CERTH
CENTRE FOR RESEARCH & TECHNOLOGY HELLAS

KAINUUN LIITTO

BRIDGES
Interreg Europe

European Union
European Regional Development Fund

BRIDGES project

Good practices 1.10.2021 – 31.3.2022

Closing meeting
Helsinki, 27.9.2022

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Good practice team

1.- CERTH, PP9

2.- REGIONAL COUNCIL OF KAINUU, PP2/LP

Access to the full report

projects2014-2020.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/file_1659251514.pdf

Good practice identification

- Good practice themes
  - GP were selected to address directly the objectives of the additional activities. They also take into account the Green Deal and Digital Transformation strategies.
- 5 + 1 types of Good Practice (GP) themes
  - (1) Tools for targeting value chain in-shoring, re-shoring & near-shoring segments; (2) Instruments for identifying interregional complementarities related to value chain re- and near- shoring priorities; (3) Targeted, VC related science-based entrepreneurship programmes and TRL 5-7 promotion; (4) Integration of Green Deal & Digital Transformation into VC; (5) Benefitting from Digital Innovation Hubs (DIH) and eventually also European DIHs (EDIHs); (6) innovation-based growth (products related to the selected value chains).
- Good practice exchange
  - Screened material: (a) IE GP database (link), (b) Discussions with partners for GPs within their regions & countries, (c) Horizon Results Platform (link), (d) Results of recent project funded under specific calls for COVID19 (IE link; H2020 link), (e) SME Instrument funded project results (link), (f) Funded Digital Innovation Hubs (DIHs), (g) good practices from the European Commission, (h) good practices beyond EU, e.g. in the USA.
  - Good practice selection for the policy instrument improvement recommendations: 11 GPs
  - The identification of GPs turned up to be very demanding, rare.
  - We asked help from the Interreg Europe Policy Learning Platform and an online work shop was organised on 31.3.2022. Thanks to this workshop we identified our 6th GP BILAKATU from the Basque Country.

Good practices identified

GP number and name	GP Theme	Focus
Good practice 1 The Future of Manufacturing in Europe (FOME) pilot project.	1	Pilot project of the European Parliament, 2015-2018. https://europa.eu/european-union/about-eu/agencies/eurofound_en. Study investigating re-shoring industries, priorities, practices.
Good practice 2 Reshoring decision framework (Brookings)	1	Brookings Metropolitan Policy Programme (2020). Reshoring advanced manufacturing supply chains to generate good jobs. July 2020. https://www.brookings.edu/interactives/metro-recovery-watch/ . Policy recommendations for re-shoring, 6 measures, fiscal, financial, and guaranteed contracting are proposed.
Good practice 3 Reshoring decision framework (EPRS)	1	European Parliament (2021). Post Covid-19 value chains: options for reshoring production back to Europe in a globalised economy. European Parliament, Policy Department for External Relations Directorate General for External Policies of the Union PE 653.626 – March 2021. Near/off shoring and re-shoring decisions are required to be based on *multi-dimensional optimisation approaches*, while policies supporting re-shoring, should take into account the specific characteristics of the GVC under consideration, i.e.,"no general policy approach to re-shoring exists". Policy recommendations for re-shoring; reshoring decision framework. ACCESS: https://www.europarl.europa.eu/thinktank/en/document/EXPO_STU(2021)653626 SECTORIAL: https://www.europarl.europa.eu/RegData/etudes/STUD/2021/659437/EPRS_STU(2021)659437_EN.pdf OLDER: https://www.europarl.europa.eu/EPRS/140791REV1-Reshoring-of-EU-manufacturing-FINAL.pdf
Good practice 4 The use of 3D printing in manufacturing: The case of Inertia Racing Technology	1	Reshoring Institute (https://reshoringinstitute.org/), in collaboration with the University of San Diego Supply Chain Management Institute. Re-shoring case study. Gives ides for business-based projects preparatory funding for re-defining business model in view of re-shoring interests.
Good practice 5 Increased innovation and service level in fashion: The case of Todd Shelton	1	Reshoring Institute (https://reshoringinstitute.org/), in collaboration with the University of San Diego Supply Chain Management Institute. Re-shoring case study. Gives ideas for business-based projects preparatory funding for re-defining the business model in view of re-shoring interests.
Good practice 6 BILAKATU programme (direct incentives to promote re-location and near-shoring)	1	Policy Learning Platform session, 30.3.2022 Policy initiative for re-location associated with value chains, three types of incentives / policy measures are proposed: direct incentives, collaboration with clusters, thriving companies needs (direct subsidies to strengthen embeddedness). https://www.spri.eus/es/ayudas/bilakatu/ https://www.fundacioncarmengandarias.com/contenidos.php?seccion=3&categoria=14&subcategoria=5&lang=en
Good practice 7 Exploring the impact of inter-regional linkages on regional diversification in Europe in the context of smart specialisation.	2	European Commission, report by Baland & Boschma 2019 https://ec.europa.eu/regional_policy/sources/docgener/brochure/impact_ir_linkages_en.pdf
Good practice 8 Mapping the potential of EU regions to contribute to Industry 4.0	2	European Union, Balland, P.A. and Boschma, R. (2021). Mapping the potentials of regions in Europe to contribute to new knowledge production in Industry 4.0 technologies. Regional Studies, 55:10-11, 1652-1666, DOI: 10.1080/00343404.2021.1900557 https://www.tandfonline.com/doi/full/10.1080/00343404.2021.1900557
Good practice 9 DEFINE network	3	ePlatform for the development of fashion networks. https://www.define-network.eu/
Good practice 10 Symbiotic networks of bio-waste sustainable management	4	https://symbiosisproject.eu/ Applying digital tools to develop symbiotic networks, to improve cross industry resource efficiency through waste, by-products and raw material trading and sharing assets in an environmentally sustainable way.
Good practice 11 SYMBIOICT	4	https://apps.symbiolabs.gr/symbio/ A digital platform to collect and analyse datasets relating to industrial facilities, regional waste production and supply chain economics with the aim to detect and visualize geographic areas and industrial sectors with high Industrial Symbiosis potential. GP 11 has complementarities with GP 8.
Good practice 12 Value chain mapping and interregional complementarities based on competitive advantage		This GP was developed and tested during the BRIDGES project additional activities. Five regions tested the methodology in own area and found it is useful and worth proposing as good practice (BRIDGES ISC 14.6.2022). It is under evaluation.

Policies proposed by the Good Practices

Proposed policy measures	Relevant GPs (*)										
	1	2	3	4	5	6	7	8	9	10	11
1. Tools for the Identification of interregional complementarities							X	X			
2. Financial & fiscal incentives[1]											
Investment (subsidies) support, for example, for technological upgrading to Industry 4.0 / additive manufacturing, research centres and academic programmes for workforce upgrading; Interest rates, provisions oriented to facilitate re-shoring, i.e. a way of directing investments.	X		X			X					
3. Monetary policies, financial measures, subsidies.											
Interest rates, provisions oriented to facilitate re-shoring, i.e. a way of directing investments.		X	X			X					
4. Innovation policies											
Financial incentives for mission oriented, technological upgrading / investments, upskilling of workforce, research centres-university synergies.			X								
5. Industrial policies											
Identification of grand challenges, missions, strategic sectors, industrial clusters, etc. to channel investment into strategic areas, Industrial clusters / smart spec.	X	X	X	X	X	X	(x)	(x)			
6. Trade policies											
Anti-dumping / countervailing duty orders; Tariffs / quotas; Patent / copyright enforcement.	X		X								
7. Environment policies											
Lower energy cost; Lower tax on energy use; Lower environmental standards.			X								
8. Public procurement (including defence policies), including guaranteed contracting.		X	X	X	X			X			
9. Competitive advantage; crash test											
Map most important industries locally and assess their performance ("crash test"); identify competitive advantage for re-shoring and in-shoring.	X	X	X	X	X	X	X	X			
10. Connect to and leverage regional talent generators and workforce development providers.											
With the labour demand of many manufacturers shifting from low-skill, low-cost labour to mid- to high-skill engineering and technical capabilities, U.S. educational institutions are well positioned to produce the very talent that will increasingly be in demand from these sectors. Connect to the need for a digitally fluent workforce, massive disruption is underway in manufacturing, with an increased reliance on technology as opposed to low-cost labour.	X	X		X	X	X					
11. Take advantage of Opportunity Zones https://eig.org/opportunityzones		X		X	X	X					
12. Invest in regionally based soft-landing services											
Companies setting up new operations in any community will need assistance with site selection, permits and local approvals, and optimizing their processes.		X		X	X						
13. E-Platforms facilitating value chain cooperation									X	X	X

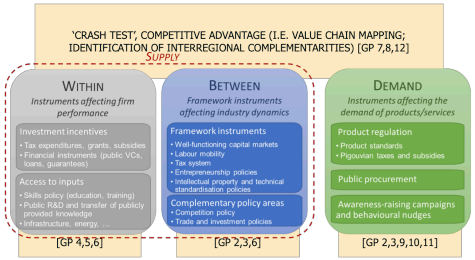
LEGEND: GP 1 FOME; GP 2 BROOKINGS; GP3 EPRS; gp4 & GP5 RESHORING INSTITUTE; GP 6 Basque Country; GP 7 & 8 identification of interregional complementarities as a tool to focus reshoring, in shoring and near-shoring initiatives; GP 9, 10, 11: e-platforms as tools supporting the implementation of thematic interregional complementarities.

Good practices selected

Type of policy impact (Type 1 = new projects; Type 2= improvement of the policy instrument management; Type 3= new policy instrument)		PP2/LP	PP4	PP5	PP6	PP7
Good practice 1 The Future of Manufacturing in Europe (FOME) pilot project.						
Good practice 2 Reshoring decision framework (Brookings)						
Type 2	Value chain mapping / competitive advantage for in shoring and re-shoring	1	1		1	1
Type 2	Guaranteed contracting (requires negotiations with national level, too)		1			
Good practice 3 Reshoring decision framework (EPRS)						
Type 2	Regionally based soft landing services (competence building and specialisation of intermediaries to effectively support re-shoring and in-shoring)	1		1	1	1
Good practice 4 The use of 3D printing in manufacturing: The case of Inertia Racing Technology						
Type 1	Branch-based feasibility studies helping businesses re-define their business concept to re-shoring. As preconditions for res-shoring business and research projects, for the sports equipment sector and stressing utilisation of 3D printing.					1
Type 1	Business plans implementing primarily re-shoring and in-shoring business plans based on the respective feasibility studies; for the sports equipment sector and stressing utilisation of 3D printing.				1	1
Good practice 5 Increased innovation and service level in fashion: The case of Todd Shelton						
Type 1	Branch-based feasibility studies helping businesses re-define their business concept to re-shoring. As preconditions for res-shoring business and research projects, for the textiles sector.		1			
Type 1	Business plans implementing primarily re-shoring and in-shoring business plans based on the respective feasibility studies; for the textiles sector, and especially renewable and re-cyclable textiles.		1			1
Good practice 6 BILAKATU programme (direct incentives to promote re-location and near-shoring)						
Type 3	Direct incentives					
Type 1	Collaboration with clusters (this is aligned with GP3)	1	1	1	1	1
Type 2	Thriving companies' needs (this is aligned with GP2, option 1)	1		1		1
Good practice 7 Exploring the impact of inter-regional linkages on regional diversification in Europe in the context of smart specialisation.						
Type 2	Network (at least 3) feasibility studies to identify complementary technologies for joint development; important for coordinated near-shoring with in-shoring	1	1	1	1	1
Good practice 8 Mapping the potential of EU regions to contribute to Industry 4.0						
Type 2	Network (at least 3) feasibility studies to identify complementary technologies for joint development	1				
Good practice 9 DEFINE network						
Type 1	e-Platform for the development of fashion networks.					
Good practice 10 Symbiotic networks of bio-waste sustainable management						
Type 1	Applying digital tools to develop symbiotic networks, to improve cross industry resource efficiency through waste, by-products and raw material trading and sharing assets in an environmentally sustainable way.					
Good practice 11 SYMBIOICT						
Type 1	A digital platform to collect and analyse datasets relating to industrial facilities, regional waste production and supply chain economics with the aim to detect and visualize geographic areas and industrial sectors with high Industrial Symbiosis potential.	1				
LEGEND (*): PP2/LP Kainuu; PP4 Helsinki-Uusimaa; PP5 Western Macedonia; PP6 Western Slovenia; PP7 Western Transdanubia						

Insights | Lessons Learnt | Impact

- METHODOLOGY
  - Competitive advantage as base for value-chain (VC) mapping is relevant.
  - It implies that competitive advantage can be a good starting point for linking VC-based policies and initiatives to RIS3.
  - Implementation path towards re- and in-shoring potential decision making



Source: Adapted from Criscuolo, C., et al. (2022), "An industrial policy framework for OECD countries: Old debates, new perspectives", OECD Science, Technology and Industry Policy Papers, No. 127, OECD Publishing, Paris, https://doi.org/10.1787/0002217c-en. Accessed at https://www.oecd-ilibrary.org/docserver/0002217c-en.pdf?expires=1656418796&id=id&accname=guest&checksum=102441FCC1D46A6B1629CA71A29C0220

- No Good Practice related to DIHs or EDIHs was identified - To evolve from an EC-funded project to an EU-network there is a need the business model that is in place to ensure the balance between the services offered and the capitalisation of services (in EU-projects, balance is created by EC-funding)

Insights | Lessons Learnt | Impact

- Competitive advantage should be better defined, proxies for measuring competitive advantage, especially related to value chains, should be better understood. For example, research shows that value chain re-location and localisation relate to: Cost-related (transportation, labor, control cost, tariffs, material, energy, currency appreciation), Flexibility & delivery time (time-to-market, transportation, proximity to customers, tied-up capital / high stocks, supply chain coordination, delivery problems), Quality & image (quality issues, made in reputation, image, branding), Policy related (job creation, help local economy, security, political strategy).(Source: projects2014-2020.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/file_1659251514.pdf)

- POLICY MEASURES
  - As discussed in slide 5, we identified, within the GPs 13 policy measures and initiatives.
  - Partners selected 11 GPs and plan to transfer totally or partially 8 out of them, slide 6.
  - All partners selected to transfer GP3 3, 6 and 7, which relate to the identification of competitive advantage and interregional complementarities within specific-value chains contexts. It is possible to conclude that regions need such tools above anything else.
  - Partners were interviewed and indicated that value chain mapping and linking competitive advantage to value-chain contexts was very useful for orienting development actions.

Questions welcome