recommendations and suggestions provided by Norte's RSG – regional (and, in some cases, national) entities with a very important role in the design and implementation of the Demonstration Projects and/or that can be affected by its results (annex 2) – on how to improve the policy instrument addressed by ANI

By participating on the project's OSDDs, ANI tried to identify actions already implemented by project partners that could be incorporated in a similar instrument of demonstration that may exist in the next programming period post-2020, namely actions that allow for an interregional cooperation between instruments of industrial innovation production. One of those actions was project partner ACCIÓ's NUCLIS Programme. NUCLIS is an international grants programme which offers financial support to enterprises from the region of Catalonia in international cooperation projects with a technological focus (TRL 3-7). It provides Catalonian companies support to cooperate with foreign companies and other entities of the scientific and technological system (e.g., R&D centres). This programme has a "unilateral" (collaborative R&D projects between a Catalonian company and any other entity of the EU-27 or selected countries) and a "bilateral" (collaborative R&D projects between a Catalonian company and an entity from a country with which ACCIÓ has a memorandum of understanding for the opening of specific calls) cooperation component. ANI found this programme very interesting and is willing to implement a similar one after 2020 due to the limitations previously described. However, in the scope of this Action Plan it intends to already participate in the 2019 unilateral NUCLIS call of ACCIÓ. This action will be further described below as 'Action 3'.

The feedback received from project partners and other participating regional stakeholders at the OSDD Norte also provided an opportunity to discuss how could ANI further improve its policy instrument, either in its current version or by adding an inter-regional component after 2020. At that time, ANI was at the start of a comprehensive internal debate on how it could better promote synergies between its national financial incentives for research development and innovation and European funding to enterprises, such as the Framework Programme. Different rules and evaluation processes made it difficult for national companies to apply for complementary funding instruments and lead to a cap in the funding schemes provided to support them. Several project partners talked about their similar experience and how they were already discussing ways to overcome this challenge in their region. Given the specificity of the Demonstration Projects (for instance, most partners don't have specific funding for the demonstration phase, which is usually included in funding for R&D projects, as the final stage of the project), one of the suggestions was finding a way to link this policy instrument with the "SME Instrument-Phase 2" "Seal of Excellence" companies (which stay below available budget and do not receive any funding from the European Commission), since the type of project submitted to both instruments was similar in terms of phase of development (i.e., TRL) and goals of the project. For ANI, this debate provided an opportunity to continue to reflect on these issues, although at a more regional level and gave rise to 'Action 2' of this Action Plan.

Finally, ANI also organised 3 meetings (November 2016, April 2017 and January 2018) with its RSG in order to collect recommendations and suggestions for improvement of its policy instrument. One of the main activities of this group was the draft of a SWOT – Strengths, Weaknesses, Opportunities, and Threats analysis (annex 3) that presented a comprehensive overview of the virtues and debilities of the Demonstration Projects in its current version, identifying ways to overcome the difficulties pointed out when using this instrument. This SWOT analysis served as baseline for an internal discussion within the agency about how to overcome the challenges identified by the RSG and what could still be done in the scope of the current programming period. One of those actions is presented in this Action Plan as ‘Action 1’ since it was a common recommendation of both regional stakeholders and project partners in the scope of OSDD Norte.

Actions envisaged in this Action Plan (2019-2020)

Action 1 – Extension of the typology of promoters to entities that do not have R&D as their main objective [regional action]

Relevance to the project

This action is a direct result from the SWOT analysis ANI did with its RSG in order to identify the challenges and opportunities of the Demonstration Projects, thus increasing the effects of such instrument in the North Region of Portugal during the current Programming Period. In particular, the RSG expressed some concerns regarding the typology of promoters illegible for collaborative Demonstration Projects, since they worked with several entities that, although research was not their main objective, they developed and/or participated in scientific research activities with companies. For instance, the Health Cluster Portugal, one of the members of the RSG, stated that in the case of the health sector, it appears that the majority of companies applying for the policy instrument collaborated with patient associations, health centres, hospitals and others, that because of their nature were not illegible in the scope of this instrument, and this was particularly true for northern companies. This challenge was then further discussed with project partners during the OSDD Norte, as several successful cases of previously concluded Demonstration Projects were presented and debate around how to better promote collaboration between entities of the regional scientific and technological system of Norte arose. The identification of this limitation created an opportunity to revise the illegibility criteria of the collaborative Demonstration projects at a national level³.

Nature of the Action

With this action, ANI intends to broaden the typology of promoters of the current Demonstration Projects instrument, in its collaborative component, to those that although not having as main objective the promotion of research, they participate in research activities in the scope of an effective collaboration with R&D-based companies. Thus, entities of the scientific and technological system such as (i) higher education institutions, their institutes and R&D units; (ii) state-owned or international laboratories headquarter in Portugal, in regions that fall under the scope of the current regulation; and (iii) private non-for-profit institutions that have as main goal R&D activities, can be joined by other entities in which research is not their main objective, such as (iv) other public and private non-for-profit entities that develop or participate in scientific research activities. Although this is an action with only regional implications, it derives from the

³ Annex 3, SWOT analysis, Weakness 8.

lessons learnt during Phase 1 of the project and is expected to significantly improve the policy instrument addressed by ANI by promoting the inclusion, in project proposals, of entities that have an important role in the development of research and innovation in Portugal.

Timeframe, indicative costs and funding sources

In order to implement this action, we propose the following timeframe, leader entity, other involved entities, associated costs and funding sources:

Action	Foreseen starting date	Leader entity	Other entities involved	Costs	Funding sources
Action 1	2017	ANI	COMPETE ⁴	No costs associated	No funding foreseen
			Regional Operational Programmes ⁵		

The implementation of this action will require a change in the Specific Regulation of the thematic domain of Competitiveness and Internationalisation ('COMPETE' – RECI) of 'Portugal 2020' Partnership Agreement for the 2014-2020 programming period. It must involve all Regional Operational Programmes, including the Norte region, since the Demonstration Projects is implemented at a national level, as well as the COMPETE Operational Programme, that manages this instrument, and ANI as intermediate management body. In terms of estimated costs and funding sources related with the implementation of this action, since it only requires a change in the current legislation, there are no foreseen costs and no funding sources will be used.

Implementation status:

As previously stated, this is one of the actions that ANI already implemented during Phase 1 of the project. The foreseen change to the Specific Regulation of the thematic domain of Competitiveness and Internationalisation ('COMPETE' – RECI) was made on the 20th of April 2017 (Decree n^o 142/2017 of 20th of April⁶). According to this change, the illegibility of the new typology of promoters will be evaluated by taking into consideration the relevance of their participation in the project (i.e., effective collaboration), mainly in terms of their competences, goals of the project, activities in which they participate within the project, human resources involved and suitability to the respective project budget. This extension of the typology of promoters has been communicated on ANI's website, in order to inform all possible beneficiaries of this instrument. The 4th call for collaborative Demonstration Projects (call 29/SI/2017), that was opened between December 4th 2017 and February 28th 2018 was the 1st call that included this change. ANI reported this policy change on the S34Growth Progress Report 4 and was invited to be a part of the "Europe, Let's Cooperate" event in Brussels, held in April 10th 2019, in order to present this and other achievements as a result of its participation at the project, at the "policy exchange" exhibition⁷.

⁴ Operational Programme on Competitiveness and Internationalisation.

⁵ Regional Operational Programmes include Norte, Alentejo, Lisbon, Algarve, Madeira and Azores regions.

⁶ http://www.poci-compete2020.pt/admin/images/P_142_2017.pdf (Portuguese version only).

⁷ <https://www.interregeurope.eu/europecooperates2019/exhibition/>.

Action 2 – Link the Demonstration Projects with the “SME Instrument – Phase 2” through the “Seal of Excellence” [regional action]

Relevance to the project

The feedback received from project partners and other participating regional stakeholders at the OSDD Norte provided an opportunity to discuss how could ANI further improve its policy instrument. At that time, ANI was at the start of a comprehensive internal debate on how it could better promote synergies between its national financial incentives for research development and innovation and European funding to enterprises, such as the Framework Programme. Given the specificity of the Demonstration Projects, one of the suggestions was finding a way to link this policy instrument with the “SME Instrument-Phase 2” “Seal of Excellence” companies, since the type of project submitted to both instruments was similar in terms of phase of development (i.e., TRL) and goals of the project. For ANI, this debate provided an opportunity to continue to reflect on these issues, although at a more regional level.

Nature of the Action

With this action, ANI intends to comply with the European best practices, supporting Portuguese companies awarded with the “Seal of Excellence” label. This seal is provided by the European Commission to companies that have applied to the “SME Instrument-Phase 2” and, although above the threshold, stayed below available budget and did not receive any funding. The main goal is to use money from Structural Funds to finance these kind of projects, at a national level, and, at the same time, comply with State Aid rules. This action will not imply a change on national regulations since there’s already an existing typology to fund previously concluded R&D projects, which is the Demonstration Projects. Therefore, ANI wants to open specific calls for “Seal of Excellence” Portuguese companies in the scope of this policy instrument, thus targeting a specific niche of highly intensive R&D Portuguese companies. This means that these companies will have direct access to the policy instrument and would be supported at a national level. The calls for the Demonstration Projects-Seal of Excellence (Phase 2 of the SME Instrument) comply with the same rules as those of the Demonstration Projects instrument, which are not the same as those of the European instrument “SME Instrument-Phase 2”. This means different co-funding rates and different funding activities. Ultimately, Portuguese companies must adapt their European application to national rules and procedures. However, the application must be based on their previously submitted proposal and not for funding an entirely different project. All Operational Programmes have been involved in this discussion, namely the Norte region. This policy change is expected to significantly improve Norte “Seal of Excellence” companies when accessing Structural Funds.

Timeframe, indicative costs and funding sources

In order to implement this action, we propose the following timeframe, leader entity, other involved entities, associated costs and funding sources:

Action	Foreseen starting date	Leader entity	Other entities involved	Costs	Funding sources
Action 2	2017	ANI	COMPETE	31,95 million euros	Regional Operational Programmes of Norte,

			Regional Operational Programmes		Alentejo, Lisbon, Algarve, Madeira and Azores
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The implementation of this action will require the involvement of all Regional Operational Programmes, including the Norte region, since the Demonstration Projects instrument is implemented at a national level, as well as the COMPETE Operational Programme, that manages this instrument, and ANI as intermediate management body. In terms of estimated costs and funding sources related with the implementation of this action, for this new typology of individual Demonstration Projects it is expected the allocation of 31,95 million euros from all Regional Operational Programmes until 2020 (the foreseen total amount may be subject to changes, depending on the calls opened).

Implementation status:

As previously stated, this is one of the actions that ANI had already started to implement before the end of Phase 1 of the project. On July 31st 2018 the first call for this specific typology was launched, in its individual component. The instrument aims at supporting “Seal of Excellence” SMEs with innovative projects that have as main objective the demonstration of advanced technologies and that, starting from previously successfully concluded R&D projects, want to provide evidence in real productive conditions, of the economic and technical advantages of their new technological for commercial use. This is particularly true for the North region of Portugal, as one of the main challenges that have been identified. In fact, preliminary results from the 1st call show that 24% of the total funding available came from ‘Norte 2020’, with 30% of the companies that submitted their application coming from the Norte region.

Due to the success of this 1st call, more calls are foreseen to open until the end of ‘Portugal 2020’ programming period (Table 2).

Table 2 – “Seal of Excellence” Demonstration Projects calls

Type of call	Call	Deadline	Available funding
Individual	19/SI/2018 (Phase I)	30/09/2018 – 30/11/2018	13,5 million euros
Individual	19/SI/2018 (Phase II)	30/11/2018 – 25/01/2019	
Individual	05/SI/2019 (Phase I)	26/03/2019 – 30/06/2019	18,7 million euros
Individual	05/SI/2019 (Phase II)	30/06/2019 – 30/09/2019	
Individual	05/SI/2019 (Phase II)	30/09/2019 – 31/01/2020	

Action 3 – participation in the NUC LIS Unilateral Programme of ACCIÓ [inter-regional action]

Relevance to the project

By participating on OSDD Catalonia, ANI learned about ACCIÓ’s NUC LIS Programme. NUC LIS is an international grants programme which offers financial support to enterprises from the region of Catalonia in international cooperation projects with a technological focus (TRL 3-7). It provides Catalonian companies support to cooperate with foreign companies and other entities of the scientific and technological system (e.g., R&D centres). This programme has a “unilateral” and “bilateral” cooperation component and, although one of ANI’s long-term goals in terms of international cooperation strategy is to sign a memorandum of

understanding with ACCIÓ for the opening of specific calls for collaborative R&D projects between Catalanian and Portuguese companies or other R&D entities, funded by both parties, we have realised that such endeavour was not possible until the end of the current programming period. ANI found this programme very interesting and is therefore willing to implement a similar one after 2020 so it can fund the Portuguese entities which decide to participate in it. In fact, the Demonstration Projects instrument seem to be very similar, in terms of projects funded, to the NUCLIS Programme, so adding specific calls targeted at international collaboration of Portuguese companies could be a way to comply with ANI's long-term strategy, making use of an already existing policy instrument. ANI has already sent a survey to all Portuguese clusters and technological infrastructures, including those participating in the RSG, in May 2019 so as to gather all their needs in terms of internationalization strategy of the companies they support. 2-3 events for further discussion on the findings throughout June 2019 will also be held. One particular objective is to understand if there's interest from Portuguese companies to cooperate with Catalanian ones.

Nature of the Action

Due to the limitations presented above, in the scope of this Action Plan ANI intends to participate in ACCIÓ's NUCLIS "unilateral" call, foreseen to open by the end of May 2019 (foreseen closing date: October 2019). This unilateral component of the NUCLIS Programme allows all EU Member-States and other selected third countries companies to participate in collaborative R&D projects with Catalanian companies, although it very much depends on them if they are able or not to provide the funding for their national entities. In the case of ANI, since we are not able to use Structural Funds to fund our national entities, we intend to promote the call through our communication channels and targeted events so as to identify companies or other R&D entities which might be interested in the call and provide them advisory support through our Enterprise Europe Network (EEN) team (e.g., information about the call, contact with ACCIÓ, identification of Catalanian project partners, etc.).

Timeframe, indicative costs and funding sources

In order to implement this action, we propose the following timeframe, leader entity, other involved entities, associated costs and funding sources:

Action	Foreseen starting date	Leader entity	Other entities involved	Costs	Funding sources
Action 3	2019	ANI	ACCIÓ	No costs associated	No funding foreseen

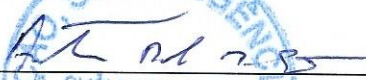
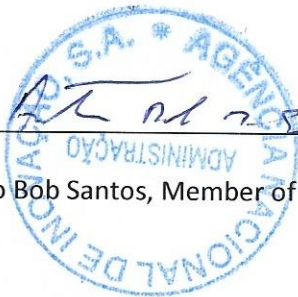
The implementation of this action would require a close contact with ACCIÓ. No costs and funding sources related with the implementation of this action are foreseen.

Part IV – Approval of Action Plan

This Action Plan will be implemented and monitored by ANI, as the entity in charge of the design and management of the policy instrument addressed in this Action Plan.

Date: 27th of May 2019

Signature:

(António Bob Santos, Member of the Board of ANI)

Annexes

Annex 1 – Long-term actions (post-2020)

Table 1 – Summary overview of the long-term actions foreseen to be implemented by ANI

	Action	Leader entity	Other entities to involve
Long-term Actions post-2020	Timely information on the calendar of the Demonstration Projects calls and compliance with this calendar [regional action]	ANI	COMPETE Regional OPs
	Publicly disseminate the results of supported Demonstration Projects (online database and success stories) to maximize the positive impact of successful projects and companies [regional action]	ANI	Ministry of Economy Ministry of Science, Technology and Higher Education
	Development of more roadshows being carried out by ANI, given its importance in raising awareness among promoters of a set of failures that need to be addressed [regional action]	ANI	RSG
	Create training sessions for Demonstration projects evaluators in order for evaluations to be more homogeneous [regional action]	ANI	COMPETE Regional OPs
	Broaden the typology of evaluators (i.e., experts) of the Demonstration Projects [regional action]	ANI	COMPETE Regional OPs
	Draft and disseminate support manuals on the R&D incentives system [regional action]	ANI	COMPETE Regional OPs
	Introduction of mid-term evaluations of the Demonstration Projects in order to identify the projects which are effectively being well-implemented and to take into consideration the specificities of projects in certain areas/sectors [regional action]	ANI	COMPETE Regional OPs
	Implementation of ongoing calls with several cut-offs for the Demonstration Projects [regional action]	ANI	COMPETE Regional OPs
	Creation of a “green way” for finalised R&D projects, allowing them an easier access, in bureaucratic terms, when applying to the Demonstration Projects [regional action]	ANI	COMPETE Regional OPs
	Creation of an award system for successful technologies that demonstrate they can be commercialised [regional action]	ANI	COMPETE Regional Operational Programmes
	Within the Demonstration Projects, implement an international component that allows the creation of consortiums with non-Portuguese entities, as a follow-up from the peer learning with ACCIÓ [inter-regional action]	ANI	COMPETE Regional OPs Regional OPs of other regions/countries
	Create an inter-regional Open Innovation Network [inter-regional action]	ANI	COMPETE Regional OPs Regional OPs of other regions/countries

Annex 2 – Regional Stakeholders Group

The following entities integrated the RSG of ANI in the scope of the ‘S34Growth project’:

Table 2 – RSG of ANI

Name of entity	Short description
Norte Portugal Regional Coordination and Development Commission (CCDRN)	Public institution that works towards the development of the Norte Region of Portugal
ADDICT – Agency for the Development of Creative Industries	Representative of the Creative Industries Cluster with a mission to promote a sustainable industry
CEiiA – Centre of Engineering and Product Development	Centre of Engineering and Product Development that designs, develops and operates innovative products in the mobility industries
MOBINOV – Automotive Cluster Association	Recognized Custer for automotive competitiveness with a mission to foster the growth of the national automotive sector
Health Cluster Portugal	National cluster for competitiveness, innovation and technology in the economic areas related to health and to the improvement of health care
PRODUTECH – Production Technologies Cluster	Articulated network of manufacturing technology providers capable of responding to both competitiveness and sustainability challenges
PortugalFoods	Association formed by entities that represent the various subsectors of the agrofood sector
CITEVE	Technological Institute which provides technological support and services to companies acting in the textile & clothing business
CTCP – Footwear Technology Centre of Portugal	Non-profit private organization that technologically support the companies of the footwear sector, promoting the industrial improvement of the product quality and processes
Fórum Oceano – Association of Maritime Economy	Association that promotes the competitiveness of the main value chains that utilise the sea and marine resources as the central elements of its activity
Cluster Smart Cities Portugal	Network that promotes the development and production of innovative urban solutions
RAIZ – Forest and Paper Research Institute	Recognized as a Research and Technology Organization and as an Interface Centre it aims to optimize the competitive advantages of the national and the forest industry, ensuring its sustainability
INEC TEC	Private non-profit research institution, dedicated to scientific research and technological development, technology transfer, advanced consulting and training, and pre-incubation of new technology-based companies
INEGI – Institute of Science and Innovation in Mechanical and Industrial Engineering	Research and Technology Organization (RTO), bridging the University – Industry gap and focused on applied Research and Development, Innovation and Technology Transfer activities for the industry

Annex 3 – SWOT analysis resulting from the 1st RSG meeting of 11 November 2016

Table 2 – SWOT analysis of the Demonstration Projects instrument of the 2014-2020 Programming period

Strengths	Weaknesses
<ul style="list-style-type: none"> • S1. It represents a possibility for companies and researchers to test in real time environment technologies which are difficult to foresee if they will be accepted by end-users • S2. Instrument that complements others (> TRL than collaborative R&D projects) • S3. The industrial application is “good marketing” for other companies and also to put the technology into the market • S4. Illegible expenses: allows the inclusion of expenses (such as the adaptation of facilities) that other instruments do not consider illegible and includes market studies 	<ul style="list-style-type: none"> • W1. Communication of the instrument (which can cause problems when project apply to the instrument): the language of the calls is not very clear/accessible and there’s an overlap of deadlines for calls with other public policy instruments (confusion in the information provided) • W2. Complexity of the process/application • W3. The instrument is not well adapted to all different sectors of activity nor to the specific problems of the country, namely in terms of the maturity and development of technologies, dimension of companies and other types of specificities (duration of the lifecycle of innovation, volume of investment, ...) • W4. 18 months for the development of the project is too short (in order to well adapt the technology to the industrial environment) as well as for the depreciation of the equipment • W5. The instrument does not allow the extension of deadlines (this possibility should exist, if justified, without major penalties) • W6. Cash management is not very agile for large investments • W7. Time between the end of an R&D project and applying for the Demonstration Project (need to think the sequential implementation of the different instruments and to separate the Demonstration Projects from other calls and instruments) • W8. Evaluation: evaluation panels are mainly composed by academics; disparities of interpretation; need for an efficient framework of the entities in some illegibility criteria (e.g., there are some limitations to the participation of entities that, although not directly related with R&D, provide or influence support at that level) • W9. Illegible expenses/merit: penalization of the technical assistance; does not include success/results award

Opportunities	Threats
<ul style="list-style-type: none"> • O1. The technologies demonstrated work as a benchmark and promotion of the instrument • O2. Strengthening of the communication/dissemination component • O3. Example of previous good practices that support the demonstration phase 	<ul style="list-style-type: none"> • T1. Difficulty in effectively transfer knowledge between Universities and companies: only large companies integrate research; the majority of the Portuguese business fabric is SMEs; in certain sectors, there's only a few companies in the region, namely those with an innovative and high risk profile, that makes them "natural candidates" for the Demonstration Projects, which can result in low demand • T2. Competitiveness clusters versus consultants when supporting applications • T3. The instrument can be seen by companies as still very far away from the market • T4. The offer of the R&D financial incentives, as well as the RIS3 framework, does not match the real demand

Annex 4 – OSDD Host Report

Key insights into the OSDD Norte

Summary Report

The Norte’s “On Site Deep Dive” (OSDD) session took place in Porto, Braga and Matosinhos on the 18th and 19th of January 2017, with Norte, Tampere, Skåne, South Netherlands, Lombardy, Basque Country and Catalonia as participating regions. The goal of this policy learning event was to give the attending regions an overview of the policy instrument being addressed in Norte, by presenting good cases of R&D demonstration projects and showcasing the impact that this instrument has in facilitating technology-to-market processes in the region, and a better understanding of Norte’s regional innovation policy and smart specialization strategy. Issues such as exploring the economic potential associated with the development and implementation of advanced production technologies (key enabling technologies) were also discussed, focused on the good examples of intra and interregional cooperation initiatives in Norte between companies, universities & research centres and clusters that promote vertical and horizontal technology transfer. According to the feedback received from participants, the programme was well set up and led to important discussions and insights. The participants also thought that site visits and the presentations made were relevant and provided a good overview of Norte’s commitment and investments into different research infrastructures, cluster management strategies and companies competitiveness.

Successes, challenges, effectiveness of methods and recommendations for the next OSDD

The morning sessions that took place during the first day of the programme gave the participants an introduction to Norte’s regional innovation policy and smart specialization strategy, which included the presentation of some of the region’s economic clustering potential in key smart specialization sectors, and an overview of the policy instrument being addressed in Norte, the R&D demonstration projects. The programme continued, in the afternoon sessions and during the second day of the event, with practical cases of R&D demonstration projects, more good cases of the region’s economic clustering potential related with key smart specialization sectors and examples of intra and interregional cooperation initiatives between companies, universities & research centres and clusters that have been facilitating technology transfer in Norte in advanced production technologies (key enabling technologies). Policy accelerator and co-creation sessions were spread equally throughout the two days of the event.

Lessons learned from the feedback received include:

- The policy accelerator and co-creation sessions were spread equally throughout the two days of the event, allowing for more interaction within the group and with Norte’s stakeholders (e.g., RSG and invited speakers), since some of them were not able to participate in both days. However, a very full agenda and the need to have presentations to be followed by discussions on the topic, as recommended after Skåne’s OSDD, led to less available time for the policy

accelerator and co-creation sessions as initially foreseen in the programme. One recommendation could be that the agenda for future OSDDs allows for more time to be allocated to these group discussions, therefore predicting any possible delays in the agenda;

- The majority of the participating regions mobilised 1-2 stakeholders to come and participate in OSDD Norte, following OSDD Skåne's recommendation that relevant stakeholders (i.e., managing authorities' representatives, regional development and innovation agencies' representatives, experts of particular areas being presented in the OSDD) would add value to the sessions and provide regional specific input. The contribution of the participating stakeholders was considered to be very positive;
- The presentation made by Norte's Managing Authority (CCDR-N) was highly praised and considered has a good example to follow in future OSDDs while presenting the region's innovation policy and smart specialization strategy. According to the participating regions, Mr. Pedro Moia's presentation was an excellent example of how to present, in a clear and comprehensive way, the current regional strategy of Norte, related with RIS3 and the existing public policy instruments (i.e., demonstration projects), this way showcasing how Norte uses and integrates the several European, national and regional funds;
- Policy accelerator and co-creation sessions were facilitated by ANI's staff more directly related with the key issues presented in the OSDD. The sessions were focused on the region's policy instruments current development needs and what can be done beyond 2020. However, OSDD Norte showed that it is better if guest regions could know beforehand the concrete questions the host region wishes to debate, thus making the sessions more focused on specific topics of interest for the host region. Recommendations for future OSDDs could entail host regions sending a list of prioritised questions they wish to discuss in further detail to other participating regions beforehand instead of only providing additional information on possible participating stakeholders and the policy instrument being addressed, thus enabling the host region to take clear conclusions from the project partners' recommendations and the project partners with a clear to do list to be on a next discussion level on future OSDDs.
- To be able to achieve this, there should also be, at least, one session entirely dedicated to the latest updates of the Vanguard Initiative, facilitated by one of the partner regions more directly involved in these discussions at an EU level, so that all partners can be updated on new developments;

New learning opportunities to support the methodology

Most participants thought that the OSDD has provided solid learning opportunities and exchange methods to support the Vanguard methodology. This experience has led to a better understanding of the importance of R&D demonstration projects in Norte and most partners agree that, although it is a way to get industry more closely involved, this instrument should be more interregional, with foreign entities being encouraged to participate and share experiences, technologies and R&D infrastructures.

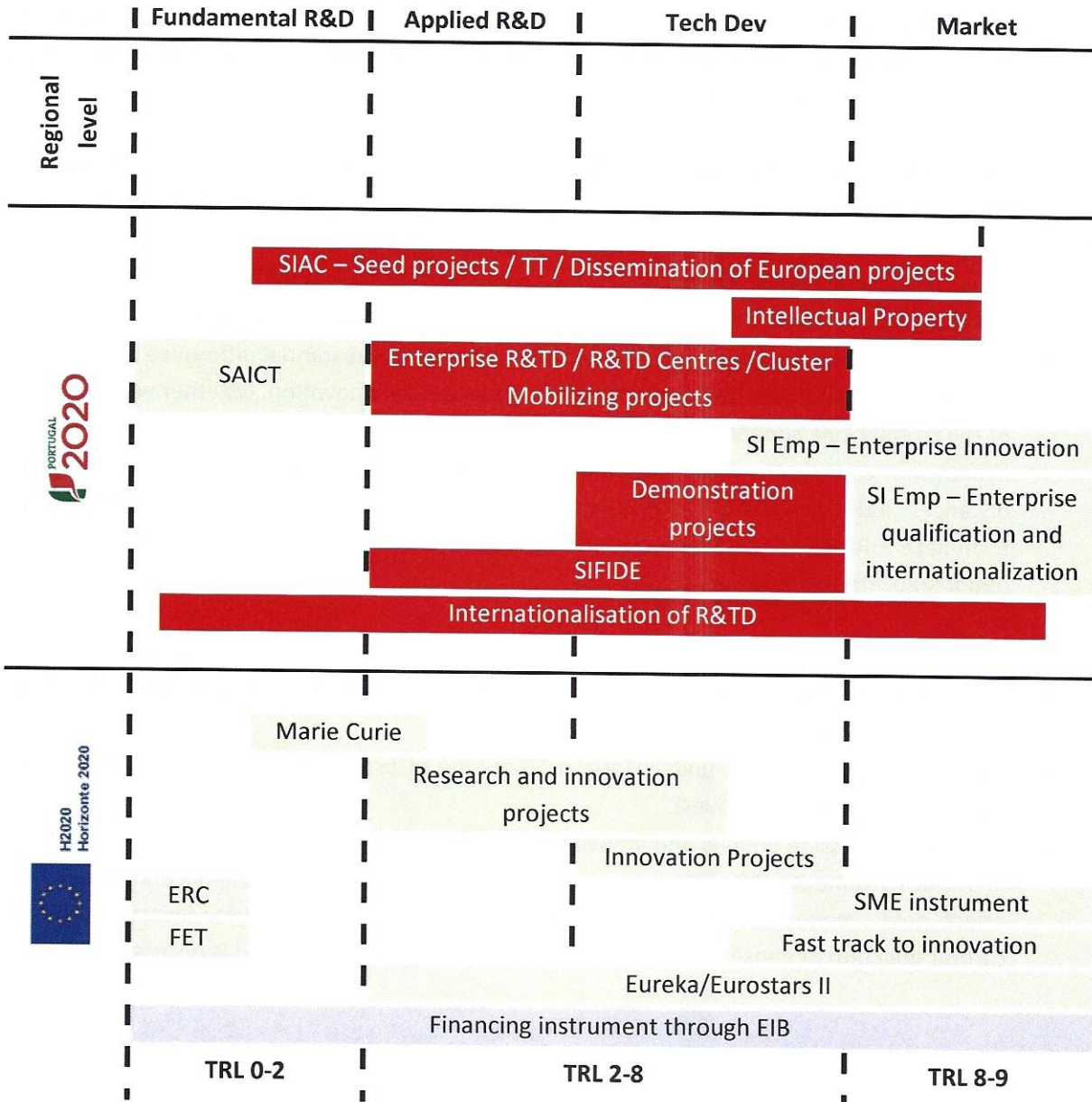
In addition, most partners agree that trust issues are a true barrier for regions not to cooperate with each other, even though they may face common challenges at a RIS3 level, a topic that needs to continue to be addressed in forthcoming OSDDs. Norte's Portugal-Galícia RIS3-strategy, RAIA and INL interregional cooperation examples were regarded as good practices of how sectorial common challenges can be solved by a successful interregional cooperation.

Other discussions revolved, for instance, around ideas about what can be done to improve policy instruments quality beyond 2020 in terms of programmes coordination issues (several EU programmes/national programmes) and the articulation between national, structural funds and EU instruments to support the different projects. The Norte team in particular, put forward some key challenges to the innovation policy after 2020 that will be discussed ahead of the upcoming programme period – how to increase trust between stakeholders (necessary in cooperation/collaborative projects), in which situation do we need bottom-up/to-down approaches, how to achieve higher society engagement (how to involve local actor, civil society), is cluster policy relevant in RIS3 initiatives, how to attract new investors, mix of financial instruments and financial engineering (specific financial package for SMEs and start-ups), PPP mechanisms for innovative projects and in which kind of projects, how to speed idea-to-market processes, policy awareness and how to introduce more efficiency in the National Innovation System. These are seen as crucial strategies and priorities and will be taken into consideration when developing regional actions plans.

Annex 5 – Norte Policy Brief

Policy Brief – Norte OSDD

Norte funding instrument scheme



Advantages and opportunities of inter-regional cooperation deriving from the extension to other Regions of the instruments/tools/practices presented

- Use of ERDF for R&D demonstration and pilot projects within programmes based on calls for R&D projects facilitating technology-to-market processes.
- Promote the development of a structured interregional policy and roadmap based on the complementarity of various RIS3 to support the definition and development of interregional

- programmes fostering the cooperation between regions and facilitating the access to innovation infrastructures, such as the Portugal-Galícia RIS3 strategy, RAIA - Iberian Oceanographic Observatory and INL - International Iberian Nanotechnology Laboratory.
- Encourage the establishment of consortia like FABTEC - Processes and Technologies Laboratory for Advanced Production Systems, connecting universities, research institutes and laboratories oriented toward bridging the gap between basic research and product development.
 - Creating an ecosystem of regional actors committed to the achievement of shared objectives and working on specific initiatives (i.e. Vanguard) allows to improve confidence and mutual understanding between stakeholders.

Barriers and difficulties to face for the introduction of new instruments/tools/practices in a coordinated and synergic way

- Once demonstration facilities are in place, there is still the need to define the processes to make these facilities and laboratories open and visible to international cooperation. Thus, not only the establishment step is relevant, but also their launch and multi-years' operation.
- Norte is classified as a less developed region, so there is a substantial difference in the OOPP budget dedicated to the R&D demonstration projects and innovation, together with intensity of the co-financing supported by the region.
- Limitations can arise when structuring a joint/interregional RIS3 due to geographical distances. Indeed, outside of the context of border regions, it becomes more difficult to formulate a RIS3 with sufficient added value for the entire region (and thus the different nations/governments involved).

Recommendations and suggestions proposed to overcome such barriers and difficulties

- Facilitate the dialog among Regions to create trust and find a win-win situation for a better exploitation of existing infrastructures across Europe.
- New funding mechanisms under Horizon 2020 type of programmes (Joint programmes for R&D demonstration initiatives).
- Focus the discussion on new and innovative solutions and avoid being blocked in the existing financial instruments. When investments are able to generate a visible impact and networking effect, public money are no more needed and can be replaced by private investors. Thus, a careful selection of phases and tasks for which public support is needed is necessary.