



PRO INNO EUROPE

**INNO
LEARNING PLATFORM**

Exploratory Team Report on Innovation Governance

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1. Identification of a challenge and the benefit of trans-national cooperation to address it

Yes, there is a major challenge to be addressed, and trans-national cooperation may help to solve it.
(See details below)

What is the Challenge to be addressed?

Rapidly increasing competition, globalisation, is a challenge for Europe and its competitiveness. New development and growth mechanisms are needed. Innovation is crucial and to get best benefit from that, internal barriers in Europe have to be removed where possible.

Innovation is by its nature international and it is important for specialised knowledge based companies to have access to large market places with as little barriers as possible. Specialization on larger markets is a success factor stronger than widening on domestic markets. Firms do not normally innovate in isolation but in collaboration and interdependence with other organisations (European Scoreboard). Transnational approaches are necessary also for mutual learning of intermediaries, policy makers and politicians etc., and for the companies to build their networks. New European programmes need to help to upgrade the 'networking capacity' for a better vertical and horizontal integration of the innovation system(s). It is important to reach integral quality of the innovation support system; the inter-organisational embeddedness of supporting programmes.

More signals that indicate needs for European cooperation for strength is the fact that US does better than the EU in 11 European scoreboard indicators while the EU only scores above the US in five indicators. Japan also does better in 11 indicators, while EU only scores above Japan in four indicators. EU is not outperforming the US and Japan in EPO patents, and again with reference to the European Scoreboard, few Member States identify IPR as a major challenge.

EU has recently adopted new State Aid Rules that will improve dramatically the opportunities also for national efforts and for partnerships with European efforts. European businesses still face fragmented markets, but even more challenging seems to be "fragmented" innovation policies and support on European, national and regional levels. Still competition between Member States and their regions (e.g. regarding foreign direct investments) overbalances cooperation in policy development and implementation.

The basic rationale for a need for a new form of innovation concept and governance has been thoroughly discussed in literature and is only briefly summarized in the following:

- The prosperity and competitiveness of individuals and organizations is positively linked to the prosperity and competitiveness of other individuals and organizations in the same system (e.g. geographic area or cluster or value chain); there is a critical mass of actors and resources which are to a certain extent dependent on each other.
- Global competition between these systems (e.g. regions and nations) is increasing in many respects: all these systems try to attract money, brains and natural resources from outside the region. In this context "regions" are not understood as physical areas/regions, they are rather functional or virtual (including geographically spread, but economically strongly interacting subsystems).
- Innovation systems need a different management style than the hierarchical or market-driven approach. The traditional governance modes "market" and "hierarchy" are not suitable for providing professional management for regional innovation systems. There is no individual or body that has hierarchical power over all resources in the system; neither government, enterprises nor the uni-

versities. Mutual dependencies between system members bring forward phenomena like mutual trust in the necessity to exploit synergy potentials in order to succeed in global competition. Therefore market-driven styles are also not appropriate.

- A new form of governance is needed to bring together policy/administration, business and research/education for the definition of a vision, the development of a strategy and joint implementation.
- Regions and nations need professional management in order to strengthen their competitiveness.

A trans-national and open Innovation Governance offers opportunities for a systematic learning process, based on experiences from the entrepreneurial open innovation system and leading to an adopted governance system for intermediaries and policy makers (EU<->national<->regional). The new approaches should focus on both optimising participation rates of stakeholders and ensuring high impact, especially on the regional level.

How could trans-national cooperation contribute to resolution of the challenge?

The trans-national cooperation in Innovation Governance contributes basically:

- to prepare an open governance system in Europe to accompany the paradigm shift to open innovation, and to gain advantages in competitiveness,
- to start a systematic learning process from the entrepreneurial open innovation system to the integrated intermediary and innovation policy system, based on win-win strategies (EU<->national<->regional)

According to the TrendChart initiative run by the Innovation Policy Directorate of DG Enterprise and Industry "Innovation Policy in Europe 2004" one of the key trends of recent policy developments identified is: "The formation of partnership-based initiatives to create linkages aimed at improving the functioning of innovation systems through increased stakeholder cooperation to break down barriers and give increased momentum to innovation."

What would be the added value of trans-national cooperation?

A successful trans-national Innovation Governance with EU-funded trans-national actions could bring the following added values:

- Enhanced management capacity and responsibility on a national and trans-national level, as well as better integration of functional administrative bodies,
- Better coordination of efforts between the various international, national and regional players,
- Ability to act in a concerted way to reach the common goals in innovation policy,
- Set-up of an trans-national advise structure for open learning in Innovation Governance,
- Better implementation of intermediaries in umbrella-organisations to break down programmes to the regional level, and the management of operations,
- Better availability of skilled individuals to support project preparation, application, and implementation,
- Better political support and commitment to Lisbon/Gothenburg objectives on the side of stakeholders in the innovation system

- Clear translation of Lisbon/Gothenburg goals to the trans-national, national and regional level – better commitment to these goals,
- Open approaches to new ideas and to engage in efforts with comparatively uncertain outcome,
- Better access to potential partners (networking with individuals in other regions)

2. Type of activities to be developed at trans-national level

Yes, there are clear ideas how to foster trans-national cooperation in this field. Potential activities have been identified which bear the potential of addressing the challenge through trans-national cooperation building upon:

- existing measures
- new tools /instruments to be launched through trans-national cooperation.

(See details below)

Major fields of activities to be taken and examples of key potential INNO-Nets:

- Support policy makers on better designing innovation policies (2.1)
- Innovation Procurement and the Public Sector as a Driving Force (2.2)
- Advice to Policy makers on the better use of State-Aid-Rules (2.3)

2.1. Support policy makers on better designing innovation policies

Initiatives within this challenge would be to create a network of policy advisors and think-tank organizations giving advice to policy makers at national and regional level.

Actions could aim on improved methods for policy making building upon long term visions of innovation challenges and future trends: improved policies through better incorporation of experiences and better chances of involving stakeholders on the design and implementation of policies. An action within this challenge would be to create a network of practitioners in charge of implementing innovation policies, European and national/regional.

Towards Open Innovation Governance

Innovation policy and governance structures urgently need to anticipate changes and new developments in the European innovation system. Currently, a major change is the shift from a "Closed" to an "Open Innovation" paradigm in the knowledge based economy, driven by the enterprises in certain sectors (ICT) and the respective markets. This change process is also a challenge for European, national and regional policy at the same time. Policy makers and intermediaries have to prepare the innovation governance system for the paradigm shift to Open Innovation. On the other hand they could benefit through learning from the experiences of the "co-opetition" culture in the private sector.

In the old model of *closed innovation*, companies have to generate their own ideas, then develop, manufacture, market, distribute and service those ideas themselves.

Today the internally oriented, centralized approach to R&D in many knowledge-based industries like IT, is loosing impact. Useful knowledge is widely disseminated - like in the Open Source Software development¹. In order to achieve the best benefits from ideas and the respective intellectual capital, all ways of exploitation have to be considered. This perception creates a new logic of *open innovation*, in which the role of R&D extends far beyond the boundaries of the individual enterprise². Specifically, companies must now harness outside ideas to advance their own businesses, while leveraging their internal ideas outside their current operations. That fundamental change offers new ways to create value — along with new opportunities to claim portions of that value.

¹ Open Source Region Stuttgart, <http://opensource.region-stuttgart.de/english.php>, 2006.
Text von Fußnote 3?

Under the model of open innovation, the same intellectual property can be applied to different markets. The firm creating the Intellectual Property may license it to one firm for the use in one market segment, and to another firm for use in another.³ Innovation governance in Europe is still oriented on the old closed Innovation paradigm. **A new generation of Innovation Governance has to open up for better horizontal and vertical co-operation of the governance system**, in order to accompany open innovation processes in economy, which are more and more trans-national.

The exploratory group recommends new Initiatives and measures in Innovation Governance based following findings:

- Joint transnational open innovation activities enhance the capacity (=scale, scope, skills and mass) where the regional scale is too small for further development or growth. In this sense the scale of co-opetition is defined on a EU level if not on a global level, where regions with common typologies, ambitions, drives and agendas connect their innovation eco systems.
- New projects should build on existing regional umbrella organizations for the management of regional framework operations. New regional umbrella structures should be developed based on good practises (e.g. Clusterland Oberösterreich GmbH in Upper Austria, Enterprise Hubs in East of England / South East of England or Regional Competence Centers in Stuttgart Region).
- There is an need for better management-support for intermediaries. This may involve training for innovation managers, assistance with partnership building, assistance with developing strategies and programmes.
- Innovation policy is driven by persons rather than institutions. It is important to identify the 'change agents' in Innovation Governance – these are the people who drive Innovation governance and who are able to influence policy. These people need support and assistance to strengthen the existing informal networks.
- To buffer global shocks pro-actively intermediaries should be enabled to optimize the transfer from research to business, from business to markets. Facilitating capacities like innovation agencies, patent offices, advisory intermediaries, industrial liaison offices should be improved and networked up all around Europe. Open Innovation systems don't stop at national borders. Transnational Networking capabilities have to be fostered. Best practice should be explored and exchanged.
- Connecting hot spots by transnational cooperation can reveal a higher leverage potential. This works out at least two ways:
- Translating good practices from one member state or region to another or combining common strategies in several regions on the one hand and combining partners in value chains from one region (hot spot or centre of excellence or Pôle de Compétitivité) to another on the other hand.
- The creation of a network of innovation hubs; strengthening co-operation among businesses and between businesses and public research/higher education institutions by supporting the creation of regional and trans-regional clusters of excellence
- The EU needs frontrunners who excel in Innovation Governance towards the Lisbon criteria. Backing these 'winners' is important to learn and implement the drivers for innovation leading towards sustainable competitiveness. Therefore it's necessary to understand the underlying mechanisms, the intertwining patterns of activities, projects and tools for leveraging innovation potential to economic development and growth.

³ *Open Innovation: The New Imperative for Creating and Profiting from Technology*, Harvard Business School Press, 2003

- The cluster concept does have an important integrative dimension: a thematic concentration of regional RTD efforts is inherent to a focus on specific sectors, branches, products or technologies. The integration of all organisations – firms, research and supporting institutions – is also fundamental to the quality in an innovation policy approach.
- Bottom-up approaches should be combined with top-down elements of intervention. Where appropriate, responsibility for innovation governance should be passed further down to the regions, e.g. as in the RFO model established under the InterReg programme.

Suggestions for trans-national measures to improve the quality of the innovation governance

Connect, share, learn and collaborate in an Open Innovation Governance System

As for the enterprise and research sector, as well as for policymakers it is the first challenge to learn about the new and rather open innovation systems, and - as a consequence - enhance the skills, especially management skills, for a better innovation governance. Representatives from member states and regions, companies and institutes should therefore plug in to high-value sessions to share common challenges and lessons learned with people in similar positions in innovation driven intermediaries in economic development. It is clear that this virtual centre will collaborate also closely with the different technology clusters / business communities. Another important aspect is, that during the development, again profit will be taken of already existing initiatives & experiences. The transnational implementation is again an opportunity & challenge. Where at least stakeholders are aware of bilateral benefits networking can start effectively.

Community building platform

Bilateral or multilateral exchange programmes and programme issues in Innovation Governance such as: Business Intelligence, Networked Business Models, Commercialisation, Financing, Human Resources, Intellectual Property, Internationalisation, Outsourcing, Product Development, Research Services, Facility Sharing, Technology Transfer.

The following steps should be taken:

- Realizing an appropriate community building platform, if possible piggy-backing on existing platforms.
- Define concept / program / mode of operation to open Innovation governance to the other partners.
- Develop program / content definition / network model
- Elaboration of case studies

Taking into account the characteristics of effective networks:

- A Community of Common Purpose
- Active participation and influence by members
- Business Leadership and Input
- Events, News, Q and A capability
- Flexibility – responds to members needs
- Education, Information Exchange
- Opens doors to sources of useable Knowledge
- Connections to other useful Networks – Interconnectivity

Establishment of a (Open) Innovation Governance Institute

An “OI” Institute, made up by a transnational consortium, could serve as the clip and framework to keep the different stakeholders in innovation governance together, developing a sustainable policy learning framework.

Innovation Governance based on complementarities

For some industries like automotive, aerospace or energy, complementarities between the nations where the respective clusters are based can be defined. New programmes could consider a thematic, branch oriented trans-national cooperation in innovation governance along the existing value chains in the industry.

Piloting a new generation of flexible support programmes

Enabling the support of trans-national value added chains for an Open European innovation system. Important is openness of the projects for SME, research institutions, intermediaries and if appropriate pilot users, at the same time.

Certificate programme “Innovation Management” for Intermediaries

Create a sample chart and certificate for innovation management (and master class certificate-programme) as a tool and proof of concept interfacing regional economic development policies and value chains. Achieving the standards set by leading, innovative regions is a strategic goal.

Labels, standards and regional economic indicators

A transnational group of stakeholders in innovation governance has the potential to define, share and develop standards, labels and comparable economic indicators in open innovation governance. This allows faster progress among those members advancing within the group through creation of a competitive and stimulating environment.

Development of a European Innovation Foresight model

The purpose of a development of a model for Innovation Foresight are to focus on long term trends in innovation and the innovation strategies that are needed to become or stay competitive in a globalised economy. The innovation foresight model will build on the experiences obtained through various technology foresight exercises. However, whereas most technology foresights are directed towards the national level the innovation foresight model will focus on regional economies. Systems of innovation will thus be considered in a regional context.

Stimulation of competition and mutual learning readiness among policy makers

Through the networking exercise of the most innovative regions in Europe policy makers and agencies representing them have access to the latest trends and good practices of regions, which are operating at the same level, allowing even them to improve and to compete in a competitive way.

Better commitment of innovation policy makers

Through letters of support or even as consortium members the policy makers themselves could be committed directly, allowing to design new programs not only having in mind national and regional target groups, but pooling their budget to gain added value by complementing financial as well as human resources and competences, experience and also the number and impact of potential users of newly published initiatives and measures.

2.2. Innovation Procurement - The Public Sector as a Driving Force.

The public sector, fulfilling a role as early adopter, could play an even more important role in triggering innovation. Initiatives should promote the recently developed guide on Public Procurement and to introduce Innovation Procurement Actions within this challenge could be to develop a network of agencies working together in public procurement and innovation procurement that would promote the use of this guide.

In *public procurement* the public sector is the client. It follows legislation to protect the buyer; guarantees are needed and as low price as possible should be aimed at. Procurement should be as little risk taking as possible. Innovation needs are opposite: a climate of openness, risk taking and flexibility. As an applied governance instrument, public innovation procurement could foster market uptake of innovative products and services. A way to allow innovative solutions would be the shift to more flexible public procurement, allowing more freedom for competing solutions, thus fostering innovative approaches as key to successful offers. The demanding first customer and often also other partners with different skills are key actors in innovation.

A wider use of public innovation procurement will then be a way to foster innovation with help of public sector resources. Small amounts of public procurement resources should be set aside for innovative procurement, related to dynamic technical procurement but more allowing for business development within innovation concepts. This kind of measures is now under consideration in some countries.

Most potential innovations do not have the government sector directly as the customer but depends on legislation that might prevent or be of benefit for development.

The American model SBIR⁴ is a model for directed innovation research within fields where legislation is of interest for the responsible authorities but where, in many cases, the public sector is not the final buyer, depending many times on where in the value chain the potential innovation is to be positioned. SBIR is (according to law) a mandatory set aside in larger Agencies, Departments etc in the federal system of 2,5% of their expenditures on RTD for use in small businesses. SBIR is a system with phases and the federal money can cover the costs of the two first phases. By that the RTD work within a special area of interest of an agency, with the task to develop the policy within its field of work, is met by progresses in small businesses' RTD for innovation with the intention to develop business. SBIR is considered successful according to recent evaluations. Innovation Procurement could be developed also in Europe according to the SBIR model with a small set aside of money as a stimulation.

Also in a wider sense the public sector is of very large importance for the innovation climate, see for instance the importance of Triple Helix systems above in section 1. Tax incentives and the new State Aid Rules offer new opportunities for Public Private Partnership actions. Active method development related to the new State Aid Rules will be fruitful.

Public innovation procurement is an underestimated instrument of innovation policy, so far. Public procurement can trigger innovation "by linking the purchase of goods or services to certain functional requirements, the fulfilment of which necessitates innovation or technological requirements that have not existed before".⁵

Public innovation procurement (PIP) methods and processes need to go beyond pure price competition. But there is still a lack of capacity for "innovation assessment" on the side of public decision-makers,

⁴ Small Business Innovation Research

⁵ Innovation and Public Procurement. Review of Issues at Stake , Report, Fraunhofer Institute for Systems and Innovation Research. Karlsruhe, 2006

and maybe also still a lack of understanding the public market and the appropriate technological capabilities on the side of the bidding companies.

Fraunhofer ISI recommends in his 2006 Study for the EC, that policy intervention towards innovative procurement, can best be done through training, to create intelligent public customers. This issue could be fruitfully tackled in trans-national governance.

Professionalism, skills and training are important prerequisites for the Innovation procurement as an Governance approach. At the level of European support Programmes, intervention can be very effective to stimulate politics rather than policies.

PIP offers a high potential for fruitful trans-national cooperation, because

- the challenge mentioned above are the same all over Europe
- the concepts and business cases for developing/purchasing and implementing new technologies and services in the public sector, are transferable.

Suggested Support Measures in Public Innovation Procurement

Development of business cases for PIP

To go beyond pure price competition we need well elaborated business models for the procurement of Innovations in the public sector. Above the costs of goods or services and the functional requirements the cases have to consider longterm effects to the innovation system, to the regional economy and the society. Examples are clean car fleets, LED street lighting, open source software in public administrations, clean energy stations in public buildings etc.

Training for Policymakers and Public Customers

Support measures should enhance "innovation assessment" on the side of public decision-makers. To create intelligent public customers national and European workshop series could be meaningful.

Trans-national adaptation of Business Cases

Concepts and business cases for developing/purchasing and implementing new technologies and services in the public sector are transferable. Measures for the exchange of information who did which procurement.

European Innovation Procurement platform

A bundled purchase of innovation might reduce risks and lower the prices. An Internet exchange and bid platform could be in the focus of European support measures. An annual European conference would support co-operation and exchange of business cases and good practise.

2.3. State Aid Rules

An Initiative should aim on the development of an advice system about the better use of State-Aid-Rules. Actions should provide guidance materials to policy makers on how they can better use the state aid rules.

The following points should be highlighted through a transnational approach:

- legal certainty for support activities and programmes,
- use of experience sharing to design support programmes
- State-aid rules and national/regional systems
- impact measurement and priorities
- new opportunities for support systems, linked to the development of new needs and challenges
- support for transnational innovative projects

Legal certainty

Legal certainty remains a problem for private and public actors, who ask for better definitions, especially in a general Framework for R&D and innovation or a block exemption regulation.⁶ The Commission should further promote awareness and understanding of state aid control at all levels to help the granting authorities in designing measures that are compatible with the treaty rules.

Experience sharing for a better design of support programs

As for an open innovation Governance system, it is a really strategic challenge to help policy makers to learn about the best practices and the new support schemes which can be developed. In each country, programs, systems and actors are moving a lot, as policy makers become aware of the strategic weight of Lisbon/Gothenburg goals. To be efficient, it is important to pilot these changes with getting profit of already existing schemes and experiences.

State-aid rules and national/regional systems

In a more prospective view, it is important to organize and strengthen a continuous advisory system, so that the common European rules can evaluate, considering merging needs and priorities, and on the other hand that national and regional policy makers can make the better use of new opportunities authorized by the common European rules. This type of foresight and advisory activities needs to associate representatives from member states and regions, agencies, company representatives such as intermediary bodies and research institutes.

Impact measurement and priorities

The new state-aid rules offer a large panel of possibility, depending on national and regional choices and priorities. But it is clear too that this new version of our common rules enhances support possibilities according to new merging models of economic development: collaborative projects, innovation, SMEs, processes and services, clusters, public-private partnerships...

To help policy makers to make the best use of it, and to adapt their own schemes and programs by enhancing these points, it should be interesting to set up more active transnational exchange programs about impact measurement of measures and priorities. Guidance materials about impact measurement methodologies for clusters and open innovation support would have a great interest too.

Besides enforcing the awareness on the side of national Judges, company auditors, national market regulators and national Courts of Auditors, policy makers and intermediaries have to be trained for a better understanding and management competence handling State Aid rules.

⁶ Results of the consultation on the State Aid Action Plan (SAAP)

New opportunities and new forms for support systems

A specific point for experience sharing should be new forms of support, such as mixed private-public financing, guarantees and soft loans, seed capital and risk capital, foundations... These systems are not very well developed in a lot of European countries, despite the fact they are often very efficient considering good use of public budgets, financial initiative effects and networking effects as well.

Support for transnational innovative projects

Companies and research institutes need to strengthen cooperations through RDI projects. It is important that support schemes and programs are able to take into account these types of transnational projects. For that purpose, it is necessary that regional and national support schemes are flexible enough to combine their financing systems when necessary; ERAnets and INNOnets, as the Eureka initiative, are very interesting models in that view. The Commission should help to develop such transnational cooperations between national and regional aid programs.

3. Potential actors to drive the agenda for trans-national cooperation further

Yes, strong interest in cooperating in this field has been identified. Potential partners are well defined and seem ready to work together.

(See Details Below)

Individual Member States or regions, acting alone, cannot develop the critical mass that will produce the innovations needed to compete on the world market, but there is enormous potential in Europe to build on the complementary strengths of different regions. Many of the regions lack the full array of strengths to develop their potential. But strategic alliances and cooperation can help build that strength.

The TrendChart initiative run by the Innovation Policy Directorate of DG Enterprise and Industry states in its report "Innovation Policy in Europe 2004" the Member States as "Adopting concrete, but fragmented measures to meet innovation". Amongst the five key trends of recent policy developments identified in the report are:

- "A strong regional role in the implementation of many recent initiatives, fuelled by the Structural Funds in the new Member States, and in the corresponding need for coordination with national targets and initiatives"
- "The formation of partnership based initiatives to create linkages aimed in improving the functioning of innovation systems through increased stakeholder cooperation to break down barriers and give increased momentum to innovation."

Innovation policy development and implementation shows great diversity amongst Member States regarding allocation of responsibilities and tasks to Ministries, Innovation Agencies and regional / local authorities. Major players at the national level are the TAFTIE members and alike and the members of the ERA-Net "Vision". In larger countries and e.g. Belgium with strong regional structure different regional agencies/organisations are key actors. Transnationality is necessary, Innovation systems are international and Europe's global competitors are large countries.

This diversity has to be taken into account by further developing European models for an improved system of innovation governance. The whole chain of actors, covering policy design, development and implementation as well as delivery of services / funding to businesses and knowledge base, has to be involved in a renewed agenda for transnational cooperation. The potential partners are diverse according to the different institutional setting in the different states, but could nevertheless be well defined. **A** strong interest in cooperating in this field has been identified.

National and regional stakeholders are aware of being competitors with respect to investment or grants, but know about the added value created from joint activities and co-operation. The "co-opetition" model for regional development agencies, innovation policy makers and key innovation actors, which already has proven successfully in business communities could lead to an "Open Innovation Governance".

The fact that the stakeholders complain about the insufficient integration of the innovation governance systems and the acknowledged necessity to open the system for vertical, horizontal and trans-national cooperation is concluded as a commitment to work together.

To the regional level

The regional level turns out to be the ideal base for the combination of strategy development and the execution of the strategy, following distinctive methods, approaches, tools and networks embedded in the regional business environment.

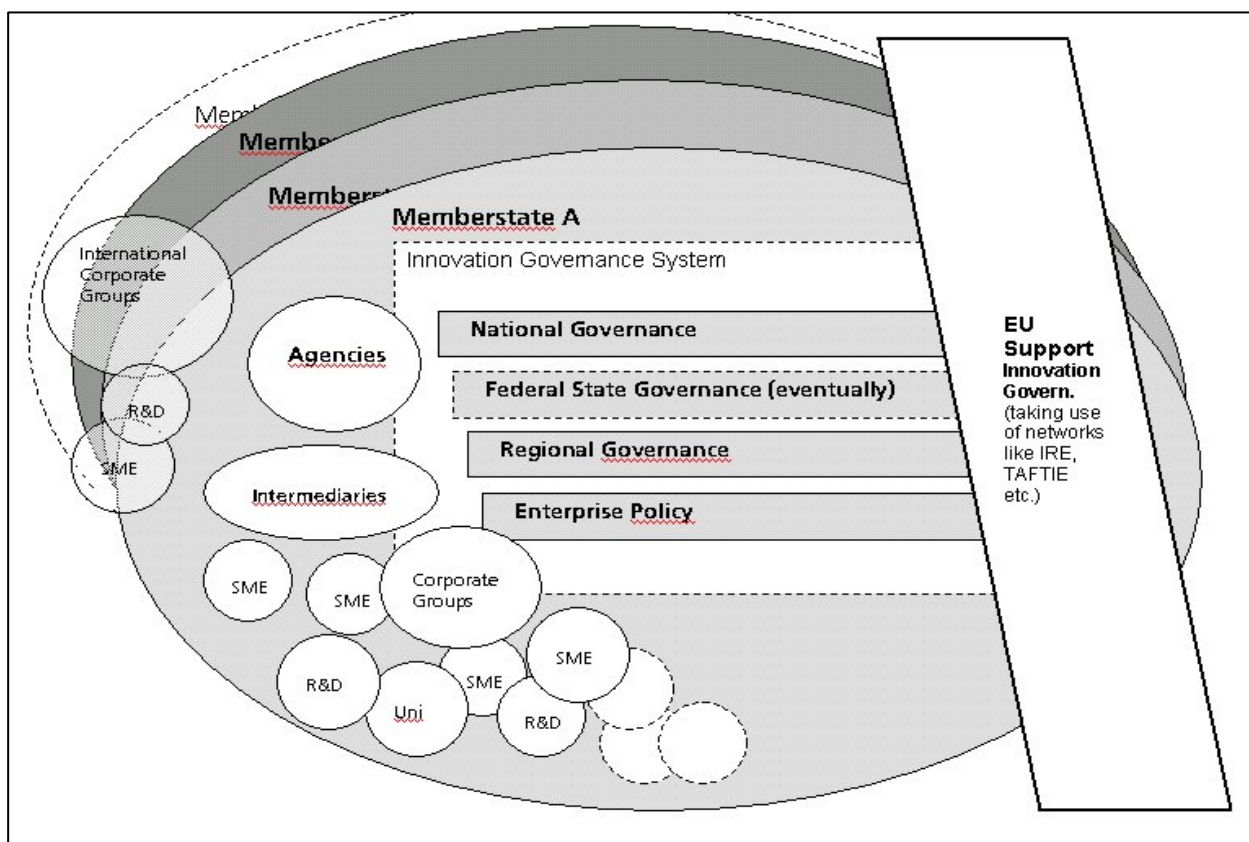
The regional level combines comprehensive approaches for economic development, focussing on the improvement of sustainable competitiveness, with organising capacity and thematic technology and innovation agendas. This creates and sustains hot spots in competitiveness and innovation. In addition, the

European regions are the hot spots for the development of competitive industrial clusters, be it in biotechnology, in the automotive sector, in multimedia or satellite navigation/aerospace.

In order to reach Lisbon targets and to capture leadership in competitiveness on a global scale, further developments are necessary in and across European regions, making use of strengths and complementarities of regional innovation systems through interregional co-operation and trans-national innovation activities. Turning innovation into competitiveness on a global market needs co-operation between high-performing trans-national and regional economies in terms of innovation policies, regional economic development strategies and trans-national activities.

The Innovative Regions in Europe (IRE) Cluster Workgroup⁷ concludes, that in order to effectively and efficiently pursue strategic innovation targets, it is crucial that the managing organisation co-ordinates its measures well, thus achieving synergy potentials and avoiding redundancies and conflicts. This holds true in particular, when it comes to cluster supporting programmes with their inherent complexity of participating players and diverse target groups. Even more difficult to achieve, but as important to reach integral quality of the innovation support system is the inter-organisational embeddedness of the cluster-supporting programmes’.

Stakeholder model for EU-Support in transnational Innovation Governance



Source: Exploratory Team Innovation Governance

⁷ IRE subgroup on 'Regional clustering and networking as innovation drivers', www.innovating-regions.org.

4. Funding instruments to implement the proposed action

Yes, the proposed action would respond to the identified key challenge in this area. It is expected that a strong initiative in support of trans-national cooperation could be built, which would produce the expected results.

(See details below)

Both the Competitiveness and Innovation Programme (CIP) and the 7th Framework Programme should be considered as funding instruments for learning and networking actors, programmes and services. Furthermore, financing for some pilot actions should be taken into account to enhance the impact of new INNO-Nets.

To foster new Innovation Governance initiatives, financial support from the EC would be needed up to 100% of the total costs. Implementation of services and funding schemes should be allocated to national schemes and European Structural Funds.

Measures in the field of Innovation Governance necessarily have to be linked to vertical, technology oriented measures, running under the or measures related to skilled workforce, and vice versa.

5. Leveraging the impact of the proposed action

Yes, the proposed action would benefit from complementary action in related areas in view to using synergies and ensuring strong impact overtime either for the sustainability of the project or to prepare for sustained support at national or European level
(See details below)

There are obvious synergies between the proposed actions and other actions at national or European level which should be explored in order to:

Maximize Impact

The expected impact of open innovation governance builds on the fact that there are many single innovation players of world class in Europe, but they do not reach a critical mass and they are not well coordinated. To maximize the impact closer collaboration, especially trans-regional in nature, as a common framework for agencies and policymakers is to be targeted. A pilot action could prepare a common ground for a converging innovation policy and framework development within the European member states and regions. Success and the more improving success is the best driving force to set an example to bring the regions in Europe closer together in terms of innovation policy and innovation governance.

Spread the Benefits of Trans-national Innovation Governance

New Trans-national programmes should aim widening the participation amongst innovation actors, vertically and horizontally. On a European level we should further enforce more in depth-discussions on successful innovation governance and how EU-programmes help achieve this. The transnational networks should be open to non-institutionalized actors.

Make innovation transparent and exposed through

- a sustainable implementation of a European awarding scheme for excellence in open innovation governance
- the development and implementation of a certified European sample chart on innovation Management and a summer school on Innovation Management (see OI Institute next paragraphs)

Build on existing European Networks and Programmes

Major players at the national level are the TAFTIE members and alike and the members of the ERA- Net "Vision". In larger countries and e.g. Belgium with strong regional structure different regional agencies/organisations are key actors. Transnationality is necessary, Innovation systems are international and Europe's global competitors are large countries.

INNO-Nets is an excellent structure for learning and leveraging between national and regional/länder structures; large and smaller countries. Network approaches are very good for leveraging the development in small businesses that can have difficulties to build their systems and value chains in today's dynamic and open processes. Established European initiatives like the Innovation Relay centre system is of very large importance. For the Competitiveness and Innovation Programme (CIP), especially under strand 1 (Entrepreneurship and Innovation), we expect slots or complementary actions supporting Open Innovation systems. To leverage a high impact of the measures, projects should be linked to other relevant European networks like TAFTIE, ERRIN or the Innovating Regions in Europe (IRE).

Open Learning Platform for developing regions in Europe

The experiences of the advanced regions - the "European powerhouses" - should also be made available for other European member states and regions not yet playing in the league of the economic leaders, thus stimulating a learning process. Conferences and events, could therefore put emphasis on an open scheme of information exchange and learning as is envisaged and based on the PRO INNO Learning platform and other sustainable platforms.

Inspiration from the US

Europe can find inspiration from the US to some degree, SBIR and some aspects on government procurement and dynamic cooperation between the federal structure and the state/regional structures are examples of that. University/business relations could be improved. Training and incentives of government employees and rotation are good ideas!

Awareness beyond Europe

As a side effect, the improved transnational Innovation Governance could promote the Europe of Innovation represented by its most innovative regions on a worldwide scale by attending innovation conferences and by launching articles and reports in relevant media, contrasting Europe with other innovation hotspots in the world.