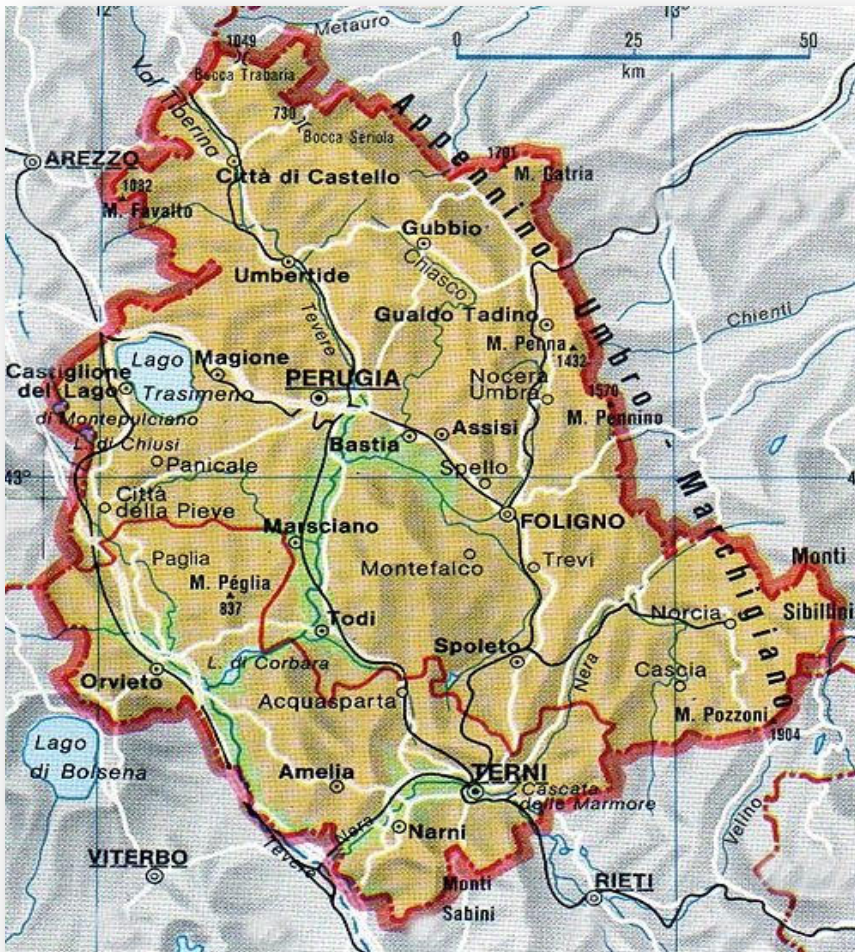# Umbria Region: Towards a RIS3 strategy

Crete, 26-27 September 2013

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Director of Programming, innovation and competitiveness of Umbria Region

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Our expectations from the Peer Review Workshop

1. **How to engage inter-regional co-operation**

    RIS3 are local development strategies focusing on regional specific contexts and assets but looking outside the geographical boundaries. In which way can Umbria **mobilise co-operation, avoid duplication of interventions?**

2. **Vertical co-operation with EU Level (H2020, COSME)**

    H2020 is our reference to support excellence in R&D. What is the EU level planning in terms of **synergies** with regional level (cohesion policies)?

2

Questions we would like peers to discuss

- Regional stakeholders do participate to the RIS3 process but with a not very constructive attitude. **How to better mobilise their active contribution?**

- We understood that RIS3 is about choosing economic areas, market niches or knowledge domains. In a region like Umbria where there are not predominant and international recognised "clusters", **how to overcome the risk of a lock in situation when selecting a specific domain?**

- We are planning to leverage on the entrepreneurial process of discovery using the "negotiated programming" approach to introduce KET at territorial level. **How to balance the need to engage local actors with the strict timing requested by the programming process?**

- We feel that some indicators (R&D esp. as a % of GDP) are more input than outcome indicators for a RIS3. According to your experience . **What are the current proposed indicators?**

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Introduction Umbria's work on research and innovation (1)

1994 • RITTS Umbria: Umbria was one of the first regions to prepare a Regional Innovation & TT Strategy in Europe

2000 • Docup Ob. 2 Umbria 2000-2006

2003 • Programme for the development and diffusion of innovation in the Umbria Region

2007
• Regional Operational Programme POR FESR Umbria 2007-2013
• Rural Development Plan PSR Umbria 2007-2013
• PAR FAS Umbria 2007-2013

2008 • Regional law n. 25/2008 for development, innovation and competitiveness of the regional production system

2012
• Annual Planning Document 2012
• Annual Programme for growth, employment and competitiveness of Umbria regional economic

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Introduction of Umbria's work on research and innovation (2)

MISSION OFTHE REGIONE UMBRIA

Specialize and innovate the production system in Umbria

INTERVENTION MACRO AREAS

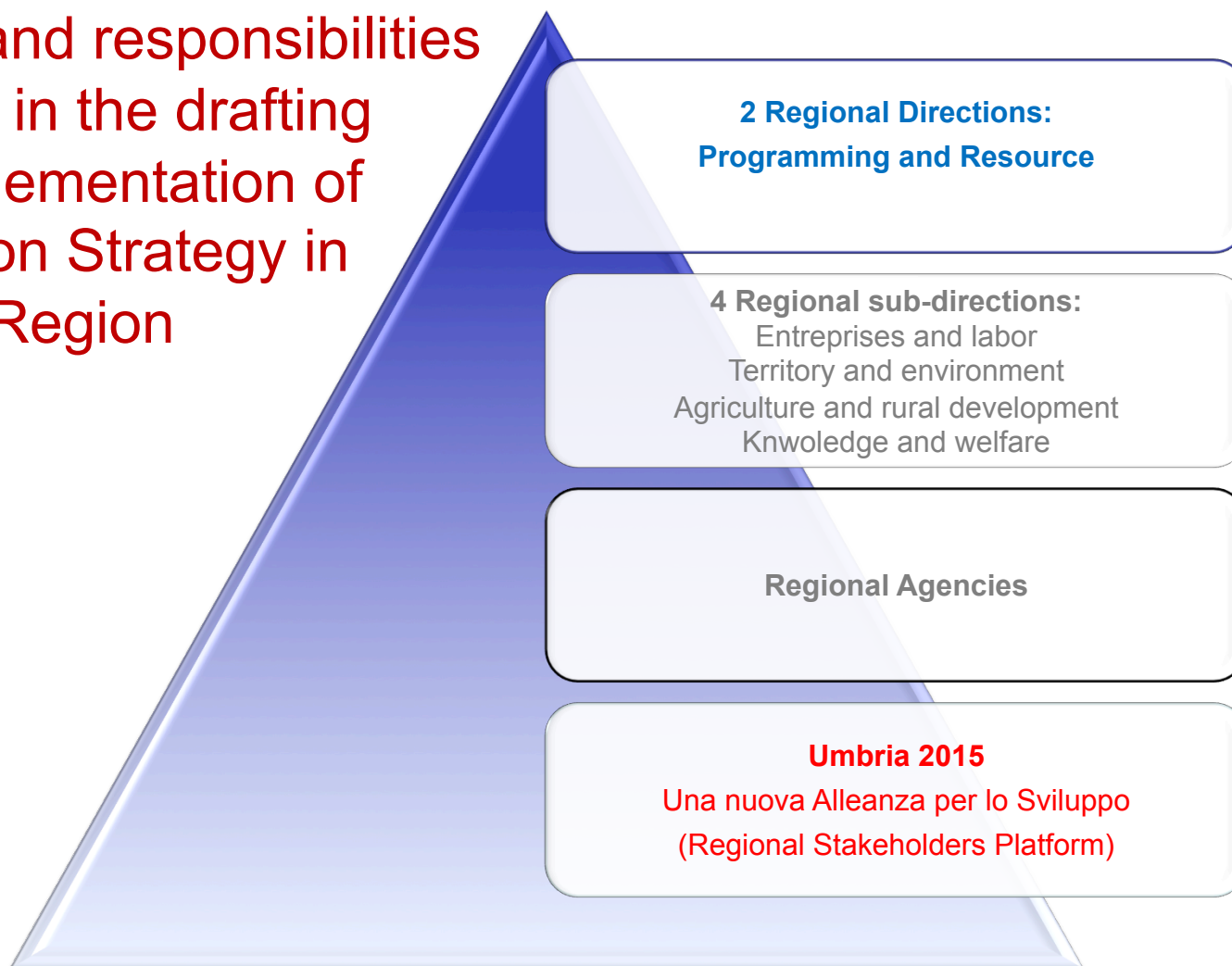*A. Research, Innovation and competitiveness of regional production*

S3 UMBRIA GENERAL OBJECTIVE

Activate local potentials by leveraging on regional assets and talents, accessing R&D results, promoting their use and exploitation at international level; fostering knowledge intensive entrepreneurship for the benefit of the whole society and citizens.

Governance (1)

Bodies and responsibilities involved in the drafting and implementation of innovation Strategy in Umbria Region

2 Regional Directions:
Programming and Resource

4 Regional sub-directions:
Entreprises and labor
Territory and environment
Agriculture and rural development
Knwoledge and welfare

Regional Agencies

Umbria 2015
Una nuova Alleanza per lo Sviluppo
(Regional Stakeholders Platform)

Governance (2)

- Who coordinates the RIS3 design process in your region?
  - ➤ **2 Regional Directions:** Programming and Resources

- Do you have some kind of a regional partnership? Does it include a '*triple/quadruple helix*' collaboration?
  - ➤ **"Umbria 2015" the platform of all regional stakeholders**

- How are relevant actors identified, approached, included and engaged in the development of the strategy?
  - ➤ Collecting feedback on draft working papers from the platform "Umbria 2015"

- How are decisions about RIS3 priorities taken?
  - ➤ Involving Umbria 2015

Building the evidence base for RIS3 (1)

1. Development policies on Research and Innovation	• Analysis of know how and production capacity of Umbria regional economic system.
2. Umbria distance to Europe 2020 Strategy	• Study "Distance to Europe 2020 target on R & I" Expenditure in Research and Innovation in % of GDP - : 2 percentage points.
3. Counterfactual evaluation	• Counterfactual evaluation on additionality effects of incentive in terms of outputs and inputs to innovation and R&D as well as enterprises performances
4. SWOT analysis	• Identification of strengths, weakness, opportunities and threats.

Building the evidence base for RIS3 (2)

SWOT

STRENGHTS

- Entrepreneurial dynamism / birth rate of SMEs

- High level of qualification of human resources

- Presence of attractive universities

- Experience in innovating governance processes
- Working age population growing
- Unemployment rate lower than the national average

WEAKNESSES

- Strong presence of micro and small size enterprises in traditional sectors
- Low level of ICT diffusion
- Low openness to international and new markets
- Financial fragility
- Lack of private resources devoted to R & I
- Low propensity to patent
- Low capacity to retain talent
- Low attractiveness for FDI
- Demografic decline
- High youth unemployment rate

OPPORTUNITIES

- Commitment of public resources in Research and Innovation (%), with support for the strengthening and development of technology clusters, innovation clusters, technological chains in Europe
- Promotion by the Community and national policies of clusters and business networks
- Presence of frameworks of incentives and support for the ICT sector
- New focus at European level policies to support the application (Public Procurement)
- Simplification of the regulatory framework regarding the management of Community funds
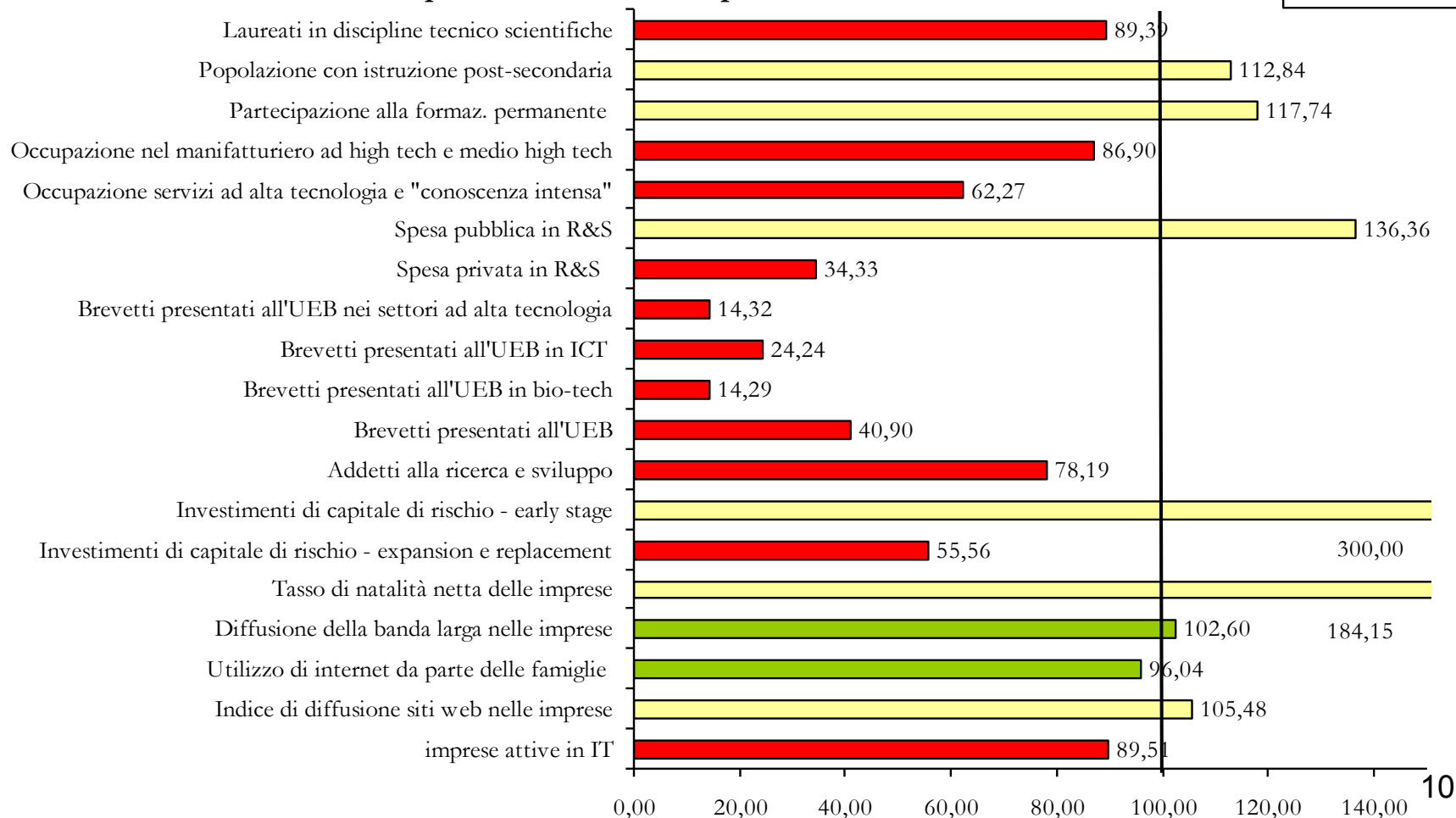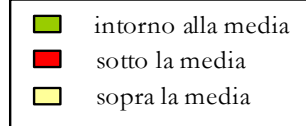 Sync of Horizon 2020 with Structural Funds, etc.

THREATS

- Presence of emerging countries (competitors) and globalization
- Actual crisis which further reduces the competitiveness of the regional manufacturing sector
- Reduction of migration flows
- Higher attractiveness of other territories with regard to businesses and talents
- Lack of formal dialogue established between government (EU, national, regional)

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Looking beyond Umbria's boundaries

RUIS 2010 - Regione Umbria Innovation Scoreboard

Quadro di valutazione regionale dell'innovazione: posizionamento competitivo dell'Umbria rispetto alla media italiana

Italia=100

Legend:
- intorno alla media
- sotto la media
- sopra la media

Indicatore	Valore
Laureati in discipline tecnico scientifiche	89,30
Popolazione con istruzione post-secondaria	112,84
Partecipazione alla formaz. permanente	117,74
Occupazione nel manifatturiero ad high tech e medio high tech	86,90
Occupazione servizi ad alta tecnologia e "conoscenza intensa"	62,27
Spesa pubblica in R&S	136,36
Spesa privata in R&S	34,33
Brevetti presentati all'UEB nei settori ad alta tecnologia	14,32
Brevetti presentati all'UEB in ICT	24,24
Brevetti presentati all'UEB in bio-tech	14,29
Brevetti presentati all'UEB	40,90
Addetti alla ricerca e sviluppo	78,19
Investimenti di capitale di rischio - early stage	300,00
Investimenti di capitale di rischio - expansion e replacement	55,56
Tasso di natalità netta delle imprese	184,15
Diffusione della banda larga nelle imprese	102,60
Utilizzo di internet da parte delle famiglie	96,04
Indice di diffusione siti web nelle imprese	105,48
imprese attive in IT	89,51

0,00   20,00   40,00   60,00   80,00   100,00   120,00   140,00

Source: Elaboration of Service "Strategic control and evaluation of the policies" of Umbria Region

Looking beyond Umbria's boundaries

RUIS 2010 Regione Umbria Innovation Scoreboard – (Umbria Region):
The analysis provides a framework for assessment of innovation at regional, national and European level.

At **national level**: average position of Umbria compared to other Italian regions;
At **European level**: Low levels of performance compared to the European regions.
The analysis was conducted with 8 EU regions (2 DE; 2 UK; 2 ES; 2 FR) that have size and levels of GDP per capita similar to Umbria Region.

Regional Innovation Scoreboard - (European Commission):

Umbria Region belongs to the group of regions with a **moderate** degree of **innovation** :
it is characterized by **not high scores in a large number of different indicators**:

•expenditure on R & D in the public and private sectors;
•innovative activity of SMEs;
•collaboration between public and private investment in research and innovation;
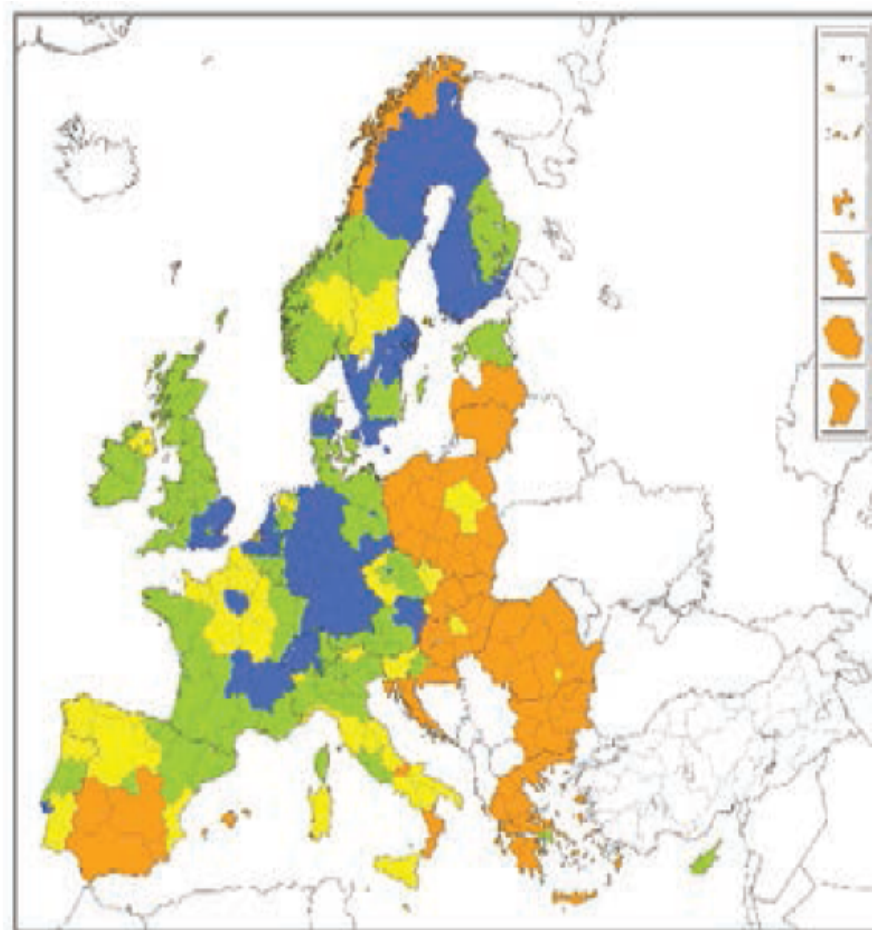•commercialization of innovative products and employment in high-tech manufacturing and knowledge-intensive.
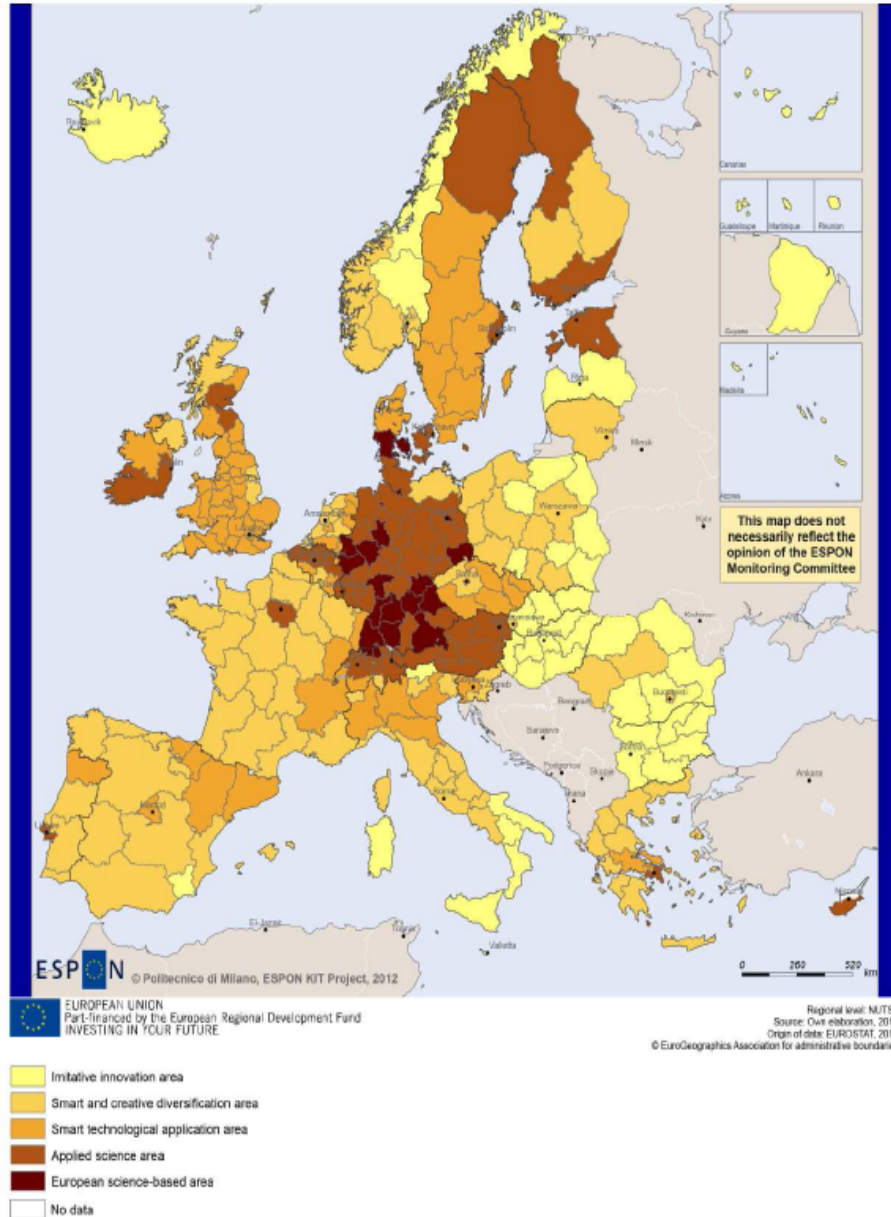
Looking beyond Umbria's boundaries

REGIONAL INNOVATION SCOREBOARD 2012

Regione Umbria as Moderate Innovator

In these regions the collaboration in terms of innovation among enterprises and between enterprises and public organizations (universities and research centers) is far below the European average.

The result is a relatively low number of patents and innovative technology products.

INNOVATION LEADER   MODERATE INNOVATOR
INNOVATION FOLLOWER   MODEST INNOVATOR

S3 SMART SPECIALISATION PLATFORM

Map 7 Territorial Patterns of Innovation

Legend:
- Imitative innovation area
- Smart and creative diversification area
- Smart technological application area
- Applied science area
- European science-based area
- No data

KIT ESPON project identifies Umbria region as:

"Smart and creative diversification area" :

❖ *Low degree of local diversified applied knowledge;*

❖ *Internal innovation capacity;*

❖ *High degree of local competences;*

❖ *High degree of creativity and entrepreneurship;*

❖ *External knowledge embedded in technical and organizational capabilities.*

Entrepreneurial dynamics

Start of partnership process for joint elaboration of regional research and Innovation Strategy for a Smart Specialisation

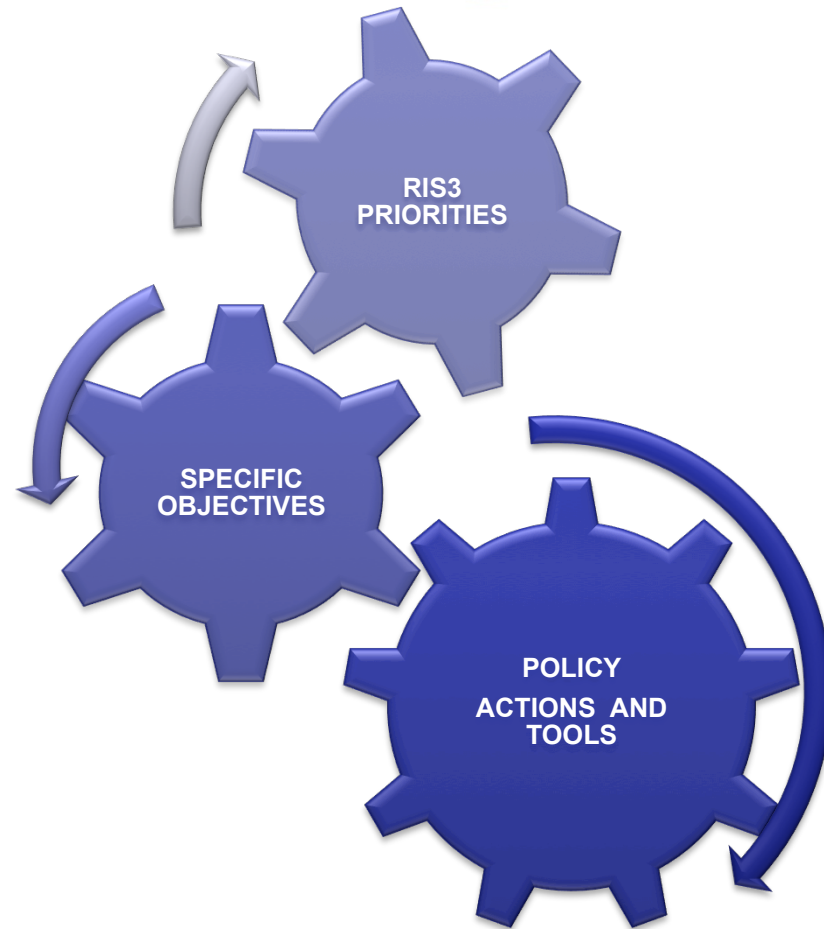"Umbria 2015 Una nuova Alleanza per lo Sviluppo "

Meetings of the thematic platform

"Economic Development, the knowledge and green economy"

Bottom- up entrepreunerial search process

Priorities of RIS3

- Priorities derive from the SWOT and have been distilled involving the stakeholder platform through ad hoc meetings and discussion (Umbria 2015).

- RIS3 envisage 2 two mechanisms:
  - The use of the RESTA allowing new "regional clusters" to put forward their innovation programs
  - The use of "Negotiated Programming" tools to incorporate new needs from citizens and businesses
- Agro food and bio chemistry have been identified as domains of specialisation

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Main objectives / priorities of RIS3

a) to improve cooperation between research and businesses

- Promote the uptake of research results achieved in the region
- Support the access of SMEs to research results in Italy and abroad

b) to promote the change of the regional economic system.

- Foster a new knowledge-based entrepreneurship willing to compete the international markets
- Encourage innovation in traditional sectors by facilitating access to new knowledge and advanced services

c) to support the supply of innovative services and the diffusion of ICT in key sectors to improve quality of life of citizens

- Promote a new knowledge-based entrepreneurship willing to compete the international markets
- Foster innovative services to citizens improving their quality of life

Digital Growth priorities

The Digital Agenda for Umbria is based on a recent survey done by an external body. It is horizontal to all programming tools to reinforce all the thematic objectives envisaged for the programming period 2014-2020.

The interventions of the "Digital Agenda for Umbria" will focus on:

- the dissemination of e-Government, by supporting the demand for digital services of the PA and the use of e-procurement and e-commerce;
- the networking of Umbrian territory through the development of Smart Communities;
- the reduction of the digital divide through the use of ICT-based learning and in this way to cultivate a new culture that can accommodate innovation;
- the generation of added value through the development of innovations (market, product, process and skills) in the chain of production and in services.

How these priorities? (1)

Three principles for the selection of priorities:

- **Positioning of the Umbrian system in the value chain for research and innovation**: channelling resources on access and exploitation of research results and promotion of new knowledge intensive entrepreneurship;

- **Framing of the manufacturing system in a sectoral approach:** Selecting areas according to the results of the call by the National Ministry of Education and Research for "developing and strengthening National Technological Cluster" ⟹ **Umbria has a recognised key role in Agro-food and Green-chemistry areas;**

- **"Critical mass" and the international dimension**: through the use of resources via tools "RESTA type", aimed at 1) clustering enterprises with knowledge suppliers, research centres and service providers (including design and other value-added services). 2) supporting spontaneous dynamism of the economic actors.

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How these priorities? (2)

Specific Objectives	Actions/tools
Promote the uptake of research results achieved in the region	Financial support, (revolving), to assess the feasibility and market potential of R&D results
	Grants for deepening abroad market opportunities of research results
	"Program agreement" (territorial scale) for the application of R&D results carried out in the region (key sectors)

How these priorities? (3)

Specific Objectives	Actions/tools
Support the access of SMEs to research results in Italy and abroad	Program agreement with regional enterprises (including medium and large companies) in strategic sectors to develop prototypes and / or new applications.
	Support the acquisition of the first customer with the demonstration on the market of new products/processes,
	Grants/loans to access to innovation services (including design, legal advice, strategic consultancy, marketing, certification, ICT, energy efficiency, bio-materials)

How these priorities? (4)

Specific Objectives	Actions/tools
Foster a new knowledge-based entrepreneurship willing to compete the international markets	Early stage co-investment funds (revolving) to leverage on business angels and other institutional investors
	Regional action to raise awareness on knowledge based entrepreneurship (business plan competition, mentoring and coaching)
	Voucher to access value-added services (in and outside the region) with reference to international markets, intangible assets and advanced training on specific elements (start-ups)

How these priorities? (5)

Specific Objectives	Actions/tools
Encourage innovation in traditional sectors by facilitating access to new knowledge and advanced services	Loans/grants to promote clustering of enterprises on technology platforms ensuring the flexibility and inclusiveness of interventions to accommodate new trends and the spontaneous dynamism of the regional value chains.
	Voucher to access value-added services (in and outside the region) with reference to international markets, intangible assets and advanced training on specific elements (traditional SMEs)

How these priorities? (6)

Specific Objectives	Actions/tools
Foster innovative services to citizens improving their quality of life	Support to public administration for the implementation of innovative public procurement procedures (co-ordination with the digital growth priorities)
	Strategic projects (Smart Cities) for the testing of new infrastructure and services that improve the quality of life and the attractiveness of the cities

Implementation and budget

<u>Still under discussion</u>

RIS3 Umbria aims at stimulating private investment in R&D exploitation

Measuring progress

OUTPUT and RESULTS indicators of the Strategy will include the indicators of the Proposal for a regulation for European Regional Development Fund and the Investment for growth and jobs goal":
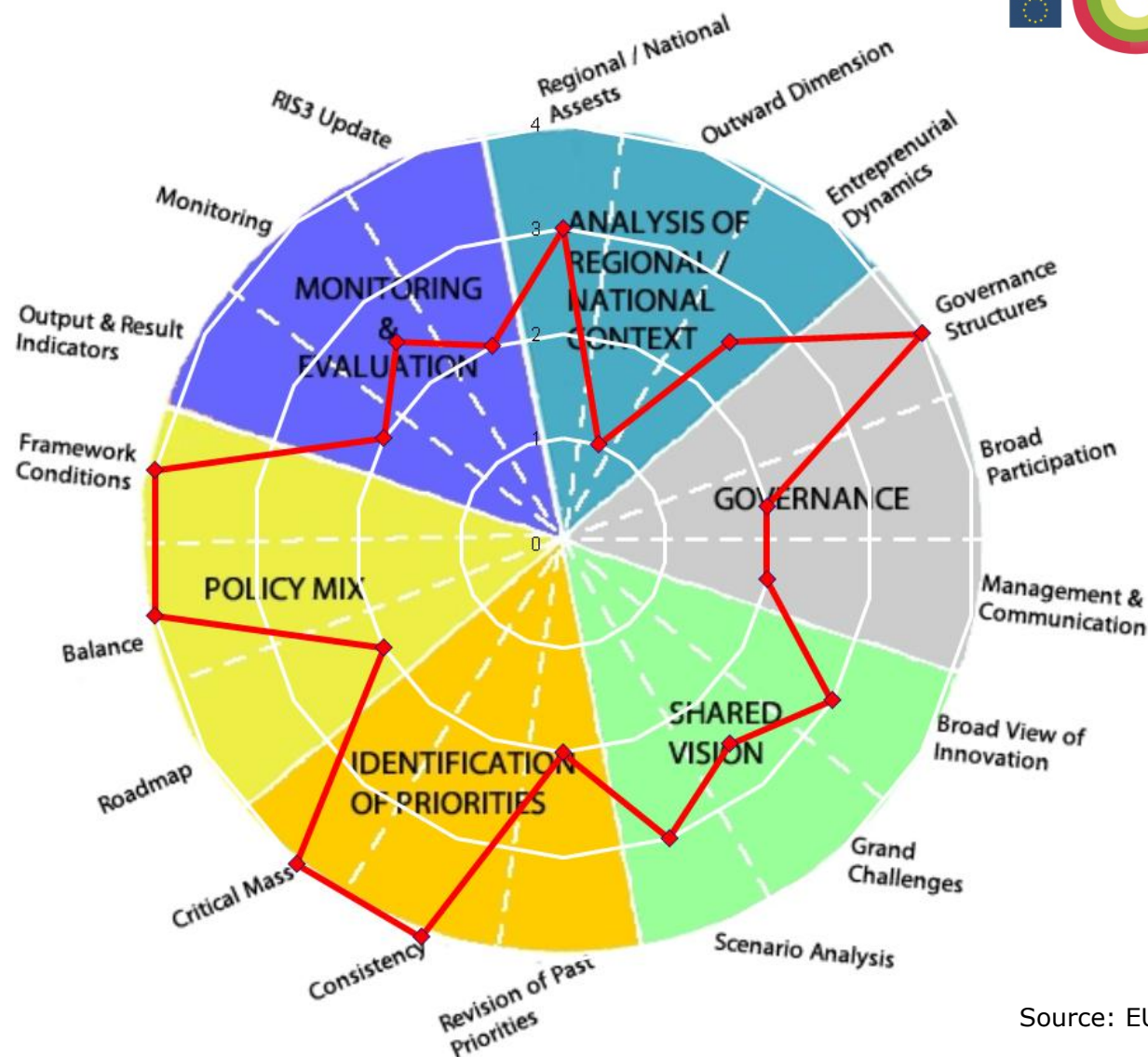
The monitoring and evaluation system will include **intermediate targets at the mid-term of the** programming period and a **final assessment** on the achievement of objectives.

We feel that some indicators (R&D esp. as a % of GDP) are more input than outcome indicators for a RIS3 (Question 4 "What are the current proposed indicators?")

- Number of enterprises cooperating with assisted research institutions;

- Private investment matching public support in innovation or R&D projects;

- Number of enterprises that introduced new or significantly improved products, new to the market as a result of supported innovation or R&D projects.

Self-assessment

Source: EURADA/S3Platform

Summary and next steps

- What is needed (in the short and medium term) to develop and implement a good RIS3 in your region?

  - Better alignment – synergies with other regions, national level and EU level (H2020 and COSME)

  - Advice to facilitate the entrepreneurial discovery process

  - Better understanding of new rules for cross-border use of structural funds

Questions we would like peers to discuss

- Regional stakeholders do participate to the RIS3 process but with a not very constructive attitude. **How to better mobilise their active contribution?**

- We understood that RIS3 is about choosing economic areas, market niches or knowledge domains. In a region like Umbria where there are not predominant and international recognised "clusters", how to overcome the risk of a lock in situation in identifying a specific areas, niches and domains?

- We are planning to leverage on the entrepreneurial process of discovery using the "negotiated programming" approach to introduce KET at territorial level. **How to balance the need to engage local actors with the strict timing requested by the programming process?**

- We feel that some indicators (R&D esp. as a % of GDP) are more input than outcome indicators for a RIS3. **What are the current proposed outcome indicators?**

Question 1: How to better mobilise active contribution by regional stakeholders?

- **Why**: < Regional stakeholders participate to the RIS3 process but with a not very constructive attitude >

- **What has been done**: <We activated two consultation tables within the Umbria 2015 platform>

- **What worked**: <They were physically present>

- **What did not work**: <No real proposition was put forward>
  <Regional stakeholders suggest integration to the SWOT based on the "vision" they have of their sectors but not contributing with data and benchmarks>

Question 2: How to overcome the risk of a lock in situation in identifying specific economic areas, market niches and knowledge domains?

- **Why:** <RIS3 is about choosing economic areas, market niches and knowledge domains. In Umbria there are no predominant and international recognised "clusters". We want to ensure flexibility and at the same time concentration of resources>

- **What has been done**: <We are planning to use RESTA like approach and program agreements to accommodate flexibility and focus >

- **What did not work**: <We would like to understand what others are doing with this regard>

Question 3: **How to balance the need to engage local actors with the timing requested by the programming process?**

- **Why**: < We are planning to leverage on the entrepreneurial process of discovery using negotiated programming approach (such as program agreements) to introduce KETs at territorial level. >

- **What has been done:** <We shared this approach within the partnership>

- **What did not work**: <We are concerned about the timing needed to activate such processes>

Question 4: **What are the current proposed outcome indicators?**

- **Why**: < We feel that some indicators (R&D esp. as a % of GDP) are more input than outcome indicators for a RIS3. >

- **What has been done**: <We are looking for indicators within the new regulation>

- **What did not work**: <We would like to have better link to the programme actions>

<div align="center">We would like :</div>

1. to know the official position of the EU Commission about the system of indicators for the evaluation of RIS3, with particular attention to the distinction between outputs and outcome indicators.

2. to discuss with peers their approach for the developing of a monitoring and evaluation system for their RIS3.