Regione Lombardia: Governance of the RIS3
from design to implementation

Sibiu, 27-28 May 2015
Lombardy in a nutshell

Population: 10 million of inhabitants

GDP: over 330.000 euro (GDP 20.6% of Italian and the 5th in the Europe)

Companies: over 820.000 (mainly SMEs)

Research and innovation system: 13 universities offering the whole spectrum of academic education (an extended public and private research systems)

Source: processing of ISTAT data 2014
Brief overview of Regione Lombardia’s work on S3

Driving economic change through smart specialisation/RIS3
Informal assessment - Regione Lombardia
Brief overview of Regione Lombardia’s work on S3

S3 Current Status

- Italy will have national RIS3 and each Region designed its own RIS3 document;

- The Lombardia’s RIS3 was approved in December 2013 and last update in April 2015 (Resolution X/3486). The implementation phase starts in 2014;

First policy actions:

✓ Direct business R&D support (FRIM ERDF 2020)* - December 2014

✓ Innovation networks/platforms (thematic communities of Open Innovation Platform and Cluster Initiative) – October 2014

* Research, development and innovation projects should address specialization areas identified by the "Regional Strategy of Smart Specialization for Research and Innovation (S3)"
Regione Lombardia’s S3 Priorities

Regional priorities (definition and transformation)

- **I Phase**: From vertical specialization approach to horizontal specialization “system of competences” approach

In practice:

- **Tradiotional Sectors (Districts) Before 2003**: Focus on well-defined geographic areas characterised by traditional industrial sectors
- **Themes Districts Since 2003**: Focus on technologies and know-how
- **Network of Research Bodies (DRADE Production Systems) 2009**: Focus on sectors, technologies, know-how and emerging fields of application
- **Hi-Tech Districts (HTD) 2011**: Focus on 10 strategic technological sectors
- **Lombardy Technological Clusters (LTCs) 2012**: Focus on 9 priority issues

Specialization Areas (SA):

- Agrofood
- Aerospace
- Sustainable Mobility
- Eco Industries
- Advanced Manufacturing
- Health Industries
- Creative and Cultural Industries
Regione Lombardia’s S3 Priorities

Regional priorities (definition and transformation)

- II phase: From SA towards Emerging Industries

In practice:

- Technology Clusters and Open Innovation Platform
  - Initiatives for KETs development
  - Initiatives for innovation demand orientations
  - Initiatives to promote cross-fertilization
  - Support instruments for eco and social innovation
Regione Lombardia’s S3 Governance

S3 Responsible: General Directorate for Enterprises, Research and Innovation of Regione Lombardia

- WG Inter-Directorates for Research and Innovation
- WG Experts (Industry and Research)
- WG Regional Clusters
- Collaborative Open Innovation Platform

Regione Lombardia’s General Directorates

Steering Committee (RIS3 monitoring and evaluation)

Regional System (SiReg)

Outcomes from RIS3 instruments

Benchmark with Italian and European Regions

Dialogue with National Authorities

Dialogue with European Commission

RISS3 implementation outputs
Data provided by the indicators on RIS3 achievements
Territorial involvement
Inward and outward looking process
Comparison with stakeholders
Consultation System and Peer RIS3

Entrepreneurial Discovery Process

Work Programmes

RIS3 instruments review

RIS3 Update
Regione Lombardia’s S3
Strategic policy-mix

<table>
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<tr>
<th>Policy Objectives**</th>
<th>Policy instruments</th>
<th>TO OP</th>
<th>ERDF Allocation [Mln €]*</th>
<th>Private Sources (EIB) [Mln €]</th>
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<tbody>
<tr>
<td>Strengthening linkages within innovation systems</td>
<td>Innovation networks/platforms (Open Innovation and Clusters)</td>
<td>TO1</td>
<td>10</td>
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<td></td>
<td>Competence and Excellence Centres (regional KICs)</td>
<td>TO1</td>
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<td>Supporting investments in research and technologies</td>
<td>Direct business R&amp;D support</td>
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<td>30</td>
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<td>Collaborative R&amp;D programmes (Research organisations and Industry)</td>
<td>TO1</td>
<td>190</td>
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<tr>
<td>Enhancing innovation competencies for firms</td>
<td>Innovation support services, Support to human resources for R&amp;D, IPR (voucher schemes)</td>
<td>TO1</td>
<td>20</td>
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<td>Direct business innovation support</td>
<td>TO1/TO3</td>
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<td>Start Up Voucher schemes</td>
<td>TO3</td>
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<td>Support to Start Ups</td>
<td>TO3</td>
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<td>Ensuring demand and framework conditions for innovation</td>
<td>Venture Capital schemes</td>
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<td>Financial instrument for SMEs and “Small Mid Cap”</td>
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<td>Public Pre-commercial Procurement</td>
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* Allocation foreseen for Programme 2014-2020
** in accordance with “JRC Technical Reports – RIS3 Implementation and Policy Mixes”, 2014
## Regione Lombardia’s S3

### Strategic policy-mix orientations

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<tr>
<th>Developing</th>
<th>Emerging</th>
<th>Mature → Declining</th>
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<td>Early Stage Phase</td>
<td>Late Stage Phase</td>
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<tr>
<td>Support to START-Ups</td>
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<td>Development of risk capital market in pre-seed, seed and early stage phases</td>
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<td>Pre-commercial Public Procurement and Innovation Procurement</td>
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<td>Internationalisation support (networks/incentives for acquisition of services)</td>
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<td>Support to competitiveness of companies in cultural, touristic and creative sectors</td>
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<td>Direct incentives and micro-financing for RE-STARTs</td>
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<td>Support of Companies in Difficulties (RAID)</td>
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<td>Incentives for specialistic internationalisation services (TEM)</td>
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<td>Enterprise Europe Network</td>
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- programmes to enhance competitiveness (innovation and internationalisation)
- programmes for internationalisation
# Regione Lombardia’s S3 Strategic policy-mix orientations

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- **Financing industrial research, experimental development and innovation by single SME, groups of companies and research organisations.**
- **Support to Industrial exploitation of R&D results.**
- **Voucher schemes** (purchase of technology, strategic and organisational innovation services)
- **Competence and Excellence Centres (regional KICs)**
- **Support of innovation of process, product and organisation**
- **Support to reorganisation/ restructure processes**

Programmes to enhance innovation
Regione Lombardia’s S3
Strategic policy-mix overview

- Financial instruments
- Voucher schemes
- Initiatives
Regione Lombardia’s S3

Measuring and assessing

• Mechanisms and process (work in progress)
  ✓ Indicator system (Policy instruments, regional initiatives)
  ✓ Data collection system (RIS3 results, EDP, Inward/outward)
  ✓ Knowledge generation system (Policy intelligence and learning process)
  ✓ Evaluation system
  ✓ Communication devices

• Main challenge and indicators
  ✓ Transformation and evolution of traditional/mature industries into Emerging Industries (e.g. use or development of KETs, hybridization of value chains, cross-fertilization actions etc.)
  ✓ Context indicators, Impact indicators, Result indicators (OP, PI), Strategy accomplishment indicators

• Follow up
  Periodic monitoring and entire review process will be organized by Steering Committee
Regione Lombardia’s S3

Issues to be discussed

Main successes
- Raise awareness on RIS3 challenge by stakeholder
- Regional Work Programme (based on the H2020 WP Model) translating the RIS3 priorities in technological development trajectories
- Solid and permanent consultation and sharing channels with Stakeholders and Citizens

Main bottlenecks
- Identification of the “right” indicators for the strategy accomplishment for a rapid-changing of actions to weed out non-performing investments
- Definition of an “effective” policy learning process (PLP)
- Definition of an “effective” policy intelligence process (PIP)
- Building up of an EDP focused on Emerging Industries
Question 1: How to choose the “right” indicators?

- **Why**: Regione Lombardia has an ambitious challenge which dictates new tailor-made indicators to measure the goals. It’s very important to translate the challenge in “right” indicators so that we can know if we are doing the right thing.

- **What has been done**: it has been defined a model of indicators. Within three levels the indicators have been specified (context, impact and result indicators). It’s developing the fourth level (Strategy accomplishment indicators).
Question 2: Which are the main components of PLP?

- **Why**: PLP has an important role in the regional evaluation process. PLP should produce added value to knowledge generation system and improve regional policies. It is relevant to have an effective structure of Policy Intelligence Process in order to transform the data in information and information into knowledge.

- **What has been done**: it has been defined a model of data collection system
Question 3: How to discover the Emerging Industries?

- **Why**: It has been implemented the EDP to identify Specialisation Areas. The next phase is to discover the emerging industries. It’s important to change the EDP, focusing on the emerging industries. What do we change? Which actors do we involve? Which role can clusters have in the new EDP? This issues are relevant to develop our strategy.

- **What has been done**: it has been defined and implemented a model of EDP to identify the Specialisation Areas.
Question 4: How to boost and support global value chains?

- **Why**: In order to make our case, to support the transformation of mature industries in emerging, is fundamental to wager on local needs along regional value chains (e.g. looking for mid and downstream emerging segments).

- **What has been done**: ongoing activity of benchmark with Italian and European regions with the aim to set up a solid model of collaboration and synergies between the regions under RIS3 pillars.