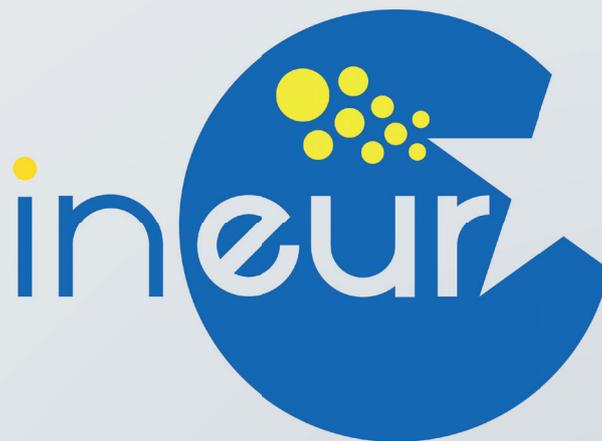




**European Union**  
European Regional Development Fund



## Measuring **IN**novation among **EUR**opean Subregions

[www.in-eur.eu](http://www.in-eur.eu)

<http://www.interreg4c.eu>

[http://ec.europa.eu/regional\\_policy/index\\_en.htm](http://ec.europa.eu/regional_policy/index_en.htm)



INTERREG IVC-Cohesion Policy 2007-2013  
Innovation and Environment  
Regions of Europe Sharing Solutions

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# 1

## THE IN-EUR PROJECT

**IN-EUR** is a Regional Initiative Project, of 3 years duration (2012- 2014), co-financed by the **INTERREG IVC** Programme, which addresses the need for local level strategies to foster innovation and knowledge growth all over the EU. The project is funded under Priority 1 Innovation and the Knowledge Economy, with a focus on innovation, research and technological development.

### 1.1 Aims and Objectives

The overall project objective is to use interregional cooperation to improve quality of innovation policy at local level through sharing, integrating and transferring methodologies for measuring innovation. Through improved innovation policy, based on information gained from a tested methodology and following a result orientated approach, local authorities can avoid duplication, gaps and subsequent waste of public resources.

Sub-objectives:

- To share, adapt and apply existing models for measuring local innovation
- To enhance local and interregional cooperation on specific models
- To verify the model's effectiveness through extensive local participation
- To adapt and mainstream the ALBI (Advanced Local Balance of Innovation) model into local policy

### 1.2 Project Partners



*The IN-EUR Project Consortium consists of 9 Partners coming from 8 different EU countries:*



**South-East Regional Development Agency (Romania)** was established in 1999. Its mission is to promote sustainable, socio-economic development of the region through: partnerships (local, regional and international), elaboration of integrated development services, implementation of regional development programmes, promotion of economic cooperation.



**Province of Lucca (Italy)** is a public body at local level that represents a community of more than 370.000 inhabitants with specific competences in urban and environmental planning, economic and tourism development, job training and employment services.



**Lithuanian Innovation Center (Lithuania)** is a public institution established in 1996. It provides innovation support services to enterprises, research institutions, industry associations and business support organisations.



**Local Councils' Association (Malta)** is a public body established in 1994. It represents all the 68 local councils and 5 regions in Malta and Gozo by promoting and protecting their interests.



**Development Centre of the Heart of Slovenia (Slovenia)** was established in 2000. It provides services and conducts project to accelerate entrepreneurship, tourism and local and regional development for the Heart of Slovenia area.



**Bautzen Innovation Centre (Germany)** is a not for profit organisation, established in 1995. The Bautzen Innovation Centre has essentially three key strategic objectives: support to start-ups and incubation; technology transfer and innovation support; regional economic development.



**Chamber of Commerce and Industry Marseille Provence (France)** is a local collective of enterprises dedicated to economic development. CCIMP serves around 73600 enterprises. As representative of local business, CCIMP has a say in regional, county and city innovation policies.



**Roscommon County Council (Ireland)** provides the main local Government services within the administrative area of County Roscommon. It is responsible for the delivery of a wide range of economic, social, cultural and regulatory services.



**WestBIC-Business and Innovation Centre (Ireland)** is the official EU Business & Innovation Centre operating in the Border, Midland & Western Regions of Ireland. It is the largest manager of incubation space in the region.



*Kick off meeting, Braila, Romania- March 2012*



*C3 Workshop, Kamnik, Slovenia – March 2013*

## 2

## MEASURING INNOVATION

The EU needs an updated strategy to foster innovation and knowledge growth throughout EU territories in order to reach the Europe 2020 targets.

IN-EUR is founded on the recognition that data to measure innovation are normally available only at national and regional level. Within this project, partners confirm the necessity to consider innovation at local level, the level where it is actually implemented. Existing indicators are insufficient for this task and therefore, a solid set of indicators and system of data collection are required.

## 3

## TARGET GROUP

IN-EUR addresses the need for local level strategies to ensure innovation and knowledge growth all over the EU. The project supports public actors at sub-regional level to define and orientate local policies and investments on innovation. Therefore, IN-EUR target groups are all those that are involved with innovation and can influence policies and legislation. This might vary from one partner to another but most certainly includes local policy makers, government institutions, public bodies and authorities.

## 4

## ALBI MODEL

IN-EUR is based on analysis of existing methodologies for measuring innovation at local level (NUTS3). Through in-depth, interregional exchange, partners have updated and adapted methodologies in order to produce a shared tool, the Advanced Local Balance of Innovation (ALBI) model. As a result, innovation policies are improved and local authorities can focus on existing gaps, while avoiding duplication and subsequent waste of public resources.

The ALBI model is based on the already existing and tested Local Balance of Innovation (LBI) model defined thanks to a former INTERREG IIC project called INNODEC.

## 5

## LBI MODEL

LBI's main goal is to support local authorities' efforts in building up an agenda for supporting innovation.

Local Balance of Innovation (LBI) is a methodology that can be applied to a territory to collect information in order to measure its level of innovation:

- LBI is an open and experimental methodology
- It is not conceived for classifying regions and territories
- It is a flexible tool to orient innovation processes at local level
- It is based on a bottom-up research approach

LBI recognises that innovation cannot be measured only using standard statistical indicators, but also requires qualitative indicators.

Qualitative indicators, in turn, require a large participation of local actors.

LBI uses data produced by the socio-economic actors, who are part of the innovation process.

In most regions, it is very difficult to measure innovation due to the fact that there is no central point of decision, nor a unique institution for co-ordination.

### 6.1 Introduction to the Approach

Innovation is the outcome of many activities and many actors. It is the product of a complex array of factors that originate at various geographical levels and in different institutional contexts. The starting point for the design of the ALBI model has been therefore the identification of the key actors – e.g. the industrial system, universities and public research organisations, financial intermediaries – whose activities and interactions create, modify and diffuse new knowledge and innovation. The identification of these actors have led to the definition of four Areas of Investigation in which the ALBI model is structured:

- **A1** Industrial system;
- **A2** Education and research;
- **A3** Infrastructure and framework conditions;
- **A4** Governance of innovation.

For each Area of Investigation, a number of indicators have been identified. For the selection of the indicators, project partners made a preliminary assessment on the sources for data collection, the expected costs and time of data production and the local stakeholders to be mobilised for research. All project partners checked which indicators were suitable for inclusion in the ALBI Model and also if the data was available. At the end of this preliminary assessment, partners agreed that the main criteria for the selection of ALBI indicators are:

- *relevance of the indicators*: selected indicators must be appropriate for the assessment of innovation inputs, processes and outputs;
- *comparability*: indicators should allow to compare the innovation performance of a given territory with a benchmark and over time. A detailed and transparent description of the indicator is a fundamental prerequisite for comparability;
- *novelty*: selected indicators must be able to capture some important factors of the local context that affect innovation but that are currently neglected by existing models for innovation measurement;
- *time and costs of implementation*: the application of the model must be feasible. In order to be an effective tool for policy making, the model must be implemented periodically. The time and cost for collecting data must be reasonable;
- *flexibility*: some indicators can be very relevant in a territory but not in other territories. Hence, the structure of the model should not be rigid, so that each territory can choose to focus on some specific indicators that better reflect the peculiarities of the local context.

There are evident trade-offs among these characteristics. In order to reconcile these trade-offs, project partners agreed to design a model consisting of two levels:

- **ALBI Level 1**: based on quantitative indicators with the aim of being comparable. In order to obtain complete and comparable data, the model uses existing datasets, mostly collected locally or available from European or International Institutions (e.g. OECD and UNESCO for NUTS III level, and EUROSTAT for NUTS II or NUTS I level). The main drawback of ALBI Level 1 indicators is that some important factors affecting innovation are neglected (i.e. the *novelty* of these indicators is limited).
- **ALBI Level 2**: based on detailed information, resulting from a deeper level of analysis. In the process of collecting data, partners use existing datasets, surveys and interviews with key informants. Survey-based information is obtained through the submission of two questionnaires to the main local stakeholders (“Survey to firms” and “Survey to support centres”). The involvement of local stakeholders is fundamental at this level. ALBI Level 2 indicators emphasise *relevance*, *novelty* and *flexibility*.

ALBI Level 1 indicators provide a first-glance view of the situation regarding the degree of innovation in a territory, while ALBI Level 2 indicators offer a more consistent picture of the innovative performance of the territory, the framework conditions for companies and support centres and the policy initiatives that have been undertaken.

For each Area of Investigation, the ALBI model defines both types of indicators. Figure 1 depicts the two-level ALBI model, according to the four Areas of Investigations defined above. For each Area of Investigation, Figure 1 also reports the Sub-Areas of Investigation in which indicators have been classified (for the list of indicators see the Appendix).

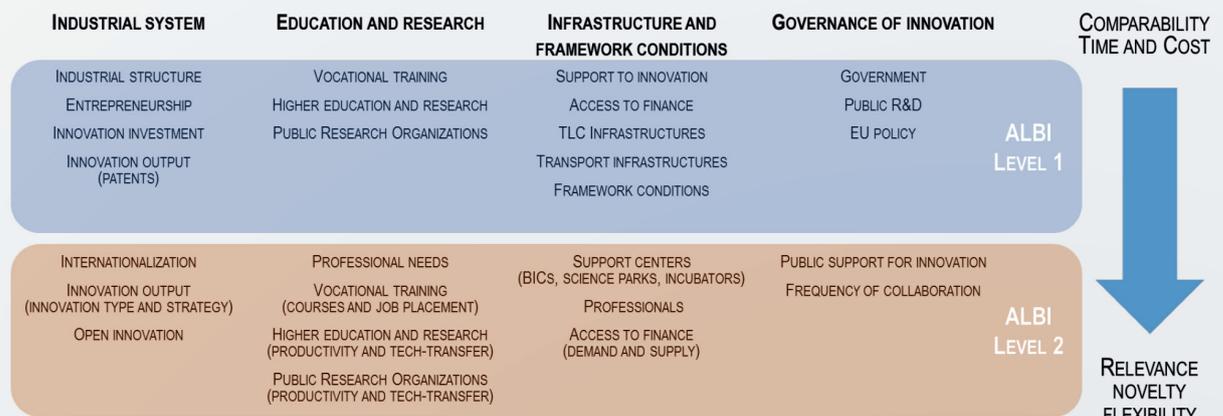


Figure 1 – The ALBI model

In order to ensure consistency and to facilitate an efficient data collection process, guidelines for the application of the model have been proposed. Guidelines contain detailed information on the available statistical sources of data that can be used for the calculation of ALBI Level 1 indicators, together with instructions and suggestions to effectively manage the survey process and to involve key informants (for ALBI Level 2 indicators).

## 6.2 The 3 DBLIs

### 6.2.1 Testing areas

Testing has been undertaken through the creation of 3 Direction Boards of Local Innovation (DBLI), each with a leader in charge of organisation, facilitating and reporting. The function of the DBLI was to apply the ALBI methodology to three main testing areas in order to test its applicability and suitability, to identify any necessary modifications to the model and to identify specific necessities for the local context.

Specifically, the 3 main testing areas were:

- Galati County (Romania);
- Province of Lucca (Italy);
- Roscommon County (Ireland).

All the partners of the IN-EUR project were involved in the testing phase. Some of them tested the ALBI model in their territory, to support the findings from the three main testing areas.

### 6.2.2 Preliminary pilot tests

The involvement of local stakeholders was necessary to collect the information needed to build indicators. This was particularly true for survey based data, obtained through the submission of two questionnaires to the main local stakeholders.

Before submitting the questionnaires to local companies and support centres, all partners were involved in a preliminary pilot test in order to check with local stakeholders if the two questionnaires

developed for the surveys were easy to fill, and the questions were sufficiently clear and exhaustive. The pilot test included the gathering of feedback from a small sample of respondents from each region. Afterwards, Politecnico di Milano reviewed the feedbacks from all project partners resulting from these preliminary pilot tests and developed an improved version of both questionnaires.

For most of the feedback received, it was possible to improve the questionnaire, but for the idea of enriching the answers this was disregarded to limit the complexity of the ALBI model. However, some local additions were made to try and give better quality information for local use.

### **6.2.3 Regional Discussion Tables**

The involvement of local stakeholders had started some months before the testing phase. Specifically, several local stakeholders have been involved by the organisation of Regional Discussion Tables (RDTs), organised during 2013 and 2014. During RDTs, participants were asked to give suggestions about the concept of the model and the selected indicators. RDTs also facilitated participation from local stakeholders to the subsequent testing phase.

### **6.2.4 Approaches to the data collection process**

The data collection process for the construction of ALBI indicators followed different approaches, according to each territory's specificities. The main challenge in data collection concerned obtaining an adequate response rate when submitting the questionnaires to local firms and support centres. Questionnaires were made available in a number of ways: on-line surveys, hard-copy versions of the questionnaires disseminated during events promoting the project (e.g. DBLI seminars), involvement of local associations of enterprises for the distribution of questionnaires and engagement of a local specialised marketing company to collect the data.

### **6.2.5 Difficulties emerging during the testing phase and identification of possible solutions**

#### *ALBI Level 1 indicators*

ALBI Level 1 indicators are mainly based on official statistical sources of data. In most cases the information needed to calculate indicators was available, using either public online sources (e.g., OECD) or local sources (e.g., Local Chamber of Commerce). However, the main difficulty was related to the lack of availability of data at NUTS III level for a subset of indicators. The issue is particularly relevant for indicators that are most correlated to innovation activities, such as R&D intensity, R&D personnel and Participation to non-tertiary education, available on EUROSTAT at the NUTS II level. The problem became more severe when calculating indicators below the NUTS III level. Some specific difficulties have also emerged as some information was not collected at all in some territories. Another issue was related to legal constraints, as disaggregated NUTS III (or below) data can be considered confidential and therefore not disseminated by local statistical offices.

Hence, partners considered the NUTS II level as the geographical unit of analysis for some indicators. Nevertheless, we acknowledge that using the NUTS II level provides a limited picture on the activities related to innovation performed at local level. It is also worth pointing out that this important limitation has been the main rationale to develop the ALBI level 2 indicators, which therefore represent a solution to this problem. One possibility to overcome the lack of data is to encourage Official Statistical Offices to produce data at the appropriate level of analysis. Furthermore, it is important that relevant stakeholders of the territory are well networked, and communicate regularly to share data/information that can be useful to provide an overall economic picture of enterprises and innovation.

#### *ALBI Level 2 indicators*

The main issue related to ALBI level 2 was the limited number of collected questionnaires from firms, which can limit the representativeness of the sample and therefore the interpretation of the results.

Across all the regions, some of the common problems were identified as follows:

- lack of contacts databases to provide overall sample/population;
- problems with the questionnaire, including perceived to be too long, too academic in approach, and seeking private information;
- lack of perceived benefits from participation, leading to poor response rates;
- lack of interest, including a lack of understanding of innovation concepts.

To overcome these problems some suggestions were proposed:

- to engage specialists in the distribution of questionnaires;
- to provide incentive rewards or professional support/services for enterprises participating in the questionnaire;
- to develop / maintain up to date contacts databases of enterprises at local level for better engagement with this sector for the provision of support, information, data collection etc. by stakeholders;
- to create long term relationships with professional organisations in order to increase their commitment in involving associated firms.

As to the survey to support centres, the questionnaire was very short and easily filled. The main weakness related to this survey was its limited informative content. Given the limited number of support centres in the territories, a possible solution to increase the amount of information collected from support centres was to make semi-structured face to face interviews with key personnel of these support centres.

#### 6.2.6 Summary of the results from the assessment of territories

An analysis was undertaken of the ALBI Level 1 and ALBI Level 2 data. The analysis allowed the ALBI Model to be tested and to show what conclusions may be drawn from undertaking the process and interpreting the data for each region. A draft SWOT analysis was drawn up for each region of the three main testing areas (Galati County, Province of Lucca and County Roscommon) and by other partners that were involved in the testing phase (Sub-regional development partnership of the centre of Slovenia, Malta and Lithuania).

This SWOT analysis approach can provide stakeholders with a useful starting point in considering how best to develop a strategy to further develop/improve the innovation system and promote innovation in enterprises in their respective regions. Figure 2 reports an extraction of the SWOT analysis for the Province of Lucca.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Industrial system:               <ul style="list-style-type: none"> <li>○ Increasing trend in high-tech entrepreneurship</li> <li>○ Firms that have introduced at least a product innovation in the last three years experienced higher turnover growth rate with respect to non-innovative firms</li> </ul> </li> <li>• Education and research:               <ul style="list-style-type: none"> <li>○ High participation of young people in non-tertiary education</li> <li>○ Vocational training agencies authorized by the Province of Lucca provide a great variety of courses</li> </ul> </li> <li>• Infrastructure &amp; Framework conditions:               <ul style="list-style-type: none"> <li>○ Availability of professionals for technical and business consultancy</li> </ul> </li> <li>• Governance of innovation:               <ul style="list-style-type: none"> <li>○ High awareness of public support programs at the local, regional, national or European level</li> <li>○ Access to Local/Regional public support measures</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Industrial system:               <ul style="list-style-type: none"> <li>○ The territory is mainly specialised in low-tech industries (Paper, Leather and Mining)</li> <li>○ Lack of finances, lack of time/resources for R&amp;D and low willingness of customers to innovate are the main obstacles to innovation</li> </ul> </li> <li>• Education and research:               <ul style="list-style-type: none"> <li>○ Technicians, managers and service and sales workers are the professional figures most difficult to find (High demand for technicians also in the future)</li> </ul> </li> <li>• Infrastructure &amp; framework conditions:               <ul style="list-style-type: none"> <li>○ Bureaucracy is the main obstacle to access finance</li> </ul> </li> <li>• Governance of innovation:               <ul style="list-style-type: none"> <li>○ Government R&amp;D intensity in Toscana is below the Italian and EU averages</li> <li>○ Difficult firm's access to Central Government / EU public support measures</li> </ul> </li> </ul>

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Change of the industrial specialisation towards high-tech industries</li> <li>• Refocusing of the vocational training system on the most needed professional figures (technician and service sales workers)</li> <li>• Collaborations with universities and public research organizations located in neighbouring areas</li> <li>• Better coordination between Local/Regional and Central Government in the design of innovation support measures</li> </ul>	<ul style="list-style-type: none"> <li>• The persistence of the current global economic crisis can accelerate the decline of traditional industries, with negative effects on employment</li> <li>• Lack of finance (venture capital and angel finance) to sustain the growth of high-tech industries</li> <li>• Bureaucracy can be a detrimental factor for entrepreneurship and the attraction of foreign investments</li> </ul>

*Figure 2 – SWOT analysis (extraction) of the Province of Lucca*

### 6.3 Conclusions

The testing phase undertaken by partners has represented an important step further towards a more effective and integrated governance of innovation, through the active involvement of all the relevant socio-economic actors of the territory. Regional Discussion Tables have emerged as a crucial tool to share the methodology, to build a culture of innovation and to create collaborative links between local authorities and stakeholders (e.g. firms, research and education system, support centres).

It is acknowledged that during the testing phase, some difficulties have emerged as to the implementation of the ALBI model. However, from the SWOT analysis, partners of each testing area have proposed some suggestions about policy initiatives in order to fully exploit the strengths and the opportunities of the territory, and to face the weaknesses and threats revealed by the ALBI model. It is interesting to note that a common trend that has emerged is the perceived over-bureaucratisation of public administration as the most limiting factor for local innovation. This again highlights the need for putting in place an ever more efficient, responsive and streamlined governance structure to support local firms, support centres and research institutions, taking a collaborative approach.

In what follows, we summarise the main contributions of the IN-EUR project to the improvement of local innovation policies:

- creation of a culture for measurement;
- creation of a local stakeholders network through periodic group discussions (e.g. Regional Discussion Tables);
- sharing and exchange of ideas;
- increasing general awareness on innovation;
- identifying problems and barriers for innovation policies;
- involving local stakeholders in the discussion about policy initiatives;
- building trust in local stakeholders on the fact that public institutions are aware of private companies/organisations dynamics;
- reducing the distance between private needs of innovation and public procedures.

One of the key elements of the model is the continuity of the model results and further implementation. During the project ALBI model has been already diffused among local stakeholders involved in innovation processes. However, mainstreaming the ALBI model implies the future and periodical involvement of local actors that have participated in the events and that are willing to contribute in the future design of the local innovation strategy.

More specifically, the ALBI methodology could be applied by local policy makers, not only before implementing a given innovation policy in order to evaluate the status quo of a territory, but also after

the policy itself, in order to evaluate its impact. This implies that measurement of local innovation performance must be applied on a regular base.

From a more operative perspective, partners identified the following key points/good practices in order to facilitate the successful implementation of the ALBI model:

- involvement of local industry associations and consortia is crucial for the data collection process. It is therefore very important to create long term relationships with these organisations in order to increase their commitment in involving associated firms;
- avoid duplication of resources and efforts. Local industry associations, university departments and research centres are usually involved in surveys, case studies and interviews involving local firms. Better coordination and linkages with these actors would allow to gather information more effectively;
- recognise the best competencies available for collecting new and original data (primary data) or elaborating secondary data. The engagement of specialists in the distribution of questionnaires can be an effective way to increase response rates;
- discuss with local actors the whole picture. The organisation of annual meetings with key actors, public and private, to present the results of the model and the innovation performance in the territory can be an effective way to create a culture for innovation and to refine both indicators and data collection procedures.

## 7

## LOCAL EVENTS AND INVOLVEMENT OF STAKEHOLDERS

Each partner has identified the main actors and stakeholders, and invited them to join the local activities and events, organized under the form of Regional Discussion Tables (RDTs), taking place every 6 months. The involvement of the local stakeholders and actors helped partners to better address the local policies and draw the new innovation model.

### 7.1 South-East Region, Romania

**Partner organization: South-East Regional Development Agency (SE RDA)**

**Website: [www.adrse.ro](http://www.adrse.ro)**

**Address: South-East Regional Development Agency, 24 Anghel Saligny str. Braila, 810118, Romania**

**Email: [luminita.mihailov@adrse.ro](mailto:luminita.mihailov@adrse.ro); [adriana.vaida@adrse.ro](mailto:adriana.vaida@adrse.ro); [luiza.tiganus@adrse.ro](mailto:luiza.tiganus@adrse.ro)**

**Tel: 0040 339 401018**

South-East Regional Development Agency (SE RDA) organised 5 RDT workshops with 126 participants in all.

The RDT members/participants were experts on innovation, representatives of policy makers, entrepreneurs, researchers, academics willing to support the initiatives of IN-EUR project and to activate the business support organisations in order to contribute to the development of ALBI model.

The stakeholders agreed to contribute with their information, experience and mobilization of other actors to the smooth implementation of the IN-EUR project. SE RDA, as a catalyst organisation, tried to actively involve the firms in the phase 2 of ALBI model in order to collect the qualitative indicators needed to complete the model for measuring the innovation at local level. The role of the Direction Boards of Local Innovation (DBLI) who involved local stakeholders from all partners' areas, such as students, researchers, public officers and other relevant actors was also emphasised. During the last RDT in correlation with DLBI event SE RDA presented the goal of the Implementation Plan and

focused on the steps to be followed for testing the ALBI model during the IN-EUR project, as well as updating and mainstreaming it afterwards. The major lesson learned from the RDTs was that the ALBI model can be improved but each partner should build a model tailored to the needs of its own territory.

SERDA participated in several project related events. A member of the project team attended the seminar “Clusters, a tool of regional economic development” organised in Galati, 29th March 2013. SE RDA representative made a brief presentation of IN-EUR project. SE RDA also attended the launching conference for the “National consultation on the 2014 – 2020 RD&I priorities” in Bucharest, 13<sup>th</sup> June 2013.

SE RDA members participated in the “Policy Sharing, Policy Learning - INTERREG IVC Thematic Capitalisation Workshop held in Brussels, 22nd May 2014.



RDT meeting – 10th July 2012



RDT meeting – 26th June 2013



RDT meeting – 12th June 2014

## 7.2 Lucca, Italy

**Partner organization: Province of Lucca**

**Website: [www.provincia.lucca.it/politichecomunitarie](http://www.provincia.lucca.it/politichecomunitarie)**

**Address: Cortile Carrara, 1 – 55100 Lucca, Italia**

**email: [m.lazzaroni@provincia.lucca.it](mailto:m.lazzaroni@provincia.lucca.it); [c.martini@provincia.lucca.it](mailto:c.martini@provincia.lucca.it)**

**Tel. +39.0583.417793 - 417756**

Local stakeholders were involved in IN-EUR ALBI model construction through five *Regional Discussion Tables* (RDTs) with two main purposes: 1) introducing to local stakeholders IN-EUR project, its objectives, the work to be developed and the final results expected; 2) preparing the delicate action of the model testing phase, providing at the same time more than 100 contacts to be used for the surveys (the tool chosen for collecting ALBI level 2 data).

The five RDTs were organised according to the four investigation areas that characterise the model and by more than 100 local stakeholders: companies for the “Industrial system”; training agencies, schools, Regional and Local Educational Directorates for the area “Education and Research”; professional organisations, service centres, innovation technology poles, finance institutions for “Infrastructures and framework conditions”; Municipalities, Industrial association, Chamber of Commerce, Innovation centres, bank institutions for “Governance”.

- This participatory process appeared to have two very positive unexpected aspects:
- on the one hand, it helped local stakeholders to arise their acknowledge on public institutions being aware of private companies/organisations dynamics;
- on the other hand, it helped to communicate that public authorities are trying to find adequate tools for overcoming the distance between private needs of innovation and public procedures, by making a more adequate innovation policy planning.

The Round Discussing Tables closed with a Direction Board for Local Innovation (DBLI) held on 19 March 2014, to which all key actors were invited. ALBI model was well presented and discussed and participants were asked to reflect upon its potential applications in the policy making process and the best way to transfer it in the local context.



### 7.3 Lithuania

**Partner Organization: Lithuanian Innovation Centre**

**Website: [www.lic.lt](http://www.lic.lt)**

**Address: Lithuanian Innovation Centre, T. Ševčenkos str. 13, 03223 Vilnius**

**Email: [m.vilys@lic.lt](mailto:m.vilys@lic.lt)**

**Tel. +370 5 2356116, fax. +370 5 2132781**

During the project implementation period a number of Regional Discussion Tables (RDTs) were organised to promote the project, and to involve local stakeholders in the actions of IN-EUR. The peak of local activities culminated with the International seminar that was organized at the end of 2013 in Vilnius. On the 5th of December, during the Vilnius Innovation Forum, a one day seminar focused on how innovation in small regions can be supported. The issue of how to assess the performance of small regions in the field of innovation was discussed among policy makers, statisticians and representatives from industry and academia. In this spectacular event IN-EUR project partners presented its Advanced Local Balance of Innovation (ALBI)-model for measuring innovation in small regions that will help regional policy makers in assessing the performance of their region and benchmarking it with other regions. The Regional Innovation Monitor (RIM) was presented. Different regions presented their experience in assessing the innovation performance in their region and adjusting accordingly their regional innovation strategy (Limburg, the Netherlands). As some of the participants said after the event - “That was one of the most interesting sessions of the Vilnius Innovation Forum”



The feedback received from the above activities was extremely beneficial for the further development of the ALBI model as well as for the initiation of new initiatives, for instance with the support of the IN-EUR project Ministry of Economy of the republic of Lithuania decided to establish new specific public instrument that could provide support services for the local businesses in order to help them in articulation of data that is related to the innovation activities and provision of data that is related to the innovation activities etc.

## 7.4 Malta

**Partner Organization:** *Local Councils' Association*

**Website:** *www.lca.org.mt*

**Address:** *Local Government Building, Local Government Road, Marsa Industrial Estate, Marsa, Malta*

**Email:** *lvasileva@lca.org.mt*

**Tel:** *0035625968000*

The Local Councils' Association has organised a number of RDT workshops and one to one meetings in order to engage the local actors and stakeholders into the IN-EUR project.

The participants that attended the meetings, represents organizations and institutions that are directly or indirectly linked to innovation and to measuring innovation: National Statistics Office (NSO), Malta Council for Science and Technology (MSCT), National Audit Office (NAO), Malta College of Arts, Science & Technology (MCAST), Malta Enterprise, Malta Information Technology Authority (MITA), Malta Communications Authority (MCA), Management Efficiency Unit (MEU).

The meetings were held in order to describe the project to stakeholders and get their feedback so that both the ALBI model (Level 1 and 2) and the questionnaires used in the model could be analysed, tested and improved. The feedback of the participants and their suggestions for improvement of the model were reflected in the comments made by Malta to fine-tune the Model.

The final RDT was held in order to present the final model and the project results.

The involvement of stakeholders, allowed the Local Councils' Association to successfully collect the data, used for the testing phase and to establish contacts with experts that might have influence over the innovation strategies and policies, thus, ensuring a positive impact of the project after its end.



*RDT Meeting 21<sup>st</sup> June 2012, Excelsior Hotel, Malta*



*RDT Meeting 17<sup>th</sup> January 2013*

## 7.5 Slovenia

**Partner Organization:** *Development Centre of the Heart of Slovenia*

**Website:** *www.razvoj.si; www.srce-slovenije.si*

**Address:** *Development Centre of the Heart of Slovenia, Kidričeva 1, 1270 Litija, Slovenia;*

**Email:** *info@razvoj.si, mojca.stepic@razvoj.si; tina.stefanic@razvoj.si;*

**Tel.** *00386 1 89 62 714, 00386 1 89 62 717*

Development Centre of the Heart of Slovenia has organised 5 RDT workshops with a total amount of 38 participants, some joint some with individual RDT members. The structure of RDT members was interdisciplinary, ie. experts on innovation, local coordinators and mayors (policy makers), entrepreneurs, researchers, designers, academics.



*InCo (Innovation Communication) conference - Ljubljana, 2.6.2014*



*RDT meeting, local coordinators - Krka, 12.7.2012*

Meetings were designed to present the overall project (goals, activities), discuss different versions of ALBI model (level 1 and 2), present the ongoing analysis of several indicators, discuss about the needs of municipalities in boosting innovation, discuss the proposal of a new system to promote innovation in local communities in the area and also, to define possible ways of participation and cooperation of RDT members in IN-EUR activities and meetings.

RDTs were useful for both, the project partner (comments on existing indicators, proposals of new indicators and new initiatives, participation in international events and meetings) and RDT members (new experiences and knowledge, ideas for local projects that can stimulate innovation, ideas on the development of innovation policies in individual local communities and creation of innovation strategies as a special section of organizations' development strategies).

At the project level RDT participants were mainly interested in the comparison of best practices of measuring innovation in different European environments, in creating a new model that doesn't copy the old ones but builds on the modern, present-day thinking in the society and also to encourage innovation activity of Slovenian local communities.

Development Centre of the Heart of Slovenia also organised a dissemination event at LOCFOOD European project meeting with 100 Slovenian and international participants and participated in 3 different events/conferences with 190 attendees (2 in Slovenia and 1 in Germany). One of the most important events organised was the InLoCom conference on innovative local communities with over 100 participants with the purpose to promote and award innovative practices and identify innovative potentials in Slovenia.



*InLoCom (Innovative Local Community) conference - Krka, 21.3.2013*

## 7.6 Bautzen, Germany

*Partner organization: Bautzen Innovation Centre*

*Website: [www.tgz-bautzen.de](http://www.tgz-bautzen.de)*

*Address: Technologie- und Gründerzentrum Bautzen GmbH, Preuschwitzer Straße 20, D-02625 Bautzen*

*Email: Prof. Dr. Jürgen Besold - [besold@tgz-bautzen.de](mailto:besold@tgz-bautzen.de)*

*Tel: +49 3591 380 2020*

Bautzen Innovation Center operates in the Eastern part of the Free State of Saxony in Germany. It is responsible to encourage innovation in the district of Bautzen. The district is characterised by an area of 2,400 square kilometres. About 311,000 inhabitants live in this district. The economy of the region is based on small and medium-sized enterprises (SME's).

For the Regional Discussion Tables (RDT), the Bautzen Innovation Center has invited representatives of regional administrations, innovation centers and chambers. The departments for economic development of the most important towns of the district in the workshops were involved. All in all 17 stakeholders participated in the RDT workshops.

During the RDT workshops the participants have discussed different topics which are important for the future economic development of the district. In the first meeting the innovation indicators used by the European Union have been analysed. Most of these indicators are not available in the partner district. To find out the indicators, the Bautzen Innovation Center need the support of the statistical office of the Free State of Saxony. In the following workshops the team has dealt with clusters and networks in the Eastern part of Saxony, the potential of skilled employees, training and education for SME's, the availability of industrial real estates in the district and with further innovation drivers and barriers.

The partner contributed to the ALBI model of the IN-EUR project through the collection of data. The Bautzen Innovation Center participated in SME meetings and invited the companies to support the survey. The questionnaire was distributed by email. About 30 companies filled it in. The participants of the RTD workshops agreed to continue their meetings. In future they will meet two times per year.



## 7.7 Marseille, France

**Partner organization: Chamber of Commerce and Industry Marseille Provence - CCIMP**

**Website: [www.ccimp.com](http://www.ccimp.com)**

**Address: 9 Canebiere 13001, Marseille, France**

**Email: Marlène Korsia – [marlene.korsia@ccimp.com](mailto:marlene.korsia@ccimp.com)**

**Tel. +33 4 91395699**

Chamber of Commerce and Industry Marseille Provence (CCIMP) is a local institution dedicated to economic development. The mission of the CCIMP includes the fostering of the competitiveness of enterprises in order to ensure the economic activity of its territory. Innovation is one of the important points in the durability of companies. Participation in the IN EUR project is based on the desire to improve policies to support innovation through the introduction of performance statistics indicators at the local level and also an interesting contribution to the Regional Innovation Strategy which will be revised for the 2014-2020 period.

The organization of regional discussion tables (RDTs) allowed to discuss expectations in innovation with local stakeholders and public organisations (as Regional Council PACA, Local representative of Ministry for Higher Education, Research and Technology, the Regional Agency of Innovation PACA) and inform them about the project. General interest was aroused by the project In-Eur. In parallel, CCIMP identified an initiative led by the Regional Innovation Agency PACA similar to that conducted within the project IN EUR. Indeed, in 2009, the PACA region launched a monitoring observatory for the regional control of the innovation. This initiative had as its mission to collect, organize and analyse the data in order to help decision making for innovation policies, deployment and measure progress. It was interesting to compare the 2 models more in-depth (ALBI model developed by IN EUR partners and ORION model developed by ARII). The 2 models are based on a bottom up approach and use socio-economic actors as producers of data, either qualitative or quantitative. Both have complementarities: the ORION model is based on a network management of innovation actors representing a force for data recovery whilst the ALBI model is more developed and seems to better express the potential and the differences of companies on a territory. Each of them could build on the strengths of the other in order to have the best vision of the state of the art and adapt the support policy of innovation.

## 7.8 Roscommon, Ireland

**Joint Partners in Roscommon, IRELAND:**

**Partner organization: WestBIC**

**Website: [www.westbic.ie](http://www.westbic.ie)**

**Address: Roscommon Business Park, Racecourse, Road, Roscommon, IRELAND**

**Email: James Donlon, Regional Manager; [jdonlon@westbic.ie](mailto:jdonlon@westbic.ie)**

**Tel.: +353 9066 25196**

**Partner organization: Roscommon County Council**

**Website: [www.roscommoncoco.ie](http://www.roscommoncoco.ie)**

**Address: Roscommon West Business Park, Circular Road, Roscommon, IRELAND**

**Email: Kathleen Martin, Director of Services [kmartin@roscommoncoco.ie](mailto:kmartin@roscommoncoco.ie)**

**Tel.: +353 9066 37320**

During the course of the project, a number of Regional Discussion Tables (RDTs) were organised to promote the project, and to get inputs and feedback from relevant stakeholders. Specific RDT events were targeted/organised to maximise the feedback, including:

- Discussion Table with the Economic Implementation Group of Roscommon County Development Board in Roscommon County Council (9 participants)
- Open discussion session with invited enterprises, support agencies, Chamber of Commerce etc. (35 participants)
- Discussion Table with all of the Third level Institutions/Public Research Centres in the region (11 participants)
- Follow-up discussions with individual stakeholders/enterprise agencies to get further inputs/feedback
- Finally, a larger RDT/DBLI event was organised as part of the testing phase of the ALBI model and to kick-start some new innovation activities in the green business sector. This had 64 participants, and served as a springboard to launch some parallel support activities to encourage innovation in this emerging sector. Building on this approach, further DBLI events are planned aimed at encouraging and supporting innovation in specific sectors with potential for growth in the local economy.



*Kathleen Martin, Director of Services, Roscommon County Council; presents the IN-EUR project at RDT/DBLI Event in Boyle, Co. Roscommon, March 2014*



*Participants at RDT/DBLI Event in Boyle, Co. Roscommon, March 2014*

The project was also promoted at other relevant events in the region, including the MeetWest regional business networking event in Nov 2012 and at the launch of new enterprise support structures in May 2014, via the Local Enterprise Office set up within the Local Authority. It was also promoted via press releases in local media.

The feedback received from the above activities served to promote the project and to provide feedback for the ALBI development and testing phase. The structured approach adopted through the IN-EUR project and the positive feedback from the Regional Discussion Tables and amongst local stakeholders also served to inform the planning for the development of a local innovation strategy for the county, undertaken in parallel to the inter-regional outputs of the IN-EUR project.



*Participants at RDT with Third Level Institutions / Public Research Centres, in Roscommon in Nov 2013*



*Stakeholder organisations and speakers at RDT/DBLI Event in Boyle, Co. Roscommon, March 2014*

### 8.1 Launch conference

The IN-EUR project was officially launched during the project kick-off meeting and Launch Conference, which took place on 16<sup>th</sup> March 2012 at SERDA's Head Office in Braila, Romania.

45 participants from the local innovation system, including universities, business associations, chambers of commerce and local councils, came together with the 9 partners of the IN-EUR project and another Romanian region, to discuss the project theme and its application at local level. Political support for the project was confirmed by the presence of the Mayor of Braila, Aurel Gabriel Simionescu.



*IN-EUR Launching Conference - 16<sup>th</sup> March 2012, Braila, Romania*



*IN-EUR Launching Conference - 16<sup>th</sup> March 2012, Braila, Romania*

### 8.2 Mid-Term International Seminar

The IN-EUR International Seminar, entitled “Measuring Innovation in Small Regions”, was hosted by the Lithuanian Innovation Center on 5<sup>th</sup> December 2013 in Vilnius. The event took place as a parallel session to a large event, entitled “Innovation Forum 2013”, organized by the Agency for Science, Innovation and Technology (MITA), the Ministry of Economy and the Ministry of Education and Science of the Republic of Lithuania, as part of the Lithuanian Presidency to the EU.

The international seminar was attended by experts of innovation, coming from various EU States. Experts, coming from the partners territories actively participated in the various discussions at the event.



*Promotion of IN-EUR project at MeetWest Regional business Networking Event, Nov 2012*



*International Seminar - 5<sup>th</sup> December 2013, Vilnius, Lithuania*

### **8.3 Open Days Working Seminar**

A round table of the IN-EUR Project, entitled “Measuring Innovation in European Subregions” was held on the 9th of October 2014 in Brussels at the Regional Government of Tuscany – Brussels headquarters – Rond Point Schuman. The event represents not only a learning experience for participants, but also a moment to take stock of progress made in the field of measuring innovation in EU subregions and to consider how to take this progress forward in the 2014-20 programming period.

The event was attended by DG Regio, DG Research and Innovation, DG Enterprise, Eurostat, Interact contact point and representatives from EU subregions. In addition, the workshop was coordinated by EBN (European Innovation Network).

### **8.4 Final conference**

The IN-EUR Final Conference “Orienting Local Innovation Towards Strategy 2020” took place on 6th November 2014 at Province of Lucca, Italy.

The main objective of the event was to present the final project results and promote discussion on measuring and supporting local innovation with experts and stakeholders involved in the field of innovation and measuring innovation.

The main topics covered are as follows:

- IN-EUR: cooperating throughout Europe for Innovation
- ALBI: a model for measuring Innovation
- ALBI as an innovation policy making tool
- Four case studies on Innovation around Europe

Abbreviation	Full name
RDT	Regional Discussion Table
LBI	Local Balance of Innovation
ALBI	Advanced Local Balance of Innovation
DBLI	Direction Boards of Local Innovation
NUTS	Nomenclature of Territorial Unit for Statistics

**Appendix - List of ALBI indicators**

A1 INDUSTRIAL STRUCTURE			
ALBI Level 1 Indicators			
INDUSTRIAL STRUCTURE	ENTREPRENEURSHIP	INNOVATION INVESTMENT	INNOVATION OUTPUT (PATENTS)
Firm density Industrial specialization SMEs	New firm creation rate New firm creation rate in high-tech industries	R&D intensity R&D personnel	Patents intensity Patents in selected technologies Patents international collaboration
ALBI Level 2 Indicators			
INTERNATIONALIZATION	INNOVATION OUTPUT (INNOVATION TYPE AND STRATEGY)	OPEN INNOVATION	
Turnover from exports International collaborations Relevant export markets Optimistic expectations on future exports	Fast growing companies Turnover from new products (incremental) Turnover from new products (radical) Process innovation High-innovative firms Medium-innovative firms Innovation pipeline Obstacles to innovation	External R&D Collaborations in innovation activities	



<b>A2 EDUCATION AND RESEARCH</b>			
<b>ALBI Level 1 Indicators</b>			
<b>VOCATIONAL TRAINING</b>	<b>HIGHER EDUCATION AND RESEARCH</b>	<b>PUBLIC RESEARCH ORGANIZATIONS</b>	
Number of Vocational Training Institutions (VTI) Participation to non-tertiary education	Number of universities Number of top universities Participation to tertiary education R&D personnel R&D intensity Technology Transfer Offices (TTOs)	Number of PROs	
<b>ALBI Level 2 Indicators</b>			
<b>PROFESSIONAL NEEDS</b>	<b>VOCATIONAL TRAINING (COURSES AND JOB PLACEMENT)</b>	<b>HIGHER EDUCATION AND RESEARCH (PRODUCTIVITY AND TECH-TRANSFER)</b>	<b>PUBLIC RESEARCH ORGANIZATIONS (PROs)</b>
Professional figures needed Professional figures difficult to find Professional figures needed in the future	Course offered Job placement	Scientific specialization Scientific productivity Patents productivity University spinoffs Students per population Share of students that succeed in getting a degree Share of foreign students Participation in EU projects Entrepreneurial education Job placement	Publications per researcher Number of spinoff companies Participation in EU projects

<b>A3 INFRASTRUCTURE AND FRAMEWORK CONDITIONS</b>				
<b>ALBI Level 1 Indicators</b>				
<b>SUPPORT TO INNOVATION</b>	<b>ACCESS TO FINANCE</b>	<b>TLC INFRASTRUCTURES</b>	<b>TRANSPORT INFRASTRUCTURES</b>	<b>FRAMEWORK CONDITIONS</b>
Business and innovation centres (BICs) and science parks Technical consultants Business consultants	Bank branches Venture capital	Broadband access	Air transport Maritime transport Road transport Railway lines	Education level Population change Geographic mobility
<b>ALBI Level 2 Indicators</b>				
<b>SUPPORT CENTREs (BICs, SCIENCE PARKS, INCUBATORS)</b>	<b>PROFESSIONALS</b>		<b>ACCESS TO FINANCE (DEMAND AND SUPPLY)</b>	
Mission Industry focus Services Number of supported firms Turnover Graduation rate	Technical consultants Business consultants Availability of professional Broadband availability		Financial constraints Sources of finance Obstacles to get financing Venture Capital Business Angels Future expectations	

<b>A4 GOVERNANCE OF INNOVATION</b>		
<b>ALBI Level 1 Indicators</b>		
<b>GOVERNMENT</b>	<b>PUBLIC R&amp;D</b>	<b>EU POLICY</b>
Gross value added	R&D intensity R&D personnel	Cohesion policy Regiostar Awards
<b>ALBI Level 2 Indicators</b>		
<b>PUBLIC SUPPORT FOR INNOVATION</b>	<b>FREQUENCY OF COLLABORATION</b>	
Local / Regional support Central Government support EU support Awareness Projects for innovation External experts Awards for innovation	Support centres with local/regional authorities Firms with local/ regional public authorities and support centres Firms with local/ regional universities Firms with local / regional private support centres and consultants	



