

March 2017

Regional Actions To Innovate Operational Programmes

The second newsletter of Ratio Project covers the activities and progress of the partners in the project, from October 2016 to March 2017

Project Partners

Regional Development Agency of Ustio Region, PLC (CZ)

Aufbauwerk Region Leipzig GmbH (DE)

Aragonese Federation of Municipalities, Regions and Provinces, FAMCP (ES)

Business Confederation of Aragon, CREA (ES)

Cork Chamber of Commerce (IE)

Regional Association of Lazio Municipalities—ANCI Lacio (IT)

Vidzeme Planning Region (LV)

Foundation in Support of Local Democracy Malopolska Institute of Local Government and Administration (PL)

Municipality of Vila Pouca de Aguiar (PT)



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RATIO - Regional Actions To Innovate Operational Programmes

The «Regional Actions To Innovate Operational Programmes» RATIO project, approved by the Monitoring Committee of the European territorial cooperation programme Interreg Europe in February 2016, is funded by the European Regional Development Fund (ERDF). The project started on the 1st of April 2016 and will last for two years in the first phase and other two years in the second phase.

RATIO assembles 9 partners from 8 EU Member States to improve the regional innovation policies in European rural areas.

1. GOALS AND STEPS OF RATIO

The overall objective of RATIO project is to improve regional policies and programmes supporting the delivery of innovation, and their implementation. This must be done by creating effective Eco-systems of innovation through the real transfer of the best practices identified, and thanks to the multidimensional aspect of learning (from individual/organisational exchange to a regional and EU level learning approach). The exchange of experiences among regional

actors will be followed by the transfer of the lesson learned to the regional programmes. Important is to mention that the target group are the politicians, public officials dealing with innovation managements and regional business supporting organizations, and as direct beneficiaries of the project are staff and the organizations of RATIO who are involved in designing and delivering the mentioned policies.

As a result the citizens and

groups impacted by those policies will benefit from improved policies implementation and better governance.

Ratio understands the importance of the learning outcomes that need to be more effectively transferred and embedded in each partner region in order to lead to policy change, as well as put more emphasis on the demand (SMEs) side to clearly identify the real needs of potential end users.



Step 1

- Analysis of different partners' situation and identification of valuable experiences and practices



Step 2

- Interregional Policy learning.



Step 3:

- ACTION PLANS: transfer of knowledge and practices strategy for improving regional innovation delivery policies.

2. SECOND RATIO ISC MEETING AND STUDY VISIT IN LATVIA

The second Regional Actions to Innovate Operational Programmes (RATIO) project partner meeting and study visit were held in Latvia and took place 25-26 October 2016. The main topic of the meeting was 'Improving experience exchange process and analysis of regional business support environments'. Project partners and stakeholders from Czech Republic, Germany, Ireland, Italy, Latvia and Spain met in order to evaluate the project's progress and to learn about best practices for innovative entrepreneurship in Latvia's Vidzeme Region.

During the project partner meeting, the findings of Semester 1 were outlined by the lead partners and project's task managers. The main activities of Semester 1 included: the identification of good practices within each partner region; inventory of innovative SMEs, preparation of the Innovation Health Check report; and regional analysis reports. All project partners outlined the common challenges faced by SMEs within their rural regions, namely geographic isolation, lack of physical infrastructure, access to skilled workforce, workforce retention, access to market(s), access to finance, scaling up challenges, rural transport and difficulty in sourcing innovation partners. RATIO aims to identify the innovative potential of SMEs and help them to grow through a learning process to implement and manage innovation.

Before outlining Latvia's good practices, Irina Kulitane, Project Expert for Vidzeme Planning Region, introduced partners to the business support environment in Vidzeme and wider Latvia. Meanwhile Kristaps Rocans gave justification for the good practices selected, namely the Institute for Environmental Solutions (IES) and the Latvian High Added Value and Healthy Food Cluster. Both are great examples of how innovation and community involvement become an important tool for business environment development in rural areas. IES is acting as an innovation leader in technology applications for solving environmental problems and for the commercialization of research results. IES is developing a social environment of the region by working on projects, which bring together Science and Art to overcome existing barriers of traditional thinking and to offer new solutions in environmental development. Recently, the Institute has started to develop an old industrial district (a former brewery) into a contemporary centre of Art and Science in the town of Cēsis. The plan for the brewery is to transform it into an international centre of excellence where Art, Science and Culinary Arts are synergized to address environmental issues.



Rocans presented the goals of the Latvian High Added Value and Healthy Food Cluster and its importance in rural development.

The cluster operates as a membership organisation and 'Latvian High Added Value and Healthy Food Cluster' was established as a legal entity in 2015. Before that, the cluster existed as a formally organised triple helix collaboration network, 'Vidzeme high added value and healthy food cluster, since January 2010. Currently, the network involves 33 organisations, the majority of which are innovative and export-oriented SMEs. The cluster is actively collaborating with other food clusters and various organisations across the Baltic Sea Region (BSR) and was one of the partners in BSR Stars flagship project, 'BSR Food - BSR Food Cluster Network around the Baltic Sea'.

The study visit was held in one of the Cluster members' premises, Valmiermuiza Brewery. A presentation was given by Aigars Rungis, who is not only owner of the company but also a board member of the cluster. Rungis gave a history of the company and its concept, which is based on openness, availability, and the continuous development of new products and services. "In order to compete with the big market players, we need to be different, to offer local and seasonal products. We are developing our business step by step - from beer production to new tourism product offerings. Not many investors want to invest not only in the product, but also in the lifestyle", said the entrepreneur.

With reference to hardships, Rungis mentioned the lack of specialists who are able to manage the innovation process from idea to finished product. "In order to successfully move forward, we need innovation champions", summed up the businessman. This is the example, which proves, that local can be global.

In the context of experience exchange between the project partners, RATIO project partners concluded that key to this was the involvement of stakeholders from across the partners' regions; thus allowing a better understanding of the regional situation and to exchange policy learning experiences not only between partners, but also on a larger scale. Partners concluded that Latvia's good practices are great examples to bring home and in particular, for emphasizing the importance of the local community in developing strong networks and a sound business environment.



3. GOOD PRACTICE RESEARCH

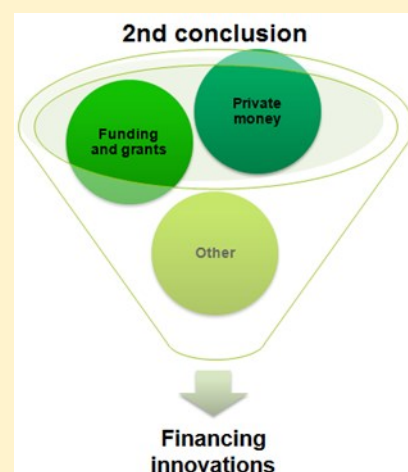
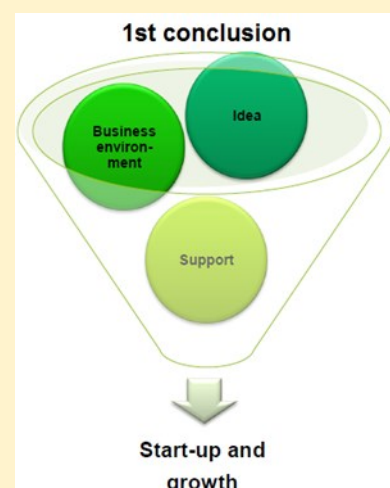
During the **2nd project period**, participating regions have pointed out the main **needs and difficulties** from their regional analysis done in first semester, and selected **main good practices** from the other partner regions. Both, regional analysis and GPs are being compared to find final conclusions, in order to initiate the 1st Chapter of Action Plan in each region.

The status of the project in the good practices selection is explained at the article, made by the responsible project partner No.2 Aufbauwerk Leipzig:

As first step in the RATIO project it was foreseen to carry out an analysis of the innovation potential of SMEs in rural partner regions. The analysis contains the policy Framework for research and innovations, detection of relevant players and their interaction in the technology transfer and innovation process and also the available tools and services provided for enterprises to foster innovations. Further each partner have searched for Good Practices for the Exchange of experience process and they were presented during the **partner meeting in Latvia on October 25th, 2016**.

The detected Good Practices reach from the establishment of a technology park in Walqa; funding programme for the agrifood sector; programmes for the expansion of broadband access, technology transfer and logistic services to rural areas in Spain / agricultural service company of Precision Farming and cluster NEU e.V. for energy and environment in Leipzig Germany / Innovation Centre and Innovation Vouchers of Ústí Region in the Czech Republic / Institute for Environmental Solutions and Healthy Food Cluster in Latvia / entrepreneurship programme of Alto Tâmega and forestry management programme of pine forest in Portugal / creative training programmes for human resources of the Vieterbo Chamber of Commerce and funding programme for entrepreneurs developer by "bottom up" process in Lazio Italy / Enterprise Centres and Local Enterprise Offices of Cork in Ireland.

The **first conclusion** of the detected Good Practices was found in the case that they **provide services and the right framework** conditions during the **start-up phase** of entrepreneurship e.g. by networking, training and mentoring programmes of technology transfer. The **second conclusion** was that they face the problem of **financing innovations**. The developments of novel technological solutions for products or production process as well as innovative services often require high financial resources. The project partners decided to further discuss the Good Practices and a further selection process according to the main needs of each partner region will be carried out. In April 2017 an Exchange of experience event is planned in Leipzig, Germany to find the final conclusions.



4. STAKEHOLDERS MEETING IN EACH PARTNER REGION



PORTUGAL

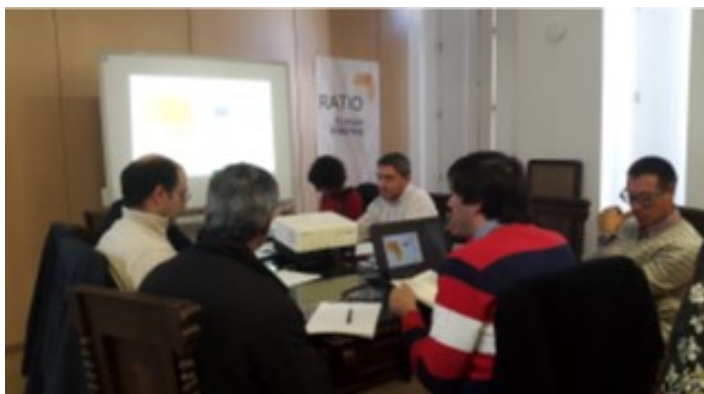
Local stakeholder group meeting at Alto Tâmega Region took place in the Multiusos Room, Floor 1, at the Palacete Silva in Vila Pouca de Aguiar on 12th December 2016.

ISSUES DISCUSSED

- Importance of the project for the companies of Vila Pouca de Aguiar and Alto Tâmega Region, as they will have an opportunity to identify the level of their innovation process;
- Opportunity to identify the problems they face and constitute an obstacle to the innovative processes in their systems;
- Importance of the cooperation between the Region's enterprises;
- Opportunity to contact models and innovation processes implemented by companies, also located in rural areas, of the European partners that integrate the project and that can be replicated or adapted locally in our region.

RECOMMENDATIONS FROM STAKEHOLDERS COLLECTED

- Need to support the local companies in the processes of internationalization and the search for new markets;
- Importance of greater and more effective dissemination to the companies of the programs and incentives/supports, in particular the COMPETE program, since the entrepreneurs do not have the time and the companies (SME) do not have technicians/staff for this purpose;
- Bigger articulation between the different organizations working in the territory, municipalities, cooperatives and companies, for a coordinated vision and performance and greater use of resources;
- During the next meeting there will be examples / testimonies of innovation process in the territory;
- The need to prepare an explanatory document of COMPETE program in order to compile proposals for readjustments to the support measure that allows better use of SMEs in the region.





GERMANY

On October 24th, 2016, the meeting of the stakeholders in Saxony was organized together with the NEU e.V. (Network for Energy and Environmental Technology) at the Madlervilla in Leipzig. There the RATIO project was presented to the cluster team leaders and the project activities in Saxony were discussed.



ITALY

At the event on January 26th, stakeholders of the Province of Viterbo had a discussion on the main weaknesses and strengths as well as on opportunities and threats related to rural SMEs in the Province of Viterbo. Particular focus was reserved to the next study visit in Leipzig, presenting the two German best practices and discussing on the potential impact of that know-how in our territory.



SPAIN

The 2nd stakeholder group meeting in the Aragon Region, organised by the FAMCP - CEOE took place at the address Mayor 40, 2nd, 500 01 Zaragoza, Spain on February 9th, 2017.

The issues dealt with the state of the art of Innovations in the Aragon Region; discussion on good practices selected from the offer of other RATIO project regions; Innovation Health Care Tool; preparation of the Action plan.



LATVIA

The 2nd SG meeting took place in Latvia on January 9th. The RATIO stakeholder meeting gathered together 15 participants from businesses, the Ministry of Economics and Ministry of Environmental Protection and Regional Development of Latvia, research institutions, Valmiera Business Incubator, Vidzeme University of Applied Sciences, municipalities and project staff members in order to learn the experience of two innovative business companies GAHA Ltd and Institute for Environmental Solutions and discuss about an innovation policy and innovation support instruments in Latvia. Stakeholders actively participated in the discussion about the innovation support instruments and made concrete proposals how to improve them.





IRELAND

Cork Chamber's stakeholder meeting for the 2nd Semester of the RATIO Project took place in Cork Chamber's offices on Tuesday, 28 February 2017. Cork Chamber worked closely with organisations from across the region in surveying SMEs to assess their perceived challenges from a Research, Development and Innovation (RDI) perspective. The meeting outlined learnings from the Latvia Exchange of Experiences study visit; European partner regions' barriers to innovation; European partners' good practices and the Action Plan which is to be developed during the course of the project.



CZECH REPUBLIC

On March 1st, 2017 in Usti nad Labem the 2nd meeting of the RATIO stakeholder group in Usti Region was held. Firstly, the current status of the project RATIO was presented at the meeting. Further topics of the meeting were about conducted research among innovative companies in the Usti region, the use of a new benchmarking tool for measuring innovation potential of SMEs „Innovation Health Check” in the company HENNLICH, Ltd. in Litomerice. The attendees were also briefly introduced with best practices, made in collaboration with project partners of the RATIO. One of the themes was also how to prepare an Action plan of the innovation support strategy in the Usti region in 2017 with participation of stakeholders of the project.

Participants agreed on the need of cooperation the stakeholder group with the Regional Development Agency of Usti Region, which is the partner in the project. Collaboration implies that in addition to discussing proposals to transferring best practices in the Usti Region, members of the stakeholder group will be invited to participate in study tours to other regions of the EU to get to know in place the best practices, to be able assess the appropriateness and effectiveness of best practices for transfer between regions



POLAND

Cracow meeting took place on March 14th. The Foundation in Support of Local Democracy Malopolska Institute of Local Government and Administration led the stakeholder meeting which main subject were the perspectives of Małopolska's needs for innovation development in rural areas (good practices, tools - IHC).



5. OTHER EU PROJECTS

Saxony-meeting of Interreg Europe project partners



A meeting of the currently running Interreg Europe projects TITAN, RESET and RATIO) with partners from Saxony took place on 18th November 2016 at the State Ministry of the Environment and Agriculture in Dresden

RATIO project presented at International Symposium and Exhibition INNOVATION 2016 in Prague, Czech Republic



Main project goals, activities and cooperation among European regions were the key issues the project gave on display to the 385 visitors of the Exhibition represented by domestic and international experts and professionals active in the field of innovative entrepreneurship and research and development. This year's 23rd edition of the INNOVATION 2016 was held in Prague from December 6 till December 9 and was organized by the Association of Innovative Entrepreneurship CR in collaboration with the Ministry of Education, Youth and Sports, the Ministry of Industry and Trade, the Committee of National Economy, Agriculture and Transport of the Senate of the Parliament of the Czech Republic and other bodies



The traditional part of the event consisted of the price-giving ceremony of the annual competition for the Innovation Award of the Year 2016, held under the auspices of H. E. Miloš Zeman, president of the Czech Republic. In the introduction stage have been performed 312 innovative products. From this number 12 innovative products were registered and assessed



Detailed information about of the Symposium agenda, Exhibition part and the final results of the Innovation Award of the Year 2016 are for disposal on website www.aijpcr.cz.

6. INVENTORY OF INNOVATIVE SME'S

As part of the Semester 1 work plan each partner was required to assess the innovation landscape amongst SMEs and within their region. As such a template was developed with the intention to effectively assess the challenges to RDI and growth amongst SMEs across the partner regions; to assess the RDI categories (product, process, service or other) and to involve relevant primary research from SMEs in the assessment of RDI experiences across the regions. The key message delivered to SMEs via this engagement was to assess and facilitate the Improvement in innovation capacity to promote the regions' regional economic and sustainable development.

PP9, **Cork Chamber** (Ireland) developed the assessment template within which the innovation challenges to SME growth were assessed under the following headings: access to a skilled workforce; workforce retention; physical infrastructure (transport); physical infrastructure (broadband internet connectivity); access to finance; rural transport; difficulty in sourcing innovation partner(s); access to market(s) and other.

All partners were asked to complete a minimum of **15 surveys with SMEs** in their areas. From the completed surveys, responses were received across a broad range of industry sectors including Bio Pharma; Construction; Consultancy; Consumer Retail Products; Electronics; Energy; Engineering; Environmental and CleanTech; Food & Drink; Health & Beauty; Medical Devices, Pharma & Lifesciences; Telecoms and the Travel Sector with the majority of surveyed businesses being in operation between 5 – 10 years and with the majority of respondents having between 1 – 10 employees. Furthermore, most of the respondent businesses are involved in product development, followed by process development and then service innovation.

It was evident from reviewing the completed surveys that the vast majority of SMEs highlight a skills shortage in noting that access to a skilled workforce is their greatest challenge, followed by physical infrastructure (broadband), access to markets and access to finance within the top 4 responses. Other challenges noted was an aging workforce, product/material development, recent global economic downturn in trading countries, Brexit and business networking.

Finally, the survey invited SMEs to highlight any immediate actions to increase the capacity for innovation. Such actions included the promotion of regional supply chains, the resolution of development planning issues for rural locations; easier financing to cover the risk of innovation; the support for programmes to attract a labour force and the need for stronger cooperation between business and science.



Inventory of innovative SMEs across project partner regions
 RATIO (Specific Objective) Improving innovation delivery policies to increase the opportunity of SMEs in rural locations to consolidate and overcome barriers to growth and competitiveness.

1. Company profile

Company name: _____

Product/ service description: _____

Company website: _____

Company address: _____

Region: _____
 Country: _____

Sector (please indicate main sector operating in using tick):

Aerospace	☒	Financial Services	☒
Bio Pharma	☐	Food and Drink	☐
Engineering	☐	Health and Beauty	☐
Construction	☐	Intelligent Transport System	☐
Consultancy	☐	Medical Devices, Pharmaceuticals and Lifesciences	☐
Consumer Retail Products (Furniture, Textiles, Giftware, Jewellery, Apparel)	☐		☐

3. Innovation challenges to SME growth in your location

Please describe the current challenges to innovation in your location: _____

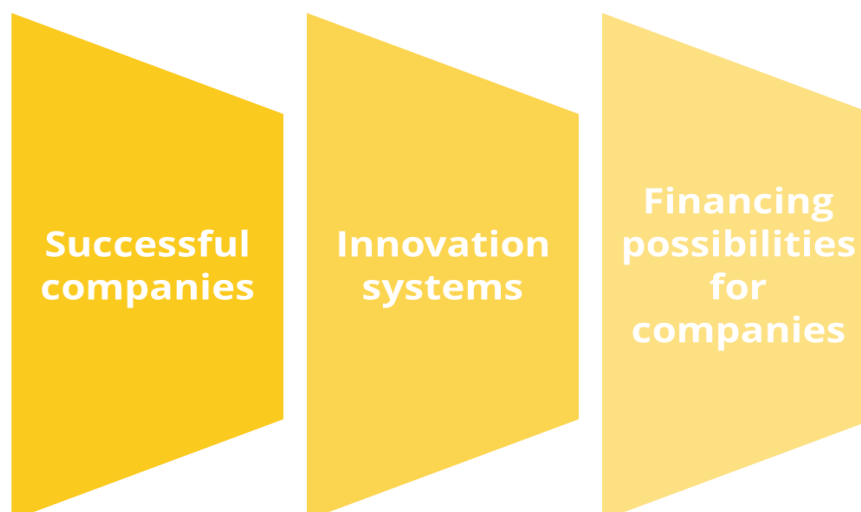
Please tick appropriate category relevant to your SME situation ☒ (or multiple categories) / or describe in Other: _____

	Comment(s)
Access to skilled workforce	
Workforce retention	
Physical infrastructure (transport)	
Physical infrastructure (broadband internet connectivity)	
Access to Finance	
Rural Transport	
Difficulty sourcing innovation partner(s)	
Access to market(s)	
Other	

In your opinion, what is the most immediate requirement to increase capacity to innovate? _____

7. NEXT STEPS : RATIO EXPERIENCE IN LEIPZIG

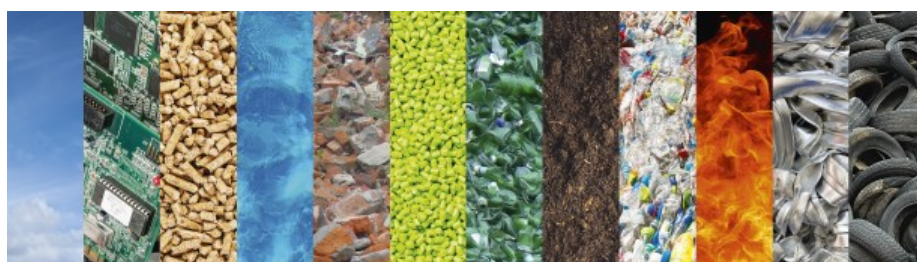
On 4. and 5. April 2017 the RATIO Partner meets in Leipzig to exchange experience about good practices from participating regions of Europe. The partners have analyzed **18 good practices** from their region in total. Main objective of the meeting is to **identify the two most relevant best practices**.



One good practice is **Agri Con GmbH**, which have innovative solution for precision farming. Therefore we plan to visit the Agri con GmbH on 4. April, to get a better in view in their daily practice.



On second day it is planned to visit of **"terratec"** trade fair. The themes are waste management and environmental service, use of resources and environmental technology. There will be an exchange between partners with regional experts and business representatives.



terratec

Fachmesse für Entsorgung,
Kreislauf- und Ressourcenwirtschaft

5. – 7. April 2017

**Kindly invited to visit
RATIO project website**

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