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Action plan of Lubelskie region, Poland

I Profile of the Action Plan

Project:	BRIDGES
Partner organisation:	Lubelskie Voivodeship, PP3
Other partner organisations involved:	
Country:	Poland
NUTS2:	Lubelskie
Region:	Lubelskie
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II Policy context

Table 1 The Action Plan aims to impact

Investment for Growth and Jobs programme		X
Type 1: Implementation of new projects	x	
Type 2: Change in the management of the policy instrument (improved governance)	x	
Type 3: Change in the strategic focus of the policy instrument (structural change)		
Other improvements not corresponding to types 1-3 (please comment)		
European Territorial Cooperation programme		
Other regional development policy instrument		X

Name of the policy instrument: 1) LV ROP - measure 1.2. Targeted research and 1.5. Innovation vouchers. 2) Regional innovation strategy.

Improvement needs: (1) Increase of added value in Bio-based economy; (2) Create long lasting and effective links between productive & RDI base; (3) Enhance platforms for better RIS LV 2020 implementation; (4) leverage of resources for innovation.

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III Overview of the action plan

III.1 Overview of the action plan

The Lubelskie action plan has one action, Acton 1: Improving the uptake of the Lubelskie ROP funding by SMEs and expanding to benefits from national resources. The policy impact is part of the activities of the unique Action 1.

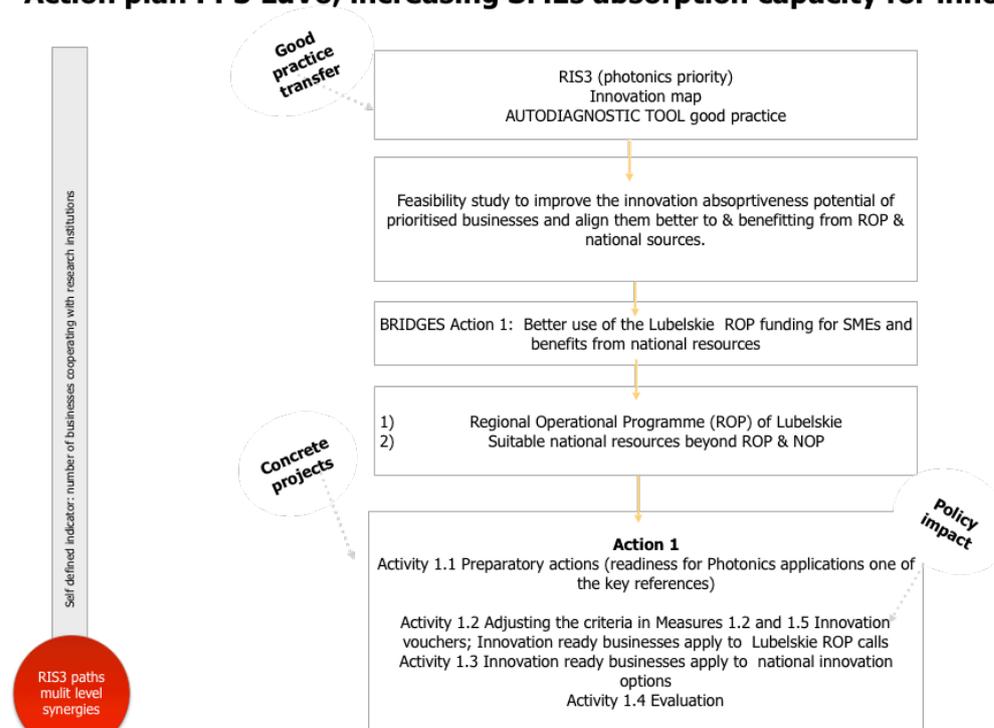
Table 2 Summary of the PP3 action plan

Action 1 Activities	Funding			Policy impact Type	
	ROP	Other regional	National	Type 1 (new projects)	Type 2 (governance)
Activity 1.1		X		X	
Activity 1.2	X			X	X
Activity 1.3			X	X	
Activity 1.4		X			X

The other policy instrument referred to, is the Regional Innovation Strategy for Lubelskie Voivodeship (Regional Innovation Strategy for the Lubelskie Voivodeship 2020). It was adopted in 2014. Its conceptual framework reflects the Lubelskie Voivodeship vision of development adopted in the Development Strategy of Lubelskie Voivodeship 2020 (with perspective till 2030), according to which by 2030 the traditional model of development of the region will be replaced with a selective model based on the principle of smart specialisation, whereas innovation model will change from imitative to creative.

Figure 1 Action plan of PP3

Action plan PP3 LuVo, increasing SMEs absorption capacity for innovation



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The identification of smart specialisation areas was based on a bottom up entrepreneurial discovery process, promoted by the European Commission, with a thorough self-assessment of economic, scientific, technological, educational and institutional potential. Four areas of smart specialisation have been identified: (1) bio-based economy, (2) medicine and health, (3) information technology and automation, and (4) low-carbon emission energy production.

In recent years main source of support of innovation at regional level in Poland are European Structural and Investment Funds (ESIF), with regional operational programmes managed by respective regional authorities. Lubelskie ROP 2014-2020 consists of 13 Priority axes, with total budget over 2.6 bn Euro and total EU contribution over 2,2 bn euro. The allocation for Priority axis 1. Research and innovation is over 100 m Euro.

III.2 The results of the Lubelskie innovation map

In regional economy of Lubelskie Voivodeship bio-based economy plays an important role – in terms of employment, production, but also export. This sector is also accompanied by the R&D institutions, with great potential of 5 universities, institutes of Polish Academy of Science and other entities. In the same time, one can observe low level – in comparison to average in EU and Poland – R&D expenditures, and especially in private sector. Also, the innovation map¹ identified low level of overall innovation performance². This is due to the fact, that many companies from bio-based economy sector are small and medium size ones, with limited potential to develop R&D works internally and limited awareness of possible forms of cooperation with universities.

III.3 Good practice transfer

PP3 focused the good practice transfer on an extended application of the BRIDGES good practice AUTODIAGNOSTIC TOOL FOR AGRO-SMEs. The good practice has been approved to the Interreg Europe data base³.

The AUTODIAGNOSTIC TOOL is an application that helps to assess the businesses' potential to boost further development with innovative elements by giving them a sense of where they stand in terms of technological advancements and innovation absorption. In this context, it is a new tool which properly reads, analyses and draws conclusions, identifying gaps and deficits and giving new ideas for SME development.

¹ Mapping and understanding the innovation potential of bio-based economy businesses in the partner regions. The case of the Lubelskie Region, Poland.

² Following the methodology proposed in the BRIDGES project none of the bio-based economy businesses in the region met all of the five determined measurement indicators, and only two enterprises have met four of them.

³<https://www.interregeurope.eu/policylearning/good-practices/item/157/autodiagnostic-tool-for-agro-smes/>

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Statistical data for Lubelskie Voivodeship show relatively low involvement of companies in innovation, and that can be observed in low ratio of R&D expenditures in private sector. The bio-based economy sector is dominated by micro- and small companies, that are neither strongly motivated nor have R&D capacity to innovate. Similar problem was observed in partner regions, involved in the project "AGRO-START – Transnational network for SME support in the animal breeding and horticulture sector", supported under South-East Europe TCP. The rationale behind preparation of the tool and evidence of success pointed out in GP description were the reasons for adopting it for works in Lubelskie.

The good practice allows a reliable assessment of the innovation potential of regional businesses and is a very good tool of entrepreneurial discovery process. It is useful for redesigning smart specialisation and better aligning the regional funding schemes.

The AUTODIAGNOSTIC TOOL has been adopted and used to assess the technology and innovation readiness of enterprises from bio-based economy sector in Lubelskie. The process of auditing revealed a group of 63 companies, that have enough potential (financial, organizational) but also interest in cooperation with R&D units.

The AUTODIAGNOSTIC TOOL questionnaire has been extended to include:

- Chapter 1, 1.1 *Profile* – The AUTODIAGNOSTIC TOOL was focused on horticulture and animal breeding; other types of activities, relevant from regional point of view, have been added (soft fruits, grains, food processing, biotechnology, bioenergy, environmental protection);
- Chapter 1, 1.2. *Entrepreneurship/management* - additional question about support services (1.8. Does the company use support services, if yes – what type of services? If not – why? What type of services are not present on the regional market?) has been added, because AUTODIAGNOSTIC TOOL referred to support services for innovation, not to general ones;
- Chapter 2. *Innovation/technology* - additional questions aiming at better understanding of the reasons and intentions of cooperation with R&D units (2.8. What would help you in developing innovative projects? 2.9. Can you point out areas for possible cooperation with R&D institutions? If yes – what initial topics can you formulate? If not- why? 2.10. What are the best information channels to be informed about new solutions/possibilities of cooperation with R&D institutions?).

Thanks to additional questions, which were not originally included in the AUTODIAGNOSTIC TOOL questionnaire, information about provisional "problems to solve" has been collected, relevant for the creation of the whole process.

III.4 The feasibility study

A feasibility study was conducted to understand in depth the problems and challenges of companies from bio-based economy sector, related to the above-mentioned aspects, particularly to assess the readiness and openness for implementation of innovative solutions. For that purpose, the AUTODIAGNOSTIC TOOL

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has been used⁴ to audit 80 companies. With this tool, presented as a good practice in BRIDGES project, many information related to present situation but also plans in terms of management, innovation and technologies and marketing has been gathered.

The findings of the feasibility study are the next step in creation of the RIS3 path, that is the identification of companies with potential and in the same time interest to innovate. The key findings from the FS are as follows:

- most of the interviewed companies were involved in innovations in recent years, mostly by purchasing machinery, equipment and software, acquisition of external knowledge and trainings;
- finding a right expert or group of experts from R&D sector is still a challenge for many companies. It is not easy for entrepreneurs to get in contact with universities, that are still perceived as entities involved more in basic research than interested in cooperation with industry and solving problems of companies.
- most of companies are in contact with support services for innovation, but only limited number of them used the services of technology transfer offered by business support institutions. Companies defined two main areas of services, that still need to be developed: (1) internationalization; (2) technology transfer and intellectual property rights;
- main factor hampering innovation is cost factor (high cost of innovation, limited access to external sources of funding and shortage of own resources);
- most of the companies are interested in future cooperation with R&D experts. The main area of interest is food production, including new technologies and techniques in fruit cultivation and processing, new technologies in detection and measurement systems (with special interest in photonics) and new qualities of food products.

To facilitate the process of bringing together companies and R&D sector to come up with valuable, well prepared innovation projects PP3 is developing an action plan, with involvement of important stakeholders:

- to provide the companies with information on technologies and solutions and to enable getting in contact with appropriate experts (this will be possible with cooperation with centres of knowledge transfer of universities from Lublin), and
- to assist with information on possible financial resources from ESIF on national level (in cooperation with National Centre for Research and Development) and on regional level, including alignment of the rules to companies' needs (this will be possible thanks to commitment of LV ROP Managing Authority).

⁴ AUTODIAGNOSTIC TOOL for Agro SMEs, <https://www.interregeurope.eu/policylearning/good-practices/item/157/autodiagnostic-tool-for-agro-smes/> .

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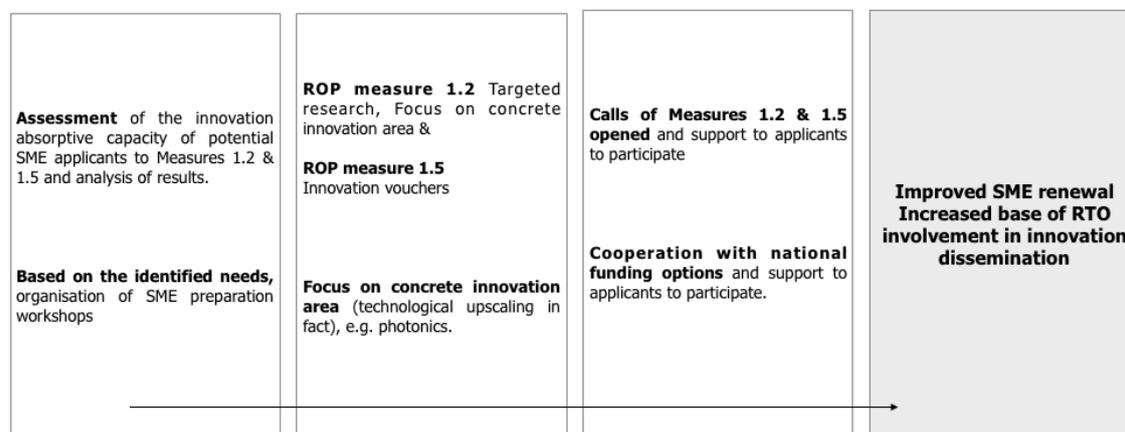
IV The Action plan

As already discussed, the Lubelskie action plan consists of one unique action, Action 1. Action 1 is structured into four Activities. The total budget dedicated to Action 1 is: (i) LV ROP, ERDF: Measures 1.2 Targeted research (7,5 mln Euro) & 1.5 Innovation vouchers (1,25 mln Euro); (ii) Other regional funding: Regional innovation strategy - Lubelskie Voivodeship own resources, aimed mainly at organisation of workshops and meetings (3000 Euro)

The main funding source for the implementation of the RIS in Lubelskie is the LV ROP. The main goal of LV ROP is increasing competitiveness of the region conducive to enhancing the social and territorial cohesion. The activities of RIS are reflected in the ROP intervention mainly in the priority axis 1 (research and innovation) and 3 (Competitiveness of enterprises), but some of the activities will be also implemented

The action plan is implemented & coordinated by Lubelskie Voivodship. Beneficiaries include RIS3 SMEs of the agri-food sector and RTTOs⁵ attached to local universities.

Figure 2 Action plan PP3, the concept of the innovation absorptive capacity improvement



Activities

Activity 1.1 Preparatory actions (readiness for photonics applications as one of the key references).

Under this activity a range of information meetings and workshops for entrepreneurs will be organised. The information meeting will be focused on presenting possibilities of getting in contact with R&D institutions in the region and up-to-date information on calls on regional and national level. The aim of the workshops is to facilitate process of coming up with the idea of innovative, high quality project. The feasibility study shows, that companies are not prone to discuss about their challenges in presence of a big audience. Therefore a number of workshops will have form of broker meeting, involving company, one or more than one RTO and scientist (-s). To keep the whole process flexible the topics of the workshops will be specified by observations made by Marshall Office and RTOs.

⁵ RTTO = Research & Technology Transfer Organisations

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OUTPUTS OF ACTIVITY 1.1: number of workshops/meetings: 6 (3 meetings have been already held and 3 more are planned)

Activity 1.2 Innovation ready businesses apply to Lubelskie ROP calls (policy instrument improvement Type 2, better governance)

Activity 1.2 is structured into two parts: policy improvement and applications by agri-food SMEs to the ROP.

The aim of this activity is to create good conditions for those companies willing to present their project proposals to LV ROP - measure 1.2. *Targeted research* and 1.5. *Innovation vouchers*. This will include information meetings before each of the calls with in-depth information about all regulations. In the case of 1.5 measure two other results are crucial: (1) adjustment of timetable of the call for proposals according to the needs and readiness of companies that take part in the process and (2) changes of project evaluation criteria, better responding to companies' needs.

POLICY IMPROVEMENT: The ROP adjustment of timetable and criteria have been agreed by the Lubelskie MA:

- change in document Detailed Description of Priority Axis: maximum amount of ESIF aid per project in 1.5. measure raised from 100 000 PLN to 300 000 PLN (29 January 2019)
- criterium „Project duration“, that restricted the project duration max. to 6 months has been cancelled. At present the project duration is linked to N+3 rule. Still, some additional points are sustained to those project that last less than 12 months (21 February 2019)
- change of timetable for 1.2. measure – additional call for proposals in 2019 (26 March 2019).

All interested companies can apply to both measures – there's no formal possibility to limit an access to the call to the specific group of companies. Companies that were processed with the auto-diagnostic tool had the opportunity to influence call timetable and/or evaluation criteria by showing up at the meetings organised for them.

The approval documents are annexed to this Action Plan.

OUTPUTS OF THIS ACTIVITY: 1) Improved ROP document; 2) one call in measure 1.5. innovation vouchers – announced in March 2019; 3 calls in measure 1.2. targeted research – 1st Announced in January 2019, 2nd planned in autumn 2019 and 3rd in the beginning of 2020. 3) Number of supported businesses - 20; 4) Number of businesses that finally apply and go through - 6

Activity 1.3 Innovation ready businesses apply to national innovation options

LV ROP does not respond to all needs that SME's have in terms of innovation. This is due to the fact, that during works on programming period 2014–2020 in Poland so called "demarcation line" between regional and national operational programmes has been established. It refers to the scope of support, but also the volume of the project. Within this activity workshops with National Centre for Research and Development will be organised, in order to provide companies with information on financing options for R&D projects at national level. This will help those companies, whose projects do not meet the criteria of ROP (are too big, are at lower TRL) to benefit from innovation support.

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The information meetings with NCRD will be financed from regional budget or/and budget of NCRD. Projects are funded by Operational Programme Smart Growth.

Outputs of the activity: 1) number of workshops – 3; number of supported businesses –15, 4) number of businesses that finally apply – 2.

Activity 1.4 Evaluation

This activity is internal evaluation to assess the effectiveness of the process action for the purpose of better absorption of ESIF innovation calls. It will have two components: ongoing evaluation of activities taken (based on feedback from companies to RTTOs and Marshal Office) and ex-post evaluation (based on results of calls for proposals). Apart from that, implementation of all activities will improve the effectiveness of RIS3 implementation and overall regional innovativeness by processing RIS3 industries to benefit from innovation actions, based on research-to-business solutions.

Outputs of the activity: one evaluation report.

Players involved in the implementation of the Action Plan

- Project Partner 3 (Department of Economy and Foreign Affairs) – organisation and coordination of the process (meetings, workshops, etc.)
- Project Partner 3 (Department of LV ROP Management) and Lublin Agency of Entrepreneurship Support – new specification for 1.5. measure
- Centres of knowledge and technology transfer of 5 universities, National Centre for Research and Development, external experts

Timetable

Table 3 Timetable of PP3 action plan Action 1 implementation

Actions & related Activities	Activities breakdown	Timetable
Activity 1.1 Preparatory actions	(1) Preparatory workshops related to the Lubelskie ROP	November 2018 – November 2019
Activity 1.2 Innovation ready businesses apply to Lubelskie ROP calls	(2) Supporting businesses to make applications	November 2018-July 2019
Activity 1.3 Innovation ready businesses apply to national innovation options	(3) Screening national options for businesses to apply	December 2018 – September 2019
	(4) Workshops co-organised with national innovation players	November 2018 – November 2019
	(5) Supporting businesses to make applications at national level	November 2018-July 2019
Activity 1.4 Evaluation	(6) Internal evaluation to assess the effectiveness of the action for the purpose of better absorption of ESIF innovation calls; Change in the management of the policy instrument (improved governance)	December 2018 – February 2019 (on going), March 2020 (ex post) ^{6, 7}

⁶ As explained in Activity 1.4 section.

⁷ Revision of the RIS3.

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Impact on the region

Self-defined indicator: number of businesses cooperating with research institutions, total of 60 businesses.

Yes. There will be invited to the process 63 companies, mentioned in FS. RTTOs estimate, that from proposed topics 15-20 are promising at this stage.

OTHER MEASUREMENTS:

- Number of businesses applying to the Lubelskie ROP, following their processing: 6
- Number of businesses applying to national innovation funds following their processing: 2

V Endorsements

Approval of the action plan for PP3 Lubelskie Voivodeship

Date: _____

Name & position: _____

Signature: _____

Stamp of the organisation (if available): _____