



PRO INNO EUROPE

INNO LEARNING PLATFORM

'HANDBOOK ON HOW TO BUILD AND MANAGE SUCCESSFUL INNO- NETS AND INNO-ACTIONS'

**Lessons from the first-generation
projects, 2006-2009**

Prepared by the INNO-Learning Platform Team

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1 Introduction

1.1 Introduction

The present Handbook provides an overview of the experiences of the first-generation INNO-Nets and INNO-Actions policy initiatives (2006-09) supported by the PRO INNO Europe® initiative of the European Commission's Directorate-General for Enterprise and Industry (DG ENTR). It also seeks to identify some lessons and draw out some recommendations for future activities and help those currently embarking on transnational policy cooperation in the field of innovation, either through INNO-Nets and INNO-Actions or through other policy cooperation programmes. The Handbook is also aimed at furthering the mutual learning process commenced by the first generation of these policy cooperation initiatives. It seeks to provide inspiration to the innovation community and all other actors with an interest and stake in innovation policy and transnational cooperation such as EU and national innovation policy actors, innovation agencies and cluster organisations. The lessons learnt and the recommendations made have a wider bearing and may be of use in supporting policymakers to undertake more effective policy cooperation in other areas involving broader societal challenges, as well as contribute to removing barriers for cooperation and putting in place initiatives that have a real impact in terms of developing better practices.

The material upon which much of this report is based is drawn from the first generation of INNO-Nets and INNO-Actions policy initiatives (some 16 projects in total: a full list of the project names can be found in the appendix to this document). The material has been gathered by the INNO-Learning Platform (ILP) team, which was responsible for the animation of the policy exchange and review meetings for these first generation initiatives. Indeed, this report has been prepared as part of the policy learning activities developed under the ILP initiative.

Like the INNO-Nets and INNO-Actions, the ILP is also an initiative supported under the PRO INNO Europe® initiative supported by the European Commission's DG ENTR. Further information on the initiative as well as detailed information on the individual initiatives themselves can be found at the ILP Consortium site (<http://www.proinno-europe.eu>).

The aim of the ILP is to improve the effectiveness of innovation support in Europe by stimulating more and better transnational cooperation among innovation agencies across Member States and regions. In order to effectively exploit the European innovation potential, the ILP explores the added value of targeted transnational cooperation at programme level between Member States and regions. As such, the ILP aims to tackle problems faced by individual public funding agencies that support innovation, notably through nurturing synergy effects across Europe between authorities and agencies working in this area. To this end, the ILP identifies and exchanges successful practices, thus fostering a more receptive transnational innovation cooperation culture in Europe.

The ILP has been conceived as an 'incubator' for innovation support ideas and partnerships, exploring the scope for transnational cooperation in the field of innovation. It is experimental in nature and aims to provide insights for the formulation of future INNO-Nets and other possible forms of innovation-based cooperation.

1.2 Key objectives of the INNO-Nets and INNO-Actions

The 10 INNO-Nets were launched as policy actions to support transnational cooperation and learning activities and to contribute to the development of new and better innovation policies in Europe. The call resulted in the funding of 6 full large-scale projects (Coordinated Action projects with a duration of 36 months) and 4 pilot projects (Support Services Action (SSA) projects with a duration of 12 months), bringing together over 100 innovation policy actors. The idea behind the SSA initiative was to pilot new innovative ideas and test how feasible it is for them to be launched as new major initiatives by the EU, for example in the field of Innovation Policy in Services or in the field of Innovation Quality Management.

A variety of themes were supported by the Coordinated Actions projects: they included four cluster oriented initiatives: the Baltic Sea Region innovation network (BSR); the Central and Eastern European cluster and network area (CEE-ClusterNetwork); Cluster networking via the themes of incubation and internationalisation (CLUNET); Networking of national/regional funding innovation organisation for the involvement of small to medium-sized enterprises (SMEs) in technology-based innovation clusters in Europe (INNET); and two others in the field of innovation finance and commercialisation and valorisation (respectively Analysis, diagnosis, evaluation, pilot actions and learning processes for joint innovation programmes (INNO-DEAL) and Development of an effective joint transnational knowledge valorisation process and coordinated innovation policy (VALOR). During the project negotiation phase, the idea of a European Cluster Alliance (ECA) initiative was launched to support the four cluster projects and facilitate the exchanges and learning process amongst these actors and also to open the door to other policymakers that were not part of the original consortia.

The INNO-Nets were aimed principally at mobilising, networking and supporting sub-national or national innovation policy actors to carry out transnational cooperation activities amongst themselves. The broad objectives were twofold, with the first aim being to:

- deliver systematic exchange of information and good practices on existing programmes, and identify and analyse common strategic issues and therefore develop and share best practices in terms of tools, instruments and policies;
- develop joint activities between national or sub-national programmes to test new approaches.

The second broad objective of the INNO-Net policy actions was to experiment and implement joint pilot activities with different management models in order to:

- ensure a better coordination of the clusters and innovation policies between regional and national policymakers;
- define a broader European framework to direct public intervention (ECA);
- maximise the use of public funding at EU level amongst Member States and new Member States;
- ensure the convergence of new Member States through the dissemination of best practices from more mature Member States;
- result in real impacts in terms of better policy initiatives.

1.3 INNO-Actions

The INNO-Actions initiative had a slightly different objective and funding regime to the INNO-Nets. The broad objectives of the actions were to implement jointly managed activities in order to:

- maximise the use of public funding at the EU level amongst Member States and new Member States;
- contribute to the objectives of ensuring efficiency of innovation public resources;
- design common EU services and tools to support EU competitiveness and growth;
- increase innovation awareness amongst key target groups.

The objectives of the INNO-Actions were to support transnational cooperation among regional and national authorities, contributing to the creation of a more favourable innovation culture in Europe (among SMEs and citizens) and to raise the quality of services provided by innovation support actors towards SMEs. In more operational terms, the goals of the various INNO-Actions can be categorised as follows:

- internationalisation of companies and knowledge (EurOffice Services or EOS; Award for design management innovation and reinforcing enterprises or ADMIRE; Clustering converging tech transfer projects and innovative SMEs across Europe or Tech SME Partnering);
- transnational funding of innovation (Early stage investors action for growth of innovation businesses or EASY);
- intellectual property (IP for Innovation or ip4inno);
- raising citizens' awareness of innovation issues and raising the general level of innovation culture in Europe (Challenge and illuminate regional creators and unfold societal strength or INNOVATION CIRCUS).

Some of the INNO-Actions were also aimed at implementing joint innovation programmes between more mature networks that had already been involved in a first step of exchange, analysis and development of joint activities. For example, a number of the INNO-Actions' project ideas followed on from the Pilot action of excellence on innovative start-ups (PAXIS) programme sponsored by DG ENTR, thus ensuring a high degree of policy development continuity and policy impacts and also critical mass in terms of experience and partnerships.

Both INNO-Nets and INNO-Actions had to consider how their individual initiatives fitted into an overarching innovation policy context and demonstrate how they responded or contributed to meeting higher and broader national or regional policy objectives. By placing these initiatives in this context project partnerships were able to gain a better understanding of how their proposals fitted into the wider context of the PRO INNO Europe® initiative and the main challenges facing European innovation policymakers.

1.4 Alternative INNO-Nets and INNO-Actions design approaches

One further aspect of interest to policymakers concerns the different approaches the partners adopted to the territorial dimension. For example, a number of the INNO-Nets projects such as the Cluster CEE (Central Eastern Europe) and the BSR (Baltic Sea Region) adopted both thematic and geographical foci to generate international cooperation and policy exchanges that were relevant in a direct cross-border context.

When reviewing the experiences of the INNO-Nets and INNO-Actions initiatives it is important to bear in mind why international policy cooperation takes place and what are the direct benefits for partners participating in this process. In a survey undertaken shortly after their launch, project partners gave the following answers to the question 'why does cooperation on policy issues interest you?'

- To help design better policies, INNO-Nets can be used to design, test and share new policy approaches.
- To contribute to 'better policies' through networking and mutual learning ('talk shop' approach). The main aim of the INNO-Nets was to create an environment for better policies to be developed. It can also provide an opportunity to reduce overlaps and duplication by sharing information on similar policy areas.
- To jointly develop and test new policy approaches ('think tank' or 'sounding board' approach) and improve the innovation systems currently in place.
- To put transnational cooperation into practice ('test lab' approach), this was especially the case of the INNO-Actions, indeed the implementation of joint initiatives was deemed a high priority for over 50% of respondents.
- INNO-Nets were also of particular interest to allow project partners to test responses of 'clients and users of innovation programmes'.

- The INNO-Net 'pilot projects' (SSAs) were regarded as short and sharp learning experiences with a clear belief that they could represent the beginning of something bigger and sustainable.
- Lastly, certain project partners, found the 'policy learning curve' opportunity of INNO-Nets particularly valuable in terms of their ability to develop their own Member State/regional level policy mix.

Indeed, as a conceptual approach the INNO-Net set up was viewed as a successful vehicle by 97% of respondents. The initial call for proposals was also appreciated since it provided a considerable degree of flexibility (in terms of thematic choices) and allowed interested parties to create project consortia that reflected both the breadth and diversity of innovation policy support measures currently being promoted by Member States, and to reflect what they regarded as being relevant to framework conditions.

In addition to the user questionnaires and as part of the ongoing review and animation process organised via the ILP, a small number of the projects were subjected to a subsidiarity and effectiveness testing tool. Whilst all the initiatives that were tested passed the subsidiarity test and were regarded as legitimate policy interventions, the same cannot be said for the effectiveness test, which produced more mixed results. The results of some of this work are highlighted elsewhere in this document.

Lastly, from a European Commission perspective, the INNO-Nets and INNO-Actions have:

- provided concrete support in the process of facilitating real international policy cooperation and mutual learning between project partners;
- helped to identify some of the market failures or barriers that continue to hinder transnational policy cooperation;
- clarified issues surrounding innovation policy subsidiarity and the general complementarities between EU initiatives and national/regional initiatives;
- generated a pool of good practice and transferability policy experiences that can be disseminated to a much wider audience of policy actors;
- helped to identify some of the key innovation policy themes for future CIP calls and contribute to policy synergies, for example in the field of clusters (creation of the ECA);
- identified suitable policy performance and impact indicators that can be developed further in future INNO-Net type policy initiatives.

The remainder of the report is structured around the following six chapters.

- The first steps: bid preparation and consortium identification.
- Project delivery and consortium management: stimulating transnational cooperation.
- Communication: activities and results to build the innovation policy community.
- Measuring outputs: increasing project yields and project effectiveness.
- How to create synergies with other EU and national policy development activities.
- Conclusions and future challenges.

Each chapter highlights some of the key issues the projects faced and illustrates the lessons learnt with examples drawn from the policy initiatives themselves. The final chapter sets out some of the main conclusions drawn from the first-generation INNO-Nets and INNO-Actions and identifies some of the challenges facing those about to embark on the implementation of the second-generation INNO-Net projects. Wherever relevant, the report also identifies issues or challenges that the European Commission may wish to address in the preparation of the European Innovation Plan.

2 The first steps: bid preparation and consortium identification

This chapter explores some of the practical issues relevant to the preparation and development of a project consortium, and the issues that a partner might need to consider if they become involved in an international policy cooperation initiative. Six themes of interest have been identified:

- project leadership;
- selection of themes for the bid;
- use of partner identification tools (EU events/workshops);
- development and distribution of responsibility within the consortium;
- budget preparation and time planning;
- shared vocabulary between stakeholders and diversity of innovation systems across the EU.

It is important to note that many of these issues were not necessarily tackled during the ILP-led animation activities since they were dealt with prior to the selection of the project. Nevertheless, informal exchanges with the project partners and analysis of the responses to the various questionnaires used during this first generation of policy initiatives can shed light on these issues and lessons learnt.

2.1 Project leadership

The running of a large INNO-Net (some with in excess of 15 partners and a budget of more than EUR 2 million) is a major responsibility, and the success of a project is often reliant on the capacities of the project leader. The EU call guideline criteria highlight the importance of having a good project management track record and experience in running similar projects. The experience of the INNO-Nets with their strong focus on the 'innovation policy theme' shows that most are led by national innovation agencies (Oseo Innovation for INNET, or Vinnova for DEFINE), or large regional development agencies (such as the North West Regional Development Agency (NWDA) in the UK for CLUNET and Filas (Financial Investment Agency of the Lazio Region) for INNO DEAL). Strong leaders in terms of the policy development and policy analysis experience must also be chosen to ensure the project content will be of a high quality and the policy agenda driven forward. A willingness to lead the policy cooperation and experimentation processes by example is also an important criterion that potential project partners should look for when joining a project consortium.

2.2 Selection of themes for the bid

The importance of this aspect depends greatly on the nature of the call. The first-generation INNO-Nets and INNO-Actions were selected via a relatively open call; a list of topics was provided and project bidders had to demonstrate why they thought their theme was relevant and worthy of funding. To a certain degree, the EU is able to use such calls to 'test the market' for ideas and priorities. On the other hand, there is a risk that certain key themes are not covered or selected through this process. The second generation of INNO-Nets has been given a much more focused brief based on the priorities that have emerged from the first-generation projects, but also via the animation work and thematic reports produced by the ILP team. In both cases, it is important that project partners demonstrate a thorough understanding of the policy themes and the relevance of their approach in the wider EU innovation context.

2.3 Finding the right partners: the use of partner identification tools

When questioned, INNO-Net and INNO-Action participants often highlighted the value of EU-sponsored events and workshops in preparing the ground for bid preparation. Partners cited the importance of using these types of meetings, particularly if the relevant EU services are present, to

explain the 'meaning of project calls' and elaborate the official call text. To be effective and help support the creation of 'good' consortia, these events need to take place well in advance of call deadlines. Indeed, the ILP events (for example the Partnering Event in Warsaw (April 2008)) was regarded as providing valuable input for the construction of the current INNO-Nets and INNO-Actions (call issued autumn 2008 with a deadline of February 2009 and projects launched in the autumn of 2009).

The question of increasing the participation levels and introducing new 'project participants' into a project needs to be built into the project work plan from the outset, in particular if partners have a desire to enhance inclusiveness and draw in contributions from other innovation policy stakeholders. For the INNO-Actions, a number of them such as Circus, EOS, EASY, and Tech SME Partnering, had partnership development as a key project output defined from the outset. The communication section in this report highlights some of the techniques they used to increase stakeholder participation.

A number of the project consortia that were created by the first generation of INNO-Nets and INNO-Actions involved more than 15 partners, creating rather heterogeneous and sometimes unwieldy partnerships in which it was sometimes difficult to ensure a collective commitment on all points. The CLUNET project manager with its 16 partners noted that 'ensuring collective commitment to all project activities within such a big consortium is a challenge'. Most project leaders found that large consortia did not facilitate the effective delivery of their projects. On the positive side, the diversity of partners and experience and country/regional coverage benefited the project, but the management, work package (WP) delivery and administrative issues often presented a hurdle for moving forward rapidly. Simple issues such as changing partner contact points or more complicated ones such as the removal of partners from the consortia highlight the importance of good and committed partners at the outset. It should be noted that the call for the second-generation INNO-Nets and INNO-Actions restricted the number of partners to six. In the case of the second-generation projects, the focus will therefore need to be placed on how to create opportunities for greater stakeholder participation beyond the core partners.

Project illustration

Tech SME Partnering: developed online networking tools and organised a series of regional roadshows to 'reach places other networks did not reach'. This method succeeded in attracting new regions/participants to the project.

It is not possible to choose the individuals who will participate or represent partners in projects, but when proposing persons who will lead the transnational cooperation activities, it is important to bear in mind the following 'ideal' attributes:

- a desire to investigate, to learn, to share, to be curious and hardworking;
- someone who is ambitious and is prepared to take some risks in their search for better practices, and who will not be satisfied with good practices;
- someone willing to mobilise additional financial and human resources to leverage maximum effects from the project;
- senior policymakers are candidates, yes, but they must have real time available to participate in the initiative;
- ability to communicate in English;
- active in networks at European but also at national/regional level to maximise dissemination opportunities;

- someone who enjoys meetings and travelling!

In order to be effective, policy cooperation initiatives and pilot project experimentation as in the case of the INNO-Nets requires the involvement of partners in the form of senior policymakers who have the mandate to take decisions and implement them. This will improve the quality of exchanges and will enable partners to measure the opportunities for policy or project cooperation, for example by launching joint financial schemes. Potential partners should be open and willing to collaborate; they should be prepared to develop a common policy agenda and to mobilise their own financial and human resources to explore new or improved innovation policies and support tools.

The INNO-Actions required a different kind of partner given that the decision to launch or test a new policy initiative is already made. The focus is therefore on finding partners who are dynamic, operational and driven towards securing project outputs and concrete impacts. This was the case in the EOS project (business centre networks) and the EASY INNO-Nets (finance and venture capital focus).

Often projects have a limited number of participants (either through choice or through call requirements). In these cases, it can be interesting to develop concepts or approaches that create opportunities for involving other stakeholders. The ECA approach is one good example of how the experience of four cluster-oriented projects was opened to a network of a further 70+ partners. On the other hand, a number of the INNO-Actions put in place a range of events, road shows and activities to broaden the partnering and learning process. The balance of partners between more experienced and less experienced regions/organisations, including notions of mentoring, are also relevant to creating a well-balanced consortium.

2.4 Development and distribution of responsibility within the consortium

Many of the INNO-Nets have put in place the concept of WP leaders. This ensures that the entire burden does not fall on the project leader, but that responsibility is shared throughout the consortium. It also allows the policy concepts to be explored in parallel and accesses a wider range of experiences, sometimes exploiting a particular area of expertise of one of the partners.

Project illustration

The WP leadership concept and distribution of roles was well developed in the CLUNET project.

- WP1 & WP6: Project management and dissemination, NWDA;
- WP2: Cluster policy mapping, Tuscany/Etruria Innovazione;
- WP3: Identification and design of joint activities, Mediterranée Technologies;
- WP 4: Pilot projects, Karlsruhe City;
- WP 5: Project sustainability, Madrid.

Such sharing of roles and tasks also encourages greater involvement of those leading WPs and enhances interaction amongst the consortium members (i.e. not just with the coordinator); it can also facilitate the take up of project results by their respective national or regional agencies.

2.5 Budget preparation and time planning

The difficulty and time required to amend EU project contracts means that these issues need to be carefully addressed at the bid preparation stage. Clearly projects can evolve, as can partners, but project leaders need to ensure that proposals include realistic budget and deliverable schedules. Indeed, this point highlights the need for lead partners to be experienced in project management and

to ensure that the skills are made available for leading such projects. The feedback from the first-generation INNO-Nets in particular highlighted the difficulty a number of projects had in the launch phase (mapping, audits, benchmarking, etc.). In some cases, partners were able to overcome these 'launch phase delays' by asking one of the partners with experience in preparing such reports to take the lead in delivering the relevant output. In some other cases, outside consultants or academics were recruited to prepare best practice policy reviews or benchmarking reports. It was found in many cases that the use of experienced consultants enabled fast-tracking of the knowledge needed to run successful projects.

The questions of matched funding and creating synergies (financial) with other EU and national level programmes should also be considered at an early stage since they can have a bearing on the selection of the proposal at the bidding stage. The question of match funding was less relevant for the INNO-Nets given that they were funded at 100% by the EU, nevertheless the need to secure additional funds for the pilot projects that some INNO-Nets put in place required additional resources. The INNO-Actions needed to give this question much greater consideration given that the EU funding was limited to 50% of eligible costs. The project delivery therefore was highly dependent on the ability of the project partners to identify match funding. Such a high level of match funding also results in a process of natural selection, i.e. only fully committed partners will be willing to join the project consortium.

2.6 Shared vocabulary between stakeholders and diversity of innovation systems across the EU

This particular topic is of importance both at the outset of a new policy initiative but also through the implementation phase. Often insufficient time is taken at the bid preparation phase to tackle this issue and it can come back to 'haunt partners' and slow down the project in the early phases, for example the mapping of existing initiatives phase. Mapping is a simple phrase but if agreement on what needs to be mapped has not been secured, it can be difficult to advance until a common and shared vocabulary has been created.

Project illustration

The VALOR project highlighted the difficulties the lead partner had in getting all partners to share and agree on the definition of the word valorisation: 'The consortium is committed to the project but the main problem is that valorisation is not perceived in the same way by all partners.'

Indeed, during the first series of INNO-Net and INNO-Action animation meetings, a number of similar issues were raised by project leaders. Another example drawn from the INNET project illustrates this point: 'Concerning the mapping of the state-of-the-art activities, the partners underestimated the difficulty to launch this task. The difficulty was to involve all the partners whilst there still remained a sort of misunderstanding regarding the potential objectives of the call and the objective of preparing a deliverable within the project.'

These two examples illustrate the point that during the consortium construction phase, insufficient time is devoted to developing a detailed understanding of the key themes and challenges and the real work that will be involved in achieving the project objectives. Often the consortium (the lead partner) will spend much of the preparation time on finding partners and preparing the call content but not enough time on developing and sharing the underlying concept. This can have real impacts (delays) on project delivery if it is not tackled early on in the launch phase.

Lastly, the nature of the first-generation INNO-Net call (notably its relative openness) may also have contributed to this difficulty. Indeed, too much choice can result in a 'Pandora's box' syndrome and it will take additional time for bidding partners to converge on a key project theme.

3 Project delivery and consortium management: stimulating transnational cooperation

3.1 Introduction

Transnational policy cooperation is one of the main themes that both the INNO-Nets and INNO-Actions projects sought to address. The overall consensus as the first-generation projects come to an end is that they have succeeded in delivering enhanced levels of cooperation among innovation policy actors. In the INNO-Nets, this has focused on policymakers increasing and enhancing the policy exchange mechanisms through programme mapping/benchmarking and delivering pilot projects. For the INNO-Actions, this was based around the implementation of concrete projects undertaken by public private partnerships over a two- to three-year period with measurable impacts. It should be remembered that the ultimate aim of transnational cooperation projects is neither the identification of good practices nor the facilitation of networking among stakeholders. These aspects cannot be ignored and they represent stepping stones on the 'cooperation continuum', but transnational cooperation is about **engaging in concrete partnerships** across borders and delivering joint projects with clearly demonstrated European value added and impacts for all involved.

This chapter presents some of the main ideas and lessons that have emerged in the field of transnational cooperation.

3.2 Building international networks and cooperation

Participants at an ILP animation workshop agreed that there are three types of transnational cooperation, with growing levels of ambition: a) sharing of information and exchange of good practice towards the harmonisation of local support schemes amongst regions; b) joint initiatives but with different national/regional sources of funding (in a scheme similar to that taken by most ERA-NETs); or c) joint calls with shared budgets. This cooperation continuum clearly generates a need for greater financial implication of the partners. The experience of the first-generation policy initiatives shows that sufficient resources should be identified in the bid document and should be used as incentives to ensure that the implementation of pilot projects is a success.

In terms of issues that were deemed more profitable for cooperation, the results of the questionnaire circulated at the beginning of the INNO-Nets and INNO-Actions cycle highlighted the following themes.

Project illustration

From an INNO-Net Survey: 'When asked in which specific area transnational cooperation at policy level should be encouraged as a matter of priority', for each of the listed themes the following percentages were obtained:

- Innovation in services: 90%;
- Cluster policies: 87%;
- Skills for innovation: 93 %;
- Eco-innovation: 85%;
- Using the new state aid rules: 63%;
- Public procurement and innovation: 73%;
- International knowledge transfer: 95%.

Online tools (especially for launching and managing joint calls) and dedicated workshops were often cited as key ingredients for moving cooperation forward and delivering concrete results. Indeed, the workshop approach demonstrated the importance of the personal touch which is highlighted in other chapters of this report. Personal interaction between partners is important for four main reasons:

- effective cooperation requires mutual trust and this is often best achieved through face-to-face contact;
- personal dialogue is an effective way of sharing information and transferring knowledge;
- by combining different mindsets and sharing ideas openly, it is possible to bridge and overcome problems more effectively;
- open innovation benefits from networks, where personal meetings can favour the emergence of new ideas born from combining ideas and experiences from a diversity of sources.

The number and diversity of actors involved in the INNO-Nets and INNO-Actions projects was rarely considered a weakness (apart from the issues concerning project administration). It is important to ensure that sufficient attention is given to the geographical coverage of partnerships. Only by implicating all Member States will it be possible to create a European wide innovation community. The six INNO-Nets, involving between 12 and 20 partners each, have contributed to this effort and created a European wide learning community. Larger partnerships have also been able to bring together a greater variety of institutional partners and thereby generated more spillover effects and leverage, for example increasing participation and response rates to EU consultation and communication documents.

Project illustrations

During the Rotterdam 2009 Annual Partnering Event organised by the ILP team, the INNO-Nets project partners were given an 'early taster' of the results of the EU consultation on the public consultation 'on the effectiveness of innovation support in Europe on needs of stakeholders for more effective innovation support'. A number of interactive workshops and plenary sessions were organised and they allowed the INNO-Nets innovation community the opportunity to comment on the preliminary findings. INNO-Net partners are therefore both made to work, but are also in a privileged situation regarding the shaping of future innovation policy trends.

At the BSR final conference in Copenhagen, the EU used the event to gather comments on the recent communication on clusters. Votes were collected via a text messaging process and the results were then discussed with all conference attendees.

The VALOR INNO-Net developed a Forum based approach called the 'Amsterdam Forum'. This event gathered together public innovation agencies, venture capitalists and projects supported by VALOR, and the concept was to create a platform for facilitating exchanges between these two different communities. The results of these cooperation activities can be found at <http://www.valorforum.eu/> online.

On the downside, an increased number of partners in a project for a given budget means that the resources are spread more thinly and this can sometimes impact on a partner's ability to deliver quality project outputs. Some of the INNO-Nets have also had to resolve problems concerning the departure of partners from the consortium. The new INNO-Nets generally have more restricted partnerships involving on average six partners, which may overcome this concern.

3.3 Mapping of innovation initiatives

The INNO-Net and INNO-Action animation workshops, organised every six months, over the last three years enabled the lead partners from each consortium to meet and discuss delivery progress and learn about their respective initiatives. One important message concerning the mapping and data-gathering phase that emerged was that initially there was a tendency to start this mapping and policy

review activity from scratch as if no other material existed, which is clearly not the case. The animation meetings allowed people to share and learn from previous experiences and build from the state of the art rather than 'reinvent the wheel'. Valuable resources can be used up in this activity instead of focusing on the new tools that need to be designed to tackle problems that are already known. The delay in moving towards actions, based either on difficult mapping exercises or difficulties on getting partner agreement concerning key concepts, meant that some projects did suffer delays and did not have sufficient time to implement the pilot projects. The mapping of the innovation programmes phase should therefore clearly address the 'tool and/or services opportunities phase'. The mapping phase or gathering state-of-the-art information was of particular relevance to the SSA projects, since their *raison d'être* was to identify current practices and gain a better feel for the scope and barriers to transnational cooperation.

Project illustration

The Innovation policy project in services (IPPS) SSA project, led by TEKES, developed a framework for moving forward with a broadly based innovation and services theme based on supply and demand indicators. The partners pre-identified the European stakeholders that were able and willing to engage in concrete transnational cooperation activities in this field.

The importance of gathering and improving the data collection process and content was considered important to help policy formulation. A fact-driven approach provides the basis for sound new policies. Policymakers need access to current and relevant data sources to inform their choices. The outputs of the European Cluster Observatory were of use to the cluster-oriented INNO-Nets and were supported by concrete project outputs. The CLUNET project partners produced five cluster fact sheets supported by regional profiles as the basis for building knowledge between partners and laying the foundation for policy cooperation. Other non-cluster projects such as VALOR or INNO-Deal had to create their own data sources as a benchmark or starting point for policy development at transnational level. One of the problems encountered was that most data sources are national sources, and little information exists in the form of transnational data sets.

Overall, projects generally followed a bottom-up approach, mapping needs and priorities in the partner regions in order to identify themes and scope for transnational cooperation – however, it was widely agreed that a top-down approach focused on some pre-identified areas for cooperation between at least between some of the involved regions/countries could lead to faster results and greater impacts. The CLUNET project leader stated the importance of 'being open to opportunities that present themselves, [in] particular, opportunities to present and describe the project to interested parties and to engage them in project and pilot project activity'.

A number of projects faced difficulties in the mapping task and gathering local information; indeed, some projects admitted to have underestimated the complexity of this phase. The VALOR project manager stated: 'The mapping phase will be completed but it will take longer than expected.' (the collection of data and edition of reports took more than six months). The INNO-DEAL project manager also highlighted the difficulties of agreeing on a common definition before the relevant information about a specific innovation programmes could be collected, but the project also adopted a broader approach by extending data collection activities beyond the consortium.

Project illustration

INNO DEAL benchmarked some 28 SME financial instruments or support schemes from the 12 partners but it also asked the partners to provide information on other projects. This resulted in a further eight schemes being identified based on the experience of the partners in other programmes such as PAXIS, Gate2Growth, Europe INNOVA and INNOV4.

The participants all agreed on the need to involve policymakers in the project activities as soon as possible, with the VALOR project manager stating: 'The plan is to start to build a network of stakeholders at an early stage, and keep them informed of the progress of the project. They will be involved at different stages of the project. The 'multiplier stakeholders' will be especially targeted (Innovation agencies, regional agencies, governmental agencies) to secure the success of subsequent activity phases.' The INNO-DEAL project manager highlighted the need to engage with the policymakers in the mapping phase: 'It is important to underline that in order to raise the interest of regional innovation stakeholders, a methodology was designed in order to involve all the actors of regional innovation system.' The CEE-Cluster project took matters one step further to ensure early project commitment by putting in place a 'CEE-ClusterNetwork Memorandum' agreement on common strategies and objectives for the future (later signed at the Committee of Regions offices in Brussels on 28 November 2007).

The mapping phase was also used by many partners to collect demand indicators which would later be used to develop the content of the pilot projects. The most productive techniques used by project partners for gathering data focused on accessing demand facilitators or demand intermediaries, such as cluster managers (CEE-Cluster), financial intermediaries and venture capital investors (EASY), IP tools and trainers (ip4inno) or business support networks (EOS). All projects agreed that the challenge was to transform data collection into real policy sharing and mutual learning activities.

Project illustrations

For example, the CEE-Cluster project developed an online questionnaire that was sent to over 1 000 cluster organisations. The Tech SME Partnering used partnering academies in all 11 of the partner regions to bring together the actors concerned with technology transfer and to test the demand for the collaborative platforms and services aimed at emerging innovative SMEs.

3.4 The role of pilot projects

It is critical that transnational cooperation activities are focused and goal oriented as well as flexible and adaptable. Pilot projects fit this definition indeed: INNO-Net managers were unanimous in stating that they wanted to deliver 'pilot projects and results oriented activities and not just policy benchmarking'. Furthermore, the creation of concrete pilot projects was seen as a major incentive for stimulating and enhancing transnational cooperation and enabled partners to engage in active and in-depth exchanges among policymakers with scope for real impacts. The commitment of financial resources (in addition to the human resources) is a strong indicator of the motivation of partners as it tends to trigger a desire to deliver tangible results. Pilot projects can also help identify and remove barriers to cooperation and create a more favourable ecosystem in which cooperation can flourish. Often projects were driven forward by a dynamic core group of partners. This in itself is not a problem if the other partners learn from the experiences and the results are shared within and beyond via their policy networks. The following projects illustrate the variety of INNO-Net pilot projects put in place.

Project illustrations

CLUNET launched 8 pilot projects, including the creation of a European Aerospace cluster initiative led by the Hamburg partner, bringing together more than 10 regions that all participated in a launch conference and identified areas of potential collaboration, notably in the research and development (R&D) field. Another partner led the production of a series of innovation manager video clips and the CLUNET coordinator led on a cluster support environment pilot project that informed the ECA work on improving cluster infrastructure through policy actions.

INNET launched the Innovation Express call to support inter-cluster and -SME cooperation. Some 42 project bids were validated involving in excess of 400 SMEs.

CEE Cluster survey: online survey addressed to a database of 1 000 cluster managers/actors. The results were published and disseminated to cluster actors via the ECA as a *Cluster Manager Qualification Handbook*.

BSR launched two pilot project programmes based on the philosophy 'learning from the bottom-up perspective and learning by doing':

- pilot capacity building programme (11 modules supported with additional project funding);
- pilot on innovation of clusters (four sub projects based around key sectors for the region: (biotechnology, wood, information and communication technologies (ICT) and food).

The VALOR project sought to ensure that partners were committed to going beyond information exchange: the project therefore sought to develop a common agenda and action plan for the knowledge valorisation process across Europe, enabling innovations with high potential to be identified and supported at a much earlier stage. VALOR also launched a pilot action to support activities aimed at services which contribute to the optimisation and stimulation of commercialisation of knowledge, and a specific trademarked tool called Innovation Exponent.

For those policy initiatives that tried to put in place projects with a financial component, it was often very difficult to harmonise and find a common approach between partners and countries, as seen in the INNET Innovation Express project, for example. In addition, INNO-Actions also had to take on board the pricing issues regarding some types of service delivery given that they were only funded at 50%.

The concept of internationalisation was clearly an important theme for a number of the INNO-Nets and INNO-Actions since many were focused on enhancing transnational cooperation. However, only two projects took transnational cooperation to a different level, i.e. outside Europe.

Project illustrations

The CLUNET project funded the inclusion of Montreal Metropolitan Council (MCC) via a sub-consultancy budget. The MCC partner was particularly active in all the project meetings and proved to be a rich source of policy development and benchmarking materials. MCC hosted one of the partner meetings which allowed some partners to meet with cluster representatives and academics and to organise transnational 'business meetings', for example, in the aerospace sector. MCC also co-developed a pilot project with the Tuscany region concerning the incubation of fast growth businesses (gazelles) from the biotech sector.

The EOS project focus was on supporting the internationalisation of SMEs, and was able to increase their initial 20+ member European network to include over 70 partners from all 5 continents.

Overall, the partners seemed to be aware of the importance of achieving results in terms of transnational cooperation via the pilot projects, and hopefully involving all project participants. The experience of the INNO-DEAL highlighted certain challenges and hurdles that had to be overcome: 'It is important to find similarities and complementarities between the regions involved in the project. This will be the starting point for convincing regional authorities of the benefits that joint programmes and policy initiatives could bring in order to facilitate regional growth and innovation performance.' But reality is sometimes a little more complicated and 'difficulties have been encountered since, given the diverse nature of the regional innovation strategies, not all the regions have similar priorities in order to finance innovation and in terms of cross-border activities'. The project overcame this barrier by applying a bilateral approach, instead of seeking convergence between all partners, 'by trying to see

where are there more obvious opportunities for effective collaboration among the different INNO-DEAL partners'. The INNET project overcame similar barriers with a pragmatic approach to developing the Innovation Express project by accepting the notion of 'fewer partners but with a stronger involvement of those committed to the pilot'.

What makes a good pilot project or what lessons can be learnt from the pilot project process?

- Pilot projects should be based on a clear demand. This concept has more value in the context of cluster cooperation or SME support/services for example, but it is also relevant for finance and technology transfer initiatives.
- Building trust between partners, for example between clusters, who will jointly deliver a project takes time (more than six months).
- There is no single model for successful cooperation; made-to-measure approaches and diversity seem to be important considerations.
- Identify clear and simple indicators that can be used to judge the performance and the effectiveness of the pilot project at a later stage.
- Project and competence mapping stages can sometimes identify 'quick wins', therefore be opportunistic.
- Long-term policy cooperation requires the involvement of senior policymakers/stakeholders.
- Communication of efforts and results are important if others are to benefit from this experience (see the next chapter), 'make it easy for others to take it up'.
- Finally, do not underestimate cultural (language) barriers, especially when bringing together partners from more than 20 regions.

3.5 Managing the consortium and cascading information within partner organisations and beyond

Managing the consortium is an important responsibility best undertaken by an experienced partner who is used to the requirements of EU projects. The management activity has several components:

- project administration, organising cost statements and reports in line with EU programme guidelines;
- managing the delivery of the WPs;
- organising information flows (internal);
- promotion and animation of the partnership (internal and external): effective networking.

The last two points are tackled in this section.

- Organising and sharing information within the consortium involves the following types of activities:
 - regular meetings and specific bilateral workshops;
 - meeting venues will often be dependent on partners agreeing to host events, unless it has been decided to organise a meeting around another EU event, for example;

- combining regular meetings with study tours open to partner member organisations, for example the final CLUNET meeting held in Madrid involved an additional study tour dedicated to the biotechnology sector as part of the pilot projects;
- production of reports and handbooks;
- attendance at dedicated INNO-Nets and INNO-Actions animation events organised by the ILP; these always involved a study tour component, for example the visit to the European Patent Office in Munich or the Yes Delft incubator centre during the APE in Rotterdam.

Some policy initiatives required the organisation of major events as part of their deliverables, which provided opportunities for cascading information to other innovation community stakeholders and created linkages with other innovation networks. For example, the ADMIRE INNO-Action project organised a number of high profile events (ADMIRE Design Awards) with strong media coverage, whilst others such as EOS set up contests (the EOS project presented results at the INNOVA Europe event in Lyon and organised an international matchmaking event in Sophia Antipolis).

Project illustration

The ECA initiative provided another type of opportunity to formalise linkages between the INNO-Nets (cluster focus BSR, CEE, CLUNET and INNET). Although all four had their own activities and work programmes, the idea behind the ECA was to create synergies among these four projects and their activities. The ECA was composed of four horizontal working areas:

- objectives and activities of cluster policies;
- financing cluster policies;
- innovation infrastructure supporting cluster development;
- measuring the impact of cluster policies.

Some of the early lessons from the activities undertaken are promising and include such issues as:

- proper positioning of the theme into a broader European political context;
- promotion of cooperation across projects, creating another layer of interest and commitment of four launch partners;
- opening up the cooperation with external partners (via ECA agreement) seems promising.

The ECA has created a broader innovation policy community (clusters) who share a common objective. Indeed, by creating a common platform for policy exchange it has been possible to develop four detailed policy documents that have been disseminated beyond the network.

Spillover effects beyond the core project partners and the duration of the project should also be deemed a priority by the consortium partners. These issues are also tackled in the chapter dealing with the exit strategies. Knowledge spillovers are particularly frequent in areas where new ideas and tools are being developed. Given that this was often the case for the INNO-Nets and INNO-Actions, it is important to organise these spillover effects to maximise the benefits of the investment in the knowledge creation process.

Project illustration

A number of projects have generated interesting spillover effects:

- the BSR project has provide a stimulus to the debate regarding the BSR innovation programmes and is being picked up by DG REGIO in its own initiatives;
- the Innovation Express project launched by the INNET consortium has drawn in new partners and is likely to continue after the end of the project;
- those partners and networks functioning well, such as those developed around the cluster theme, are likely to remain involved in the ECA and this will continue to have a positive impact on cluster policies at a national and regional level;
- the EOS project grew beyond the original membership of 26 to more than 70 active partners.

3.6 Promotion and animation of the partnership (internal and external): effective networking

One final aspect of importance in relation to the way in which effective networking takes place and information flows between the project stakeholders, outside parties and European services can be both 'shared and cascaded' concerns the issues and principles of subsidiarity. A number of INNO-Net partners suggested that this process of networking and exchanging information be described as a 'sounding-board process'. Rather than creating a series of expert panels, the INNO-Nets have brought together a community of innovation actors that have themselves benefited from the implementation of interesting and valuable initiatives whilst they also feel that they have helped the European Commission develop their innovation support services. These contributions have taken many different forms (project reports, pilot projects, workshop and events, new tools developed and implemented, etc).

This process has also played a role in cascading information and generating cooperation for different policy and institutional levels. For example, between national and regional level cluster policy organisations (via ECA) and between different valorisation and venture capital and finance organisations (projects VALOR and EASY).

The following suggestions are a list of the effective networking tools (good practices) suggested by the INNO-Nets and INNO-Actions community:

- event preparation (agendas, briefing notes,), identification of meeting objectives;
- ensuring diversity of participants in meetings (public/private, national/regional and different countries);
- smaller and regular meetings, more workshops and less large formal management meetings/conferences;
- interactive meetings (short presentations, discussion panels, use of online questionnaires, SMS surveys, testing of new tools, etc.);
- joint meetings with other networks or projects;
- good and prompt dissemination activities after meetings or events (reports or minutes);
- taking account of cultural differences which can impact on networking outcomes.

3.7 Management tools

Partners have used a variety of project management tools to reduce project delivery risks. The use of these types of tools can start at the outset of the proposal building stage. A number of INNO-Nets have used bespoke software packages to develop the finance and resource schedules which can later be used as delivery and management tools that are in line with EU reporting guidelines. These types of tools can generate automatic monitoring functions such as progress with deliverable lists, dissemination outputs, budget utilisation (human resources (HR) and other costs). The users of such

tools claim that they are very valuable for monitoring the progress of a project and can highlight problems before they become too serious, for example the delay in delivering tasks and ensuring all partners will be ready for submitting cost claims by issuing automatic pre-alerts. Some lead partners have sought further refinement and have put in place intermediary deadlines to get advance warning of emerging issues. Whenever such tools are used, it is important to include training sessions in the regular project management meetings to ensure the new tools do not become an additional burden to an already complicated task.

Furthermore, a number of these management tools have the advantage of being designed around Web-based platforms which can considerably reduce the workload of the lead partner and increases transparency between partners. The quality and accurateness of the project reporting also has an impact on the timeliness of submitting cost claims: by taking account of the different cost models of each partner, it can deal with different exchange rates and therefore improve payment deadlines.

Project illustration

The CLUNET INNO-Net project, with its 16 partners, decided to use a bespoke IT and Web-based tool to manage the project. This proved very effective as a management tool and it included a number of automatic functions such as monitoring deliverables and keeping the GANT chart up to date. It also enabled the project manager to monitor performance and budget consumption amongst the partners, and redistribute activities and tasks based on this information. It is possible to have a day-by-day vision on project expenditure (HR and other costs) and if necessary move or share resources on the basis of non-performance or the need for additional support in delivering key outputs.

Smaller project partnerships (with less than six partners) can probably cope with using Excel-based spreadsheets but the larger partnerships need to put in place more professional tools for efficient project management. Indeed, the project managers of larger INNO-Net consortiums clearly suffered from the reporting difficulties and the necessity to coordinate more than 15 audit statements. One project manager also highlighted the high turnover of contact persons; indeed this project with over 15 partners suffered a 50% staff contact turnover in the first 18 months. This does not help build transnational cooperation! This is a particular difficulty for multi-partner projects and can cause severe delays in retraining new partner staff to get them up to speed on the particular projects.

Project illustration

The number and type of meetings should be varied and be adapted to suit the particular WPs. It is not always necessary for the whole consortium to meet, and smaller workshops are often more beneficial. The INNET project relied on the use of regular and smaller bilateral meetings to ensure progress was made regarding the delivery of the Innovation Express pilot project. A representative of the project manager was often present at these meetings to ensure consistency and the dissemination of the outcomes. The dissemination activity via the ECA was equally used in this project to broaden the impact of the pilot project.

A similar approach was adopted by the EOS INNO-Action, which favoured the use of sub-group meetings given the number of partners and associate members. These meetings were particularly useful in developing marketing strategies and services and the identification of success stories that could be used by the rest of the network to promote the EOS service package.

The project manager is also responsible for developing links with the other INNO-Nets or INNO-Actions that are involved in similar themes. For the cluster projects, this was facilitated by the ECA but for others this had to be done 'on their own'. The VALOR INNO-Net was particularly active in this field

and organised contacts with INNO Deal and ip4inno and included details of the activities of the other projects in its regular newsletter and invited them to their 'public events' such as the VALOR Forum.

Most projects put in place simple consortium agreements. These were often signed at the project launch phase, and additional bilateral or trilateral agreements were signed between partners involved in delivering pilot projects.

During one of the network animation meetings, a number of partners highlighted the desire to facilitate the process of contract amendments (when a partner leaves, the need for an additional sub-consultancy input, or when the work programme evolves, the need to extend the project delivery period). Some sought more flexibility in the grant agreements themselves, for example to facilitate the possibility of adding partners to a project (with or without a budget allocation). Some partners highlighted the experience they have from other programme areas such as FP7 R&D projects which offer greater flexibility. Indeed, partners often stated that 'the Commission wishes us to take risks and experiment but they are totally risk averse!' This issue cannot be resolved easily but should be considered when developing the framework for the next generation of INNO-Nets.

4 Communication: activities and results to build the innovation policy community

4.1 Improved effectiveness through strategic communication

In November 2008, the ILP dedicated an INNO-Nets and INNO-Actions review meeting to the theme of 'valorising the results of transnational cooperation projects with regard to innovation support by means of communication and dissemination activities'. The rationale behind this thematic choice was the fact that communication and dissemination activities to promote the results of projects like the INNO-Nets and INNO-Actions are central to the success of the PRO INNO Europe® initiative. It is important to remember that most INNO-Nets did not create their own websites nor did many have dedicated communication WPs. At an EU-wide level, much of the general communication and dissemination activities were undertaken via the PRO INNO Europe® website. However, projects did dedicate considerable efforts and resources to a variety of events and conferences to promote their activities.

4.2 Communication can be a value-generating activity

Communication activities should not be considered as an unpleasant side-effect of engaging in a contractual obligation for transnational cooperation projects. Instead, they should be viewed as an opportunity to disseminate the achievements and transferable results to others beyond the immediate stakeholder or beneficiaries and thereby increase the impact and spillover effect of the activities undertaken and the tools developed. Moreover, well thought through and well-framed messages can attract interest from external parties, enhance the reputation of project participants at local, national and international level, draw the attention of policymakers and/or generate market demand for the developed products and services. Effective communication can also extend the life of a project, beyond the end of the EU funding, thus allowing for a successful 'exit strategy'.

Project illustrations

Tech SME Partnering organised 'academies' to connect researchers to SMEs on a transregional scale. It enabled researchers to discover the commercial value of their research transnationally. As it turned out that it was not easy to engage scientists in communicating with business media, especially across national borders, the project made extensive use of webcasts, which helped to connect scientists and entrepreneurs more easily across national borders ⁽¹⁾.

EASY facilitated ⁽²⁾ venture capital funding for companies from investors outside the companies' own country and thus proved that a single market in early stage investment is possible. To gain momentum, the project provided regular news from participants in the previous investment forums through its website, which stimulated more registrations for the following events.

Communication can also give a 'second life' to the fruits of a project. One example is ip4inno ⁽³⁾, which aimed to increase the understanding and usage of IP by SMEs. The project has developed an extensive pool of articles, case studies and background files, which are of interest to business magazines, especially those dedicated to SMEs. Consequently, media organisations can be included among the actors/outlets to take into consideration for an exit strategy with regard to the project deliverables and outcomes.

¹ In terms of metrics, each participant in the academies and forums organised by the project reported on average four promising contacts. With participant figures exceeding 3 000, this means around 12 000 contacts to be followed up as a result of the 14 academies and 8 forums organised by SME Tech Partnering.

² For metrics, see

http://www.earlystageinvestors.org/index.php?option=com_docman&task=doc_view&gid=103&Itemid=33 online.

³ See <http://www.ip4inno.eu> online.

4.3 Communication can play a strategic role in reaching project goals

It is important to be aware that communication is much more than just dissemination, the creation of websites or media exposure. In fact, communication has a structuring and capacity-building effect and should be treated accordingly and receive the corresponding resources within a project plan. It can lay the foundation for the smooth functioning of a project organisation.

Project consortia should invest in communication among consortium members to create cohesion, a sense of belonging, trust among the partners and consensus on a shared cause, so that all stakeholders cooperate in an effective and targeted way, of central importance to cooperation-dedicated projects such as the INNO-Nets and the project delivery focus of the INNO-Actions. Indeed, this trust building process is a key function of the management activities delegated to the lead partner.

Project illustration

This was of particular importance to the CEE-ClusterNetwork resulting in the signature of a Project Memorandum surrounded by a high degree of communication activities. By means of successful internal communication, project partners have developed a strong and mutually shared understanding of the objectives of their project. This allows them to send out a more uniform and clearer message about the project to the outside world, to be more determined in achieving the project goals, to be more active in promoting the project externally, and to transmit a 'project identity' thus enhancing its visibility.

In a number of cases, initiatives that have deployed communication strategies towards actors beyond the immediate stakeholder community are most effective in making an impact in terms of awareness raising and influencing policy decision-making and the behaviour of innovation actors. This definitely is something to take into account as it is directly interrelated with the strategic goals being addressed.

Project illustration

The BSR INNO-Net organised annual rounds of national consultations with policy actors (ministries and implementing agencies) in partner countries. Partners found that these annual rounds of national consultations allowed the management team to engage in a deeper bilateral dialogue on topics that were important to each country, while it also allowed the direct partners to develop action strategies together. It was regarded as a very effective tool for facilitating and structuring high-level policy cooperation exchanges.

4.4 There is no one-size-fits-all approach to a communication strategy

Communication is not a generic or mass market article; it should be tailored to the intrinsic characteristics of a project and to the audiences it targets. Transnational policy cooperation initiatives in support of innovation all need different degrees or mixes. Each audience configuration requires its own approach, each with their own optimum in terms of marketing mix and communication channels, to make communication effective. Consequently, projects such as INNO-DEAL (focusing on the creation of networks of innovation actors focused in finance within regional settings), ADMIRE (which organised Design Management Award contests for innovative companies from across Europe), and Innovation CIRCUS (which sought to raise innovation awareness by taking it on to the street) all designed and used highly different communication strategies to be effective.

What is important in all cases – irrespective of the audience one communicates to, is to place oneself as communicator in the position of the receiver of messages, to make sure the message gets to him/her. Messages can also be repackaged and reused in function of the audience: 'Communication is multi-reusable, it can be mixed and served again.'

Project illustration

In the CLUNET project, one of the pilot projects bundled together a number of existing activities such as the building up a life sciences accelerator in the north-west of England and developing an environmental technology network for China. This 'communication bundling approach' can bring a positive message to local policymakers highlighting that globalisation can also mean job creation thanks to the support for innovative clusters and that it contributes to gross added value in the host region.

4.5 Be original in communication to draw the attention of audiences of interest

Communication need not be confined to the traditional brochure and website material approach. On the contrary, communication has become so widely practiced that one has to stand out to capture the attention of the target audience. Project launch or progress meetings can be held in interesting locations to draw interest to the project (the CLUNET project launch and final meetings were held in football stadiums (Bolton Wanderers vs Real Madrid!), circus tents were used by the Innovation Circus project), etc.

Since many of the INNO-Nets and INNO-Actions did not have the budget to engage in costly communication activities, being innovative in capturing attention from the outside world is of paramount importance. There are many ways to practice original communication and many INNO-Nets and INNO-Actions have shown proof of this.

An anthology of practices reveals the potential here, including the use of modern communication technologies and tools: wire services for dissemination of press releases, RSS (Web feeds), the use of webcams, SMS, MMS, blogs, YouTube, Wikipedia and Second Life. The Innovation CIRCUS project experimented successfully with some of these means for capturing the voice of the people (VoxPox) and launched a wiki for gathering information on the public perception of innovation. Also the organisation of contests is an approach that can result in substantial benefits for public relations and communication.

Project illustrations

In this regard, the EOS Project, which includes 80 partners across five continents, launched the 'Best EOS Network Member' Award to give momentum to and strengthen the enlarging network. It also gives an overall flavour of taking things seriously and being competitive as a project overall.

In a similar vein, ADMIRE, which involved 19 partners from 12 countries, built up a strong reputation as a project due to the Design Management Europe Award contest it has created. This award has become a brand and a promotional vehicle for the ADMIRE project, which facilitates project communication and attracts a growing number of contenders for the contest. Furthermore, the award winners act as ambassadors for the ADMIRE project and as multipliers for its message that good design means better business opportunities.

The INNET project team produced five newsletters during the project lifetime, and given the cluster focus of the INNO-Net, the newsletter was circulated widely, especially to the ECA community. Copies of the newsletter can be downloaded via the INNET section of <http://www.proinno-europe.eu> online.

4.6 Engage in media relationships

An important way to boost the communication and promotion potential of a project is to invest in building up media relationships. The media are powerful intermediaries. Making use of editorial coverage of project results in the written press, or on the Internet, the radio or TV brings a number of benefits. The media can reach very wide audiences. Media can also help in getting quotes on project results from renowned innovation experts from home and abroad to whom that have access.

The INNO-Nets and INNO-Actions definitely have the potential to attract a lot of media interest. They have a lot of content that can attract the interest of (business) journalists: money deals, funding opportunities, new business, intellectual property rights (IPR), know-how, clustering affairs, innovative solutions, etc. And they have interesting case material to offer, which provide the basis for good storylines.

To get the attention of journalists and to get wide exposure eventually, applying more creativity in bringing project messages and results and seeking efficiency in media relations can make a real difference to a project's visibility and success. Getting journalists on board a project is not only effective in terms of media relations, it is also profitable, as it can replace the need to deploy professional press and public relations capacities and techniques at project level, something for which the INNO-Nets and INNO-Actions typically did not have the budget.

Project illustration

A good example in this respect is the EASY project, which decided at an early stage to involve journalists in their consortium structure. 'This has proved to be a successful mechanism for having an objective journalistic view on the outcomes and progress of the project and to promote the project by selling the story to the media channels they work with.' Take note that a very high number of freelance journalists cover science and technology stories, which should open possibilities to create a pool of journalists to which projects like INNO-Nets and INNO-Actions can turn.

The VALOR project produced six newsletters during the duration of the project, which provided the partners with readily useable communication materials for outside parties (<http://www.proinno-europe.eu/VALOR>).

4.7 Some policy lessons regarding communication activities

Communication activities and the dissemination of project results and concrete impacts resulting from the policy initiatives and potential good practices are key considerations for the EU and are particularly relevant for the PRO INNO Europe® initiative, given the internationalisation objectives of this programme. In the 2009-12 round of the INNO-Nets and INNO-Actions, the European Commission has decided to fund a dedicated communication project, called 'Promotion of PRO INNO Europe® Results'. This project will provide support to synthesise the results of the new INNO-Nets and INNO-Actions, and to communicate them in an efficient manner to innovation policy and support stakeholders. This will include:

- organisation of four Annual Partnering Events during the period from 2009 to 2012 to facilitate the networking of all PRO INNO Europe® stakeholders and to exchange knowledge and good practices;
- establishment of an online repository of elements of better practices and results from PRO INNO Europe® projects, to help extract and validate the lessons learned with regard to innovation support measures and services and to facilitate their transnational transfer;
- continuous and systematic promotion and dissemination of the results and tools generated under PRO INNO Europe®, e.g. through a printed newsletter published three times a year;
- hosting, maintenance and management of the PRO INNO Europe® public Web portal and extranet;
- fostering cross-fertilisation and efficient exploitation of synergies with other European, national and regional innovation support initiatives, notably the Europe INNOVA initiative and the Enterprise Europe Network;
- the issuing of a Communication Guidelines document to help the PRO INNO Europe® community set up a communication strategy, deal with and utilise the media, prepare and host events.

It will build upon the key messages and lessons learned from the first generation of the INNO-Nets and INNO-Actions, such as those detailed below.

- Project partners should address both internal and external communication activities. The former are necessary to ensure good project delivery (also shared project identity and unity of purpose) and the latter are required to ensure the dissemination of project impacts. The former are also required to build up trust between partners to facilitate the transnational project cooperation process.
- Innovation policy initiatives require innovative communication and dissemination activities to reflect the nature of the activities themselves. Partners should design a variety of dissemination methods to reach stakeholders and outside actors and attempt to go beyond the traditional 'innovation stakeholders groups'.
- Communication tools should be adapted to the policy outputs and intended impacts; one size does not fit all. Tools should reflect both the target audience and the specific outputs, and in particular the internationalisation and project dissemination characteristics requested by the EC. Policy messages aimed at SMEs or policymakers will have different requirements.
- Communication tools should be used to increase the visibility of the policy initiatives. This can involve specific branding or dissemination tools that illustrate the uniqueness of the approach and activities undertaken and facilitate project recognition and the dissemination of results and learning/sharing outputs.
- Initiatives should make the most of high-profile events to leverage dissemination impacts, for example EU presidency events provide opportunities for reaching out to larger audiences.
- Communication and dissemination activities can contribute to programme sustainability and exit strategies, particularly when they are linked to the creation of new policy actions, new business services or the establishment of networks or associations.
- Networking with other policy actors and initiatives can create critical mass and facilitate the dissemination of results and outputs to outside stakeholders (for example the ECA). By stimulating transnational cooperation, communication measures can play an important part in knowledge sharing and the development of new tools or services.
- Communication and dissemination activities can also contribute to reducing policy action delivery risks and should therefore be included in the initial feasibility and risk assessment evaluations and will be highly relevant for the preparation of exit strategies.

5 Measuring impacts: enhancing innovation policy performance

5.1 Improved effectiveness through impact measurement

The use of appropriate activity metrics, policy action outputs and performance impact indicators with regard to INNO-Nets and INNO-Actions are essential considerations for ensuring the effectiveness of innovation support projects. Experience shows that the selection relevant metrics and impact indicators are best undertaken at the outset of a project. They need to be tailored to the individual policy action to ensure they provide real added value to the project stakeholders as well as those responsible for the monitoring and evaluation of the initiative. In this way, partners will find the metrics more relevant to their individual activities and appropriate for communication to outside parties, since they will provide a truer reflection of the policy action undertaken. Certain INNO-Nets and INNO-Actions project managers summarised this as 'measure what matters', which can be different from project to project (in function of the goals pursued) and in function of the stakeholders targeted. It is therefore important that at the outset of the project the lead partner instils a culture amongst the other partners that is less 'input oriented' and more output/impact and performance oriented. Once indicators are identified, it is then possible to put in place approaches to monitor and evaluate them. Much of the monitoring and reporting efforts required either by the Commission (cost claims, for example) or by the partners (match funding) is of an input nature. If policy actions are to create real changes, then the focus needs to shift toward performance impact indicators that reflect the activities being undertaken.

In the case of INNO-Nets and INNO-Actions projects, there are a number of suitable metrics that can reflect both the policy objectives and the project/service focus they address. Both project types clearly need to address quantitative aspects to their goals, but qualitative indicators should also be taken into consideration (sometimes they are more appropriate or feasible). During the INNO-Nets and INNO-Actions innovation support activity undertaken through the ILP, it has been possible to identify some of the approaches used by the first generation of these policy initiatives. These are highlighted in the following sections.

5.2 Stakeholder issues

- Stakeholder participation indicators: number of partners, geographical areas covered by the project, types of partners involved (national, regional policy actors, cluster organisations, research and innovation actors, chambers of commerce, companies, etc.), for example the Innovation Circus INNO-Action.
- Target audiences: a breakdown by type and number contacted and participants (SMEs, research and innovation actors, policymakers, citizens, etc.).
- SME focus: breakdown in detail of numbers and type of project participation (attendance at events versus actual implication in projects), increase or changes in cross-border cooperation, implementation and take-up of voucher schemes, focus on selectivity approaches (high-growth companies/gazelles), impact on regional gross value added.
- Numbers and type of target audiences by activity or event (workshops, forums, innovation fairs, conferences), for example the experiences of the Tech SME partnering academies.
- Citizen and societal impacts: participation (typology and numbers), illustration of innovative participation techniques (circus/fair type events), increasing awareness of innovation issues, e.g. the INNOVATION Circus INNO-Action.
- What impact is the policy action having on the wider policy environment? Examples are the BSR INNO-Net and innovation plan.

5.3 Impact and outcome performance indicators

- Indicators related to the specific nature of the policy initiative: number of pilot projects created and implemented, numbers of funding joint ventures, project funding raised, capital venture

raised, (EASY INNO-Action) creation of networks (numbers and geographic coverage) signing of project partnerships or agreements, number of best practices identified/reviewed, cluster cooperation agreements signed, handbooks produced, etc. Examples are all the INNO-Nets but in particular INNET and CEE Cluster Network.

- Internationalisation indicators: transnational project cooperation agreements between stakeholders (policymakers, research organisations, clusters, SMEs, etc.), creation of networks, organisation of joint calls (between SMEs or cluster actors), participants from non-EU countries. Examples are CLUNET, INNET and the ECA project offshoot.
- Technology transfer and valorisation indicators: technology agreements, joint ventures, etc. Examples are Tech SME Partnering and VALOR INNO-Nets.
- R&D indicators: investment leverage, numbers employed on research projects, researcher mobility.
- SME performance indicators linked to their participation in policy initiatives or pilot projects, e.g. INNET Innovation Express pilot project.
- Training, educational and skills related metrics: preparation of new training and learning materials, running training events, number and type of participants, nature of materials (electronic/Web-based, paper, etc.).
- Financial indicators: leverage of additional project resources from public or private sources, creation of VC funds, foundations and other financial instruments supporting innovation, investment readiness, for example the EASY and INNO Deal project.
- Entrepreneurship indicators such as training courses in entrepreneurship for students, awareness raising for researchers and their students.
- Impact on the introduction of new or removal of policy actions (synergies, reducing duplication, etc.).

Project illustration

The INNET INNO-Net was responsible for organising the INNOVATION Express call. The partners included key metrics within the call necessary for project monitoring such as the number of calls launched, numbers of SMEs involved, etc. but the INNET partners wanted to use this call to develop further aspects of cluster policy cooperation and added a further series of metrics in the pilot project application process. These included:

- enhancing cluster cooperation;
- preparation of common technology road maps;
- organisation of matchmaking events;
- building partnerships;
- initiating research, development and innovation (RDI) projects;
- dissemination and promotion of inter-cluster cooperation projects;
- ensuring making steps towards the sustainability of cluster networks.

5.4 Communication indicators

- Nature of communication and dissemination tools used: quantification of numbers of press releases/events, websites (hits), videos, brochures, leaflets, press briefings, articles and press coverage, creation of awards (for example the INNO-Actions and in particular the EOS, ADMIRE and EASY projects).

5.5 Other possible policy performance indicators

An analysis of the INNO-Nets and INNO-Actions work highlighted the existence of a number of other performance indicators, including the following.

- Innovation indicators and barriers: capacity building amongst SMEs, IP take up, innovation management (HR and cultural issues) (for example Innovation Circus, Tech SME partnering and ip4inno).
- Innovation services: an increasing number of projects seek to address the theme of innovation and services and this area requires a different set of indicators than say the field of technology transfer (see for example the IPPS project).
- Support to innovation or cluster infrastructures: incubators, technology platforms, science parks, etc. (for example CLUNET, BmmSR INNO-Nets).
- Policy synergies and cooperation: linkages to structural funds, access and leverage of framework programme funds, etc., national funding programmes.
- Linkages and support to key EU policy priorities: SMEs (Small Business Act), access to finance, eco innovation, lead markets (some mix of quantitative and qualitative metrics will be required), use of the European Innovation Scoreboard (EIS) measures.
- Network creation: number of members, type of actors, type of activities, funding raised, support of open innovation methods of working, cooperation indicators, increasing awareness, surveys, e.g. the EOS project.
- Foreign Direct Investment indicators, for example cluster development.
- Exit strategy indicators: creation of a project network, an association, securing alternative funding sources to prolong the project (the EOS and EASY projects).
- The speed of decisions (funding for companies) is an interesting area for consideration, particularly from the SME perspective.

As can be seen from the above list, there are a great number of potential performance indicators for projects. Some may not be immediately associated with INNO-Nets and INNO-Actions, but they still provide a framework of indicators from which project partners can present a better picture of the results of their activities. Attention should also be given to 'unexpected' or leveraged outputs or spillovers and their associated indicators or to other project spin-offs that may be qualified as success stories suitable for wider dissemination. Many of these indicators will be derived from the overall goals of the project, but others may be truly unexpected outputs (positive externalities), and this was the case for a number of the INNO-Actions, for example:

- creation of new companies or organisations (job creation);
- launch of a new business service;
- creation of a new policy instrument;
- development of a new standards;
- establishment of a benchmarking tool;
- industry or sector observatory;
- certification or quality standards;
- public procurement impacts;
- market failures addressed (linked to subsidiarity issues);
- establishment of an innovation course or diploma or degree course.

Collectively, the use of relevant performance indicators can contribute to a better understanding of the policy action impacts by stakeholders and other interested parties. They can also facilitate mutual project learning and sharing through demonstration or best practice dissemination activities. The nature of the project delivery and the mode of service delivery may also have an impact on the nature of communication and dissemination activities. This aspect should therefore not be overlooked; it may help to better understand the scope of new modes of service delivery and how they might contribute to reducing delivery costs, improving performance and accelerating innovation processes.

It may also be possible to identify the impact the policy activities may have had on some of the wider innovation and societal challenges currently being faced, such as raising awareness of innovation in key target groups (students and seniors with impacts on activity rates for the latter, or cooperation between national/regional innovation agencies) or on climate change or eco-innovation issues.

5.6 Some lessons learnt

Good project indicators and metrics and their dissemination will reinforce innovation processes in general, but will also help focus on the needs of specific target groups such as SMEs through the introduction of new innovation services. Innovation policy effectiveness monitoring can be greatly enhanced through the identification of appropriate indicators and metrics at the outset of the project to ensure the correct information is gathered. The notion of improved policy performance, monitoring and evaluation can also inject a dose of policy competition which may also contribute towards project delivery excellence.

The improvement of impact performance measurement activities can play a key part in improving the effectiveness of policy measures and the evaluation of policy measures in general, and in preparing sustainability or exit strategies. This type of analysis can help innovation agencies put in place policy initiatives that are more customised and better reflect the priorities of target groups.

By contributing to improved policy effectiveness, policy indicators can also contribute to issues regarding market failures and subsidiarity issues and illustrate the relevance and impacts at different policy intervention levels (EU, national and regional levels) as well as improving the methods for greater policy selectivity and identifying policy gaps.

Improving project performance indicators can help shed more light on the question of which support provided on which level would create most impact (for enterprises or other target groups), thus helping to better design future EU policy actions in line with the expectations of stakeholders and ensuring better value for money. Improved knowledge about project outputs can help develop policy approaches that secure greater overall outputs. Specific tools such as the subsidiarity and effectiveness assessment tools developed by the ILP team can also help policymakers review the performance of their policy initiatives. By sharing the results and project impacts more rapidly, the INNO-Net and INNO-Actions partners and the EU can help develop more efficient policy solutions and ensure the spread of good practices more widely.

Greater transparency regarding policy and performance indicators will also help bridge the gap towards companies that are not always able (or willing) to see the benefits associated with a particular policy initiative or innovation support measure and how it might help them innovate or grow. Concrete results from pilot initiatives can help demonstrate the relevance and value added of these types of policy initiatives.

Based on these experiences, it is clear that the next generation of INNO-Nets and INNO-Actions must make it a priority to define adequate policy and performance indicators for their initiatives from the outset. The identification of performance indicators at an early stage will ensure partners are focused and that they will put in place monitoring methods that adequately capture the results of the efforts of the partners. Early chapters of this handbook have shown how some of the consortia struggled to prepare the policy mapping phases (timing, complexity, etc.) to the detriment of the policy implementation of pilot action phases. The development of a performance- and indicator-driven approach should help overcome these problems and ensure partners focus on policy activities that add the greatest value and help drive the policy action towards its key objectives.

Finally, further information on the issues concerning the measurement of the impact and performance of European Innovation Policy Cooperation initiatives can be found in the various presentations that were discussed during a panel discussion meeting held in Brussels on 19 January 2010. The meeting was organised by the ILP team, and participants included a number of policy evaluation experts and representatives of all the new-generation INNO-Nets and INNO-Actions projects. All the presentations and background reports can be downloaded from the website (<http://www.proinno-europe.eu>).

6 How to create synergies with other EU and national policy development activities

National-level policymakers represent one of the key target groups of the INNO-Net policy initiatives. Their participation and level of implication has differed according to the nature of the policy initiative, and project leaders have noted that it has not always been possible to secure high-level involvement throughout the lifetime of the INNO-Net. Some examples where high-level policymakers have made a major contribution can be found for example in the BSR INNO-Net and some of the other cluster-oriented projects (see examples below).

The ability of some INNO-Nets and INNO-Actions to put in place active national dissemination plans has undoubtedly had an impact on national innovation policies. Many conferences and events were organised that drew attention to the policy actions; indeed, the Innovation Circus INNO-Action's primary purpose was to create major events known as Regional Innovation Days as part of the attempt to tap into all the potential stakeholders regarding the identification of the main driving factors behind innovation. In other projects, the organisation of regional or national workshops have played a major role in the dissemination of results; interesting experiences can be found in a number of the INNO-Actions such as ADMIRE and Tech SME Partnering (organisation of Partnering Academies across Europe). The CLUNET project had a strong policy actor focus and generated a large number of high-level events and workshops, notably the final conference in Madrid and the cluster best practice policy conference in Montreal, Canada.

Furthermore, work undertaken by the ILP has supported the exchange processes and led to the development of tools and instruments (subsidiary and effectiveness tests) as well as participation in workshops (Glasgow, March 2009) to consider how better to streamline and use synergies among EU instruments supporting innovation. The Glasgow workshop, although dealing with a much broader series of issues, shed some light on the role INNO-Nets in particular can play in strengthening synergies between innovation programmes. The INNO-Nets have been capable of bringing together an 'innovation policy community' from different backgrounds, responsible for different measures to deliver the project deliverables. A number of projects have undertaken detailed policy reviews and benchmarking exercises that have allowed partners to access information from sources that they would not normally have access to: sharing the material can avoid duplication and can result in improved policy and action implementation. There are additional benefits as seen in the case of ILP, whereby the results are shared with wider audiences (events, workshops, platforms, etc.). In terms of lessons learnt from the policy analysis and benchmarking activities undertaken by the INNO-Net projects, it can be noted that the 'publishable' external documents were generally of a better quality as opposed to internal project documents; they also included interesting sections, for example, on potential policy evolutions or next steps rather than just reports summarising past trends or current practices.

Synergies at an EU level between different innovation programmes were not typically regarded as priority objectives of the INNO-Actions. The nature of the participants in the innovation policy-orientated INNO-Nets, however, was more conducive to creating synergies with other EU instruments, particularly at an operational level. The scope for creating dynamic exchanges through the cluster policy theme has also been well developed with the support of the material developed in the INNO-Nets. The DG ENTR Commission services are also implicated in this aspect of work and are active in developing exchanges with other directorates-general. For example, the Regions of Knowledge programme managed by the Directorate-General for Research (DG RTD) has injected a strong cluster component into the programme, and discussions with the Directorate-General for Regional Policy (DG REGIO) have enabled the cluster dimension to emerge in a number of INTERREG IV projects (for example the CLUSNET project led by the city of Lyon in France). Indeed, the systematic and facilitated networking 'imposed' on the INNO-Nets and INNO-Actions demonstrated the benefits of systematic exchanges of information, and it could be replicated and organised at an EU innovation

instrument level. This could result in parallel programming, organisation of joint events and conferences, preparation of joint calls (already the case in the field of eco-innovation between DG ENTR and the Directorate-General for the Environment (DG ENV)), and provide scope for creating linkages between projects themselves at an operational level.

The Glasgow workshop also illustrated that it was important for project participants to take the results of their activities to other national policy actors to exploit greater synergies with national programmes and those developed in other regions.

Project illustration

NWDA, as the lead partner in the cluster-orientated CLUNET INNO-Net took an active part in national- and regional-level cluster exchanges, especially the Devolved Administration (DA) Cluster and Sector Liaison Group (CSLG). This group, which includes all the regional development agencies (RDAs) and the central government represented by BIS (Business, Innovation and Skills), has been chaired by the NWDA since September 2008. As a result, the NWDA has been able to feed the results of CLUNET into the national policy debate regarding clusters and has been able to influence the UK Cluster Mark and other cluster policy activities that BIS has carried out recently. BIS has also become much more active at an international level and has organised cluster policy exchanges with both Denmark and Germany.

The Annual Partnering Events run as part of the ILP project have also provided useful opportunities for national policymakers to develop and share ideas and expertise. In some cases, the presence of national policymakers has enabled the EU innovation team to test policy ideas and present the results of studies and consultation processes. Moreover, the animation and review processes including seminars, workshops and online questionnaires plus the Web platform and ILP have been beneficial to the current partners, but the policymakers have also made a useful contribution to emerging innovation policy. For example, questionnaires enabled DG ENTR to test and confirm interest in new themes and concepts with the INNO-Nets and INNO-Action community. The results of one online questionnaire highlighted the interest in the themes of innovation and services, clusters and skills and innovation. The project animation process has therefore enabled partners to contribute and shape future calls in areas viewed as a priority for their own organisations. Indeed, two non-technological innovation themes, skills (74%) and innovation culture (65%), came out top in the survey.

Project illustration

Parallel projects such as the preparation and signature of the European Cluster Memorandum (ECM) and the ECA have provided a platform for the development of new policy themes and generated a debate at European level, while engaging with national policymakers (the annual Cluster conference in Sophia Antipolis in France, for example). The ECM process demonstrated the benefits of putting in place a high-level policy group which created the framework for both interactions with national policymakers but also a trickle-down factor by using the cluster-orientated INNO-Nets (four) and the ECA to disseminate the ECM outputs and obtain commitments (signatures).

A number of novel tools and service concepts have been developed under both the PRO INNO Europe® and especially the Europe INNOVA initiatives. These need to be shared if the value added of these types of activities and the associated outcomes are to be fully exploited. A number of the INNO-Nets and INNO-Actions community are also active in the Europe INNOVA arena. Indeed, several of the INNO-Actions project partners shared similar approaches with the Europe INNOVA projects, thus reinforcing the scope for the exchange of information between these two communities, for example the EASY INNO-Net and its focus on the finance theme in particular early stage investors and support for the growth of innovating businesses. Some projects such as the European Cluster Observatory relied on creating synergies between researchers, policy actors and operational actors such as cluster managers to generate the necessary content for creating a useful and fact-driven policy tool. A

number of other platform-like projects in the new Europe INNOVA call will enhance the scope for creating synergies between policy actors by bringing them closer to those who implement or benefit from the implementation of new policies. Some pilot projects sought to target cooperation with other EU funded activities from the outset, for example the VALOR Project.

Project illustration

The VALOR Pilot Call

The call is aimed at supporting and funding a set of activities and services targeted at optimising cooperation and the commercialisation of knowledge acquired by national SMEs from foreign laboratories, technical centres, and other SMEs. Existing networks will serve as vehicles, such as EUREKA or the Enterprise Europe Network (EEN).

The objective is to offer appropriate conditions to achieve successful transnational valorisation, and to provide guidance all along the main stages of the process: business invention, business creation, and business operation and growth.

The INNO-Nets and INNO-Actions have also created opportunities for closer cooperation within EU directorates-general. A good illustration of the success of this process has been the issuing of a joint call between DG ENTR and DG ENV in the latest PRO INNO Europe® call 'Better Policies and Instruments in Support of Eco Innovation'. The cluster theme has also been introduced into the other DG programmes and calls such as Regions of Knowledge (DG RTD) and INTERREG, thereby creating synergies with other actors, such as researchers, financiers of research, regional development and creating opportunities for joint funding and implementation of projects that emerge from the INNO-Nets.

A number of projects have been able to connect with national policy initiatives or emerging transnational strategies supported by Structural Funds and INTERREG Programmes (e.g. BSR, CEE). The cluster theme in particular has also been very helpful at building bridges with other cross-border initiatives such as the Mediterranean region via the 'Union pour la Méditerranée'. The following project illustrations highlight three different case studies.

Project illustrations

The **BSR project** is an excellent example of a project that was driven by high-level national innovation policymakers (Nordic Council of Ministers), ensuring strong linkages between the EU project and the national programmes. It has laid the foundations for long-term cooperation around the idea of creating joint policies for the Baltic Sea Region. It has also developed concrete sustainability proposals and has worked alongside the INTERREG programme authorities to develop and enrich the activities undertaken during the BSR INNO-Net project lifetime to ensure that the 'Footprints into the future – starts with taking steps together'.

The cooperation and trust that has been built up has been helped along by geographical proximity but also by the choice of key innovation themes that benefit from close cooperation such as cluster policies.

The results of this project as well as the ongoing policy development activities in terms of the creation of 'meta regional cluster and innovation policy frameworks' can be found on the BSR INNO-Net section at <http://www.proinno-europe.eu> online.

The Veneto region has been an active partner in the **INNET INNO-Net** project and has used the knowledge gained from this cluster-oriented network to develop its regional cluster programmes. Throughout the project period, the Veneto region has benefited from this experience and has modernised its cluster policies and increased the funding of cluster initiatives. The local project

partner, Veneto Innovazione, was very active in ensuring that the regional call was aligned with the emerging international calls. The increased levels of funding and raised awareness regarding such support meant that Veneto clusters were very active in the pilot project launched by INNET (Innovation Express). Four initiatives, coming from three clusters (MultiMedia, Aerospace and Environment), have been submitted under the call. All of these proposals passed the local as well as the international evaluation and are now in the implementation phase.

In the **VALOR** project both the Slovenian and the Italian national-level partners were sufficiently inspired by the VALOR project results in the policy field of valorisation, that they based parts of their new national policies on these project results.

These examples illustrate the role that INNO-Net policy cooperation initiatives can play in the enhancement and strengthening of national/regional policy synergies with transnational and international policy initiatives. These are therefore of interest and are highly relevant for the emerging second-round INNO-Nets projects.

7 Some overall conclusions and challenges for the future for the innovation policy community

The overall feedback regarding the value gained by the various stakeholders who participated in the various INNO-Nets and INNO-Actions, particularly the participants in the Annual Partnering events, has been positive. The experiences and lessons learnt from the last three years and the results of the subsidiarity and effectiveness tests have shown how the networking events and policy tools developed in the individual projects can make a valuable contribution to policy development and transnational cooperation within the PRO INNO Europe® community. They have also proved extremely beneficial in broadening partnering activities and expanding cooperation among policy actors, and useful in organising partners around themes such as clusters or of wider societal relevance, such as eco-innovation. This is seen, for example, in the process of building upon new trends to improve the functioning of clusters and also in emerging themes such as services in innovation. The INNO-Nets and INNO-Actions have contributed to a strengthening of international cooperation across Europe and in some cases this has gone beyond the EU to include key partner regions such as the Mediterranean region and North America.

A number of the INNO-Nets played important roles in the design of new regional- or national-level innovation support policies and programmes. Interesting examples can be found in the Veneto region regarding clusters (INNET project) and at national level in Slovenia regarding valorisation policies (VALOR project). New meta-regional development policies have also been encouraged in the Baltic Sea Region (BSR project). These examples clearly illustrate how the exchange and testing of transnational policy cooperation initiatives can have direct impacts on emerging national and regional innovation policies.

The INNO-Nets and INNO-Actions that were able to test concrete policy tools and secure active participation from project partners in the testing and development of new tools or pilot projects that can be rapidly implemented have made a major contribution to policy learning and cooperation and reinforced the trust and long-term relationships that emerge through such initiatives. The message 'international policy cooperation can work' is clearly justified and it can help drive forward the performance and competitiveness of those involved. Pilot projects that commit partners to joint action and operational activities should therefore be a strong, if not essential ingredient, of the second-generation INNO-Nets and INNO-Action projects.

The EU and in particular the innovation policy team at DG ENTR has benefited from these policy initiatives as it has enabled them to raise awareness and identify key innovation themes and shape aspects of the future PRO INNO Europe® call for proposals (launched in late 2008). The overall theme of the INNO-Net and INNO-Action initiatives remains unchanged with a focus on the promotion of innovation policy analysis and cooperation in Europe, with a view to learning from best examples and contributing to the development of new and better innovation policies in Europe. The latest call for proposals generated a total of four new INNO-Nets (launched in the autumn of 2009) and two INNO-Actions. The INNO-Nets are:

- INNO partnering forum, led by Vinnova from Sweden;
- Transnational alliance of clusters towards improved cooperation support (TACTICS) led by Oséo from France;
- European policies and instruments to support innovation in services (EPISIS) led by Tekes from Finland;
- Better policies and instruments in support of eco innovation (call is ongoing).

The INNO-Actions are:

- IF ... led by the Centro Portugues de Design;
- Cluster-Excellence.eu led by the Universidad de Navarra from Spain.

A number of the previous INNO-Net and INNO-Action partners are present in these new policy initiatives, demonstrating once again the value innovation policymakers obtain from these types of initiatives and how they can contribute to better transnational policy cooperation. Indeed, by continuing to develop the INNO-Net policy cooperation approaches, the identity and critical mass associated with the policy initiatives will be reinforced. The performance of partners will be strengthened and improved, and the take-up of emerging policy ideas enhanced, while long-term impacts and better innovation support services for SMEs will be created.

Of course, not everything is perfect, and **some important challenges** remain if we are to create a truly European market for innovation, both at a transnational policy level but also among the various innovation institutions and actors that currently operate in this field within the Member States. As part of the ongoing review and animation process organised via the ILP, a number of the INNO-Nets were subjected to a subsidiarity and effectiveness testing tool. Whilst all policy actions tested passed the subsidiarity test and were regarded as legitimate policy interventions, the same cannot be said for the effectiveness test which produced more mixed results. Six themes or challenges were identified, which should be considered by those developing the second-generation INNO-Nets and INNO-Actions. These are set out below.

- The public-private partnership aspect should be strengthened to ensure that pilot projects and new tools and initiatives take on board the market failure or market distortion factors.
- Policy mapping and benchmarking exercises should really ensure that they take account of state-of-the-art solutions to ensure they avoid overlap and duplication, and maximise opportunities for synergy effects. The risk is that policymakers may create a new policy that is not entirely in tune with beneficiaries' needs.
- Dissemination and communication of results (studies, reports and especially pilot projects and new tools, etc.) remains weak. Indeed, limited resources means that leverage effects need to be maximised.
- Some project results remain too generic and are not adequately targeted to reflect market needs.
- The fostering of greater synergies with other EU and national initiatives through greater stakeholder involvement is something that needs to be enhanced.
- Overall, greater attention needs to be paid to the early identification of adequate performance indicators and output measures and to covering the issues relevant to the policy initiative, for better innovation support services and enhanced competitiveness of SMEs.

The current initiatives can undoubtedly learn from these experiences and partners can work on addressing these issues. In order to help the current INNO-Net and INNO-Action partners, the following list highlights some of the key issues that need to be addressed by innovation policymakers and other stakeholders.

- How can policy actors behave in a more predictive or foresight manner to ensure innovation policy actions respond to the demand side and the key trends in fast-growing sectors such as digital media or the broader European political context, and societal challenges such as global warming, ageing societies, natural resources and eco-innovation, for example?

- How can project partners balance or differentiate between cooperation at a strategic level (exchange of best practices) and at a practical and operational level (implementation of pilot projects)?
- How can one ensure that target groups such as SMEs and their enhanced competitiveness remain at the forefront of innovation policymakers' priorities? What scope exists for the customisation of innovation support or for fast-tracking (speed of decision) responses for SMEs?
- Training and the quality of human resources available to implement the various tools and services and the policies should remain a priority, for example in the field of finance for innovative SMEs, for cluster managers or for managing IP. Indeed, there may be scope to offer training modules that cut across the new-generation INNO-Nets.
- Partners need to tackle exit strategies and/or sustainability plans early on in their lives, either as project business plans (relevant for new tools and services) or as network/membership-type initiatives (for example, the ECA).
- Partners need to be able to communicate with and mobilise the right level of policy actors if they are really going to have an impact on the future innovation policy of a country/region.
- Create a good set of metrics and policy impact/outcome and performance indicators at the outset (a form of fact-based benchmark) to ensure project outcomes can be identified, monitored and evaluated and project performances enhanced.
- Maintain communication efforts in a coordinated fashion to ensure maximum mutual learning opportunities amongst policymakers and to increase leverage on related stakeholders and policy themes. To achieve this, one can also make use of project intranets and extranets and of electronic alerts systems for news items, events and other important project updates. This can also be useful to leverage cooperation among projects.
- Policymakers need to be made aware of the experiences and models developed in parallel support programmes (EU and national) which are developing better innovation policies such as DG RTD (Regions of Knowledge) and DG REGIO (INTERREG) to ensure all relevant stakeholders contribute to improving EU innovation policies.
- The INNO-Nets and INNO-Actions initiatives have contributed to the creation of a strong Europe-wide innovation community, but some Member States and regions remain less active or less present in these networks. The second generation of policy initiatives and especially the various reflection groups and task forces that are being created should be used to correct this imbalance.
- How can greater funding flexibility be enhanced? Some projects have lasted more than three years and project leaders often say that it is difficult to identify at the bidding stage all the additional and external resources (academics, consultants, meeting animators, etc.) that might be required to meet the project objectives, and they do not have the financial flexibility or contingency funds to meet unexpected needs.
- How can the awareness raising and pilot project processes be translated into the mainstreaming and the take-up of new policies and instruments?

The last and perhaps one of the most important issues that needs to be highlighted concerns the role the INNO-Nets and INNO-Actions have played in terms of a 'policy sounding board'. The experiences show that this sounding board concept has been a two-way process, ably supported by the ILP. Project partners have benefited by having access to state-of-the-art innovation policy discussions and

have had opportunities to participate in new and novel pilot projects. The Commission services, on the other hand, have used the sounding board concept to test interest in new cooperation concepts and test and develop new innovation tools and services. Indeed, this approach, coupled with the use of expert panels or workshops has produced an effective policy development process. Maximising the benefits of this 'two-way' information flow process is deemed to have been of great benefit to both sets of participants and needs to be built upon in the second generation of INNO-Nets and INNO-Actions.

A number of the new INNO-Nets include proposals to create reflection groups or mini think tanks to help deliver policy development content. In order to create greater synergies (and thus reduce overlaps) with other EU innovation programmes, it could be interesting to include a criterion for the selection of experts/members of the reflection that highlights the person's knowledge of other EU innovation programmes. Indeed, inviting other EU services to the reflection group meetings might be another way of creating greater coherence in the innovation field and anticipating opportunities rather than trying to adapt existing programmes. These reflection groups should also be used to address some of the challenges identified above, for example exploring what kind of impact indicators are relevant to the policy initiative they are developing. This can be based on their previous experiences or become one of the working group's thematic priorities.

The EU services must also continue to play an active role in these new policy initiatives to ensure their efficiency and the competitiveness of EU innovation policy as a whole, for example by reducing duplication and ensuring the sharing of results and findings in a timely fashion (to avoid reinventing the wheel, clusters, quality management, networks, etc.). The Commission services must continue to support, facilitate and drive forward partnering initiatives for public policymakers, but must also introduce private actors where beneficial. A new approach where risk sharing and policy cooperation is based on a partnership between the EU and innovation policy partners, national and regional, provides a firm foundation for moving forward with the second-generation INNO-Nets and INNO-Actions and implementing 'a common market for innovation that helps tackle the grand societal challenges that we face'.

8 Appendix

PROJECT LISTS

INNO-NETS

INNO-DEAL: analysis, diagnosis, evaluation, pilot actions and learning processes for joint innovation programmes

INNET: Networking of national/regional funding innovation organisation for the involvement of SMEs in technology-based innovation clusters in Europe

CLUNET: Cluster networking via the themes of incubation and internationalisation

BSR: The Baltic Sea Region innovation network

CEE-ClusterNetwork: Central and Eastern European cluster and network area

VALOR: Development of an effective joint transnational knowledge valorisation process and coordinated innovation policy

IPPS: Innovation policy project in services

ennovation: Preparing an 'innovation through e-economy' INNO-NET

IMQ: The innovation initiatives quality management network

DEFINE: Designing future measure of supporting innovation through Enterprise-RTO (Research and Technology Organisations) interaction in Europe

INNO-ACTIONS

ADMIRE: Award for design management innovation and reinforcing enterprises

ip4inno: IP for innovation

EOS: EurOffice Services

EASY: Early stage investors action for growth of innovation businesses

Tech SME Partnering: Clustering converging tech transfer projects and innovative SMEs across regions

INNOVATION CIRCUS: Challenge and illuminate regional creators and unfold societal strength

Full information on all the projects can be found online (<http://www.proinnoeurope.eu>).