



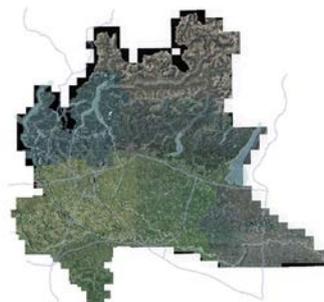
## **Application Form**



## **European Entrepreneurial Region Award**

**2016**

# I. Fact sheet



## I. General information

Name of the territory	Regione Lombardia
Date of application	16 March 2015
Political endorsement	<i>The application is supported by Mr. Mario Giovanni Melazzini – Regional Minister for Productive Activities, Research and Innovation of Regione Lombardia</i>

## 2. Regional data

NUTS code	ITC4	GDP/inhabitant (2014)	33.835,7
Population	9.973.397	GDP growth rate (2012)	-0.9
Area in km <sup>2</sup>	23.863,7	Unemployment rate (2015)	8.1
Cohesion Policy category	<input checked="" type="checkbox"/> Developed region <input type="checkbox"/> Transition region <input type="checkbox"/> Less developed region		

## 3. Contact details

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## 4. The territorial EER strategy in a nutshell

Please provide a brief synopsis of your EER strategy in a maximum of 200 words.

Lombardy is the fourth most-populated region in Europe, with the GDP placing it fifth among European regions. The region hosts over 15% of the total number of Italian businesses, with manufacturing industry as the leading sector. The region is host to numerous important research and development institutions.

The regional government is pointing towards the development of **competitiveness' policies**, based on the SBA principles. The regional authorities chose transformation of traditional industries into the **emerging ones** as a top priority and established its support measures accordingly. Two main lines of action to be implemented during the **EER year** will address the needs of businesses in a wide-ranging, all-inclusive manner. A set of tools will support establishment of **Enabling Environments** in which businesses can prosper and evolve into emerging industries, to be completed by a set of **Direct Measures**, giving the companies' a series of straightforward tools, supporting them in each life-cycle phase. They will be complemented by a number of **Cross-Cutting Actions**, addressing specific themes.

Regione Lombardia plans to extensively exploit the EER label in its communication campaigns, from organisation of the **EER award ceremony** during the **EXPO 2015** in Milan, to employing it in various events and other communication actions.

*Please keep the fact sheet to one page. Please use English only.*

## 2. Political vision

With over 9.9 million residents recorded in 2013, Lombardy is the fourth most-populated region in Europe. Lombardy's gross domestic product, amounting to 33.835,7 per inhabitant (2014), is the fifth largest among European regions. Lombardy's production system is currently one of the most developed in Italy and Europe: at the beginning of 2015, there were approximately 813.000 active businesses (compared to some 5.150.000 at national level), out of which over 99% are micro and small companies, constituting the bases of the regional economy. Manufacturing industry is the leading sector by amount of businesses and fourth by workforce at a European level. Lombardy's economic eco-system is strongly export-oriented and thus largely exposed to the changes triggered by globalization.

Lombardy's knowledge-based system is extremely articulated, boasts specialization in a range of technical-scientific disciplines and includes skills and research groups of international ranking. The knowledge-intensive service industry still has large margins for growth, especially compared to other regions or areas of Europe; the percentage of people employed in Lombardy's knowledge-intensive service industry stands at 32.4% versus London's 67.2%. In Lombardy there are 14 academic institutions, which are complemented by a multitude of top-ranking public and private research centres. 36 entities provide business accelerator/ incubator services, which provide help to more than 200 start-ups.

As for foreign investments, Lombardy offers an "Invest in Lombardy" service, providing assistance for international companies planning to set-up in or expand business in Lombardy, offering a dedicated and professional service at any stage of their project. In 2014, Financial Times published a report "European cities and regions of the future 2014/2015", which places Lombardy first amongst the Southern European Regions for number of foreign direct investments, that being a significant improvement compared to the previous edition of the report.

Analyzing the socio-economic context of the Lombardy region it is possible to position the Lombard system related to the national and European level and specifically, with a view to better implementation of the principles contained in the Small business Act (SBA) also. A first assessment was elaborated, which is reflected in the following SWOT:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>- Entrepreneurial propensity</li> <li>- Competitive economic output</li> <li>- Traditional quality and local supply chains</li> <li>- Articulated presence of business representative and support organisations</li> <li>- High quality of the higher education and research system</li> <li>- Vibrant population with relevant presence of immigrants</li> <li>- Financial capital of Italy with a high density of financial intermediaries</li> <li>- Extended network of Mutual Guarantee Schemes</li> <li>- Good performance in terms of prompt payment by public administration</li> <li>- Networks with several specialists of productive chains</li> <li>- Lombardy boast around 20% of all Italian innovative start ups</li> <li>- One third of all Italian early stage investments is placed in Lombardy</li> </ul>	<ul style="list-style-type: none"> <li>- Fragmented assistance</li> <li>- Neglected adult education</li> <li>- Limited cross-fertilisation of ideas between education and industry</li> <li>- Lack of systemic evaluation of programmes to support enterprises' development</li> <li>- Low degree of capitalisation of SMEs</li> <li>- Persistent loan culture</li> <li>- Under-developed and fragmented risk capital market</li> <li>- Absence of investment readiness programmes</li> <li>- Competitive arena mainly at local/regional level</li> <li>- Less flexibility in investment choices</li> <li>- Missed meeting point between demand and offer of innovation</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>- Existence of well established and renowned clusters</li> <li>- Regional diversity and basis for growth</li> <li>- Higher education and research spin-outs</li> <li>- Targeted support for "Gazelles"</li> <li>- Untapped potential of female/young entrepreneurship</li> <li>- Growing awareness in SMEs of the importance to invest in education and training</li> <li>- Immigrant entrepreneurship</li> <li>- Multi-localized industry internationalization</li> </ul>	<ul style="list-style-type: none"> <li>- Global competition</li> <li>- Outdated structures and skills in SMEs</li> <li>- Lack of succession planning, professional education and continuing professional development (CPD) in SMEs</li> <li>- Funding and investment</li> <li>- Culture and loss of talent</li> <li>- Difficult balance between efficiency and territorial proximity of financial institutions</li> <li>- Sudden acceleration of the technologies</li> </ul>

To consolidate the strengths and overcome weaknesses, Regione Lombardia implements measures and projects in support of the territory, based on the own strategic programmes. Many of the mentioned programmes demonstrate the strong commitment of the Regional Administration to create better enabling conditions for the promotion of entrepreneurship and to and the access of the small and medium enterprises

to the commercial and financial opportunities. For the Small business Act hinge principle "think small first" the SbaLombardiaLab project was launched (see sec. Governance), while in the field of research and innovation, the Region has approved the Smart Specialization Strategy (RIS3) with the aim of seek to chart an "integrated path" of development of the Region, by identifying resources/skills and innovation potential, setting *priorities in terms of industrial and technology areas* to focus regional investments on.

Lombardy RIS3 indicates the new regional system of research and innovation divided into **7 Specialisation Areas – SA** (based on territorial skills – entrepreneurial discovery process):

- Aerospace
- Agrifood
- Eco-industry,
- Creative and Cultural Industries
- Health Industry
- Advanced Manufacturing
- Sustainable mobility

Moreover, Regione Lombardia points an ambitious challenge for its production system - to shift towards **emerging industries** characterized by higher growth rates, compared to the currently available ones. As showed during the Rinascimento Conference<sup>1</sup>, it is relevant to re-launch investments in Research and Development and to accelerate the process of innovation geared to the emerging needs of the market through cross-fertilization actions.

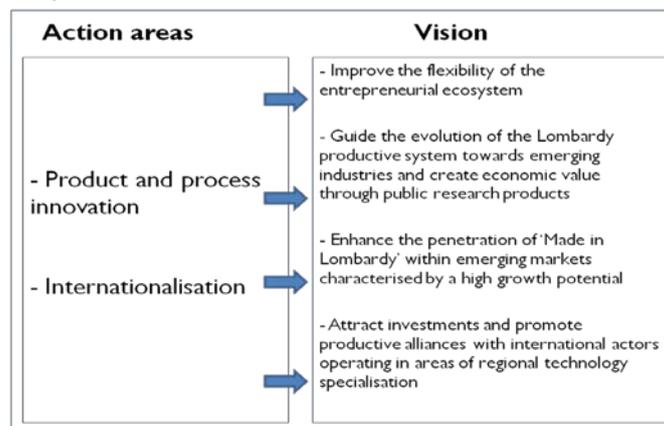
In details, the intervention of Regione Lombardia aims at achieving *two major strategic objectives*:

I. to create **enabling environments** for businesses to support the growth and evolution into emerging industries;

II. **to facilitate the evolution of the value chain and develop technologies**, products and processes able to meet the new needs of emerging markets.

It is essential to provide support to Lombard companies in their entire **life-cycle**, from the start up process till the possible recovery of companies experiencing difficulties: this subject is of particular importance confirmed by the data on mortality of new companies under 5 years of age and on the delta between new companies and those closed down.

In the presence of the new challenge and as a result the SWOT analysis, Lombardy is launching a set of measures to support enterprises competitiveness in line with array concept that follows the industrial life-cycle and two issues: product and process innovation and internationalization.



The measures will be implemented in line with the regional strategy papers: *RIS3, Strategic Document for research and innovation, Strategic Document for Industrial policies (2013-2018)* and with the outputs of the *SBALombardialab Laboratory*<sup>2</sup>.

Through the EER initiative, Regione Lombardia intends to open a dialogue with Europe's regions and with the EU itself on the great challenge of the emerging industries, on issues related to the sustainable growth of enterprises, to develop new strategies and upgrade already existing strategies for the implementation of SBA principles.

<sup>1</sup> Rinascimento Conference "Emerging Industries: A new engine for growth" held on 13-14 November 2014 and organized by Regione Lombardia, in cooperation with European Commission's Directorate – General for Enterprise and Industry in the framework of the Italian Council Presidency. The main objective of the conference was to discuss the potential of emerging industries in shaping Europe's industrial renaissance (<http://www.emiconference2014.regione.lombardia.it/>)

<sup>2</sup> *SBALombardialab Laboratory*, a project of Unioncamere, Lombardy Region and sponsored by the Milan representation of the European Commission and the Italian Ministry of Economic Development, with the participation of all regional associations of micro, small and medium-sized enterprises and chambers of Commerce in Lombardy. The roadmap of the project is to listen and do own the needs and demands of Smes of the territory; monitor the application of the Small business act and finally prepare a series of proposals for concrete and feasible intervention

### 3. Governance and partnership

In defining its strategies, Regione Lombardia has always maintained a constant and fruitful dialogue both internally, among the various Directorates-General, with national institutions (Ministries, Departments, Agencies, other regions) as well as with European institutions (other European regions, European Commission, Seville platforms, etc.), creating recurring opportunities to gather, discuss and align to the strategies.

For the implementation of the activities during EER year the traditional mechanism of governance will be integrated with new elements in order to gain greater inclusiveness and sharing.

At regional level, a more integrated approach will be set up not only to strengthen inter-institutional cooperation, but also to facilitate the systematic and structured involvement in the policy-making process of the regional Directorates-General with responsibilities and powers related to other issues (e.g. Directorates-General for Agriculture and Emergency Relief, Health, etc.) through the **Central Coordination and Programming Authority (ACCP)**<sup>3</sup>.

As regarding the economic partners, stakeholders of Economy, Employment, Quality and Social Cohesion will be systematically involved through the **Pact for the Development** (permanent team between members of the business community, trade unions and Regione Lombardia).

At local level, along the mechanism put in place for the entrepreneurial discovery process foreseen by the RIS3, the governance mechanism under EER label, will consist in three tools:

- **2 Working Groups:** the first composed by Industry and Innovation Experts and the second by the Regional Technology Clusters. The fundamental aim is to raise the needs of the production and research system, and consequently outline development trajectories. These working groups have the goal to assess both the attractiveness and feasibility of emerging industries: attractiveness in terms of certain relevant socio-economical trends and needs at global level which could become relevant markets in the near future; feasibility in terms of know-how held by industrial and scientific actors in Lombardy, which can tackle those markets.
- **Open Innovation Environment: tool** for dialogue and governance, a large and complex environment of relationship between public and private economic players (see sec. Action Plan). The Open Innovation framework adopted by Regione Lombardia aims at integrating different and existing platform managed by players inside and outside the region avoiding the overlapping of efforts and services and providing local enterprises with a single gateway to several information.

Another tool recently introduced in the regional policy is the **public consultation** to involve citizens and other subjects that could contribute to the definition or sharing of decisions.

In this context, **SBALombardialab project** has the goal to listen to enterprises and entrepreneurs through its territorial *Focus Group*. During few months almost 90 privileged actors (70 enterprises) were interviewed, 11 institutional representatives (political leaders and chambers), 4 journalists and 8 testimonials whose business and reputation has raised awareness to the “small business” topic. In addition, the first pilot of social network (lombardiabusiness.net) was built: entrepreneurs can exchange ideas and contribute to specific Focus Groups. As best practice the *SBA Dashboard* monitors the effective implementation of the SBA through comparison with some European best practices and suggest some effective guidelines to implement an institutional and economic framework compliant with the needs of entrepreneurs.

Moreover, Regione Lombardia has set up a dialogue with foreign regions within the network of the **4 Motors for Europe**, focused on the discussion on Clusters (Cluster Dialogue) among the 4 regions in the network. In the context of the collaboration among European regions, Regione Lombardia has joined the initiative called “**Vanguard Initiative New Growth by Smart Specialisation**”<sup>4</sup> and, together with the other 20 European regions, it intends to play a key role in the new European growth in the industrial sector, by identifying “smart specialisations” as engines for the development of new emerging industries capable of driving the dynamics of internal growth in Europe. The two networks are suitable areas to find at European level common areas relating to the below Action Plan and to disseminate the culture of entrepreneurship and EER label.

<sup>3</sup> Regional institution responsible for the coordination of regional development policies and for integration of Programmes on policy-making, control, communication and information, in order to ensure the coordinated, coherent, complementary and synergistic use of Community, national and regional resources.

<sup>4</sup> See *Vanguard Initiative New growth by smart specialisation. Engagement for the future of industry in Europe*, Paperback, Dirk Van Melkebeke, Secretary-General Department EWJ Editor, Brussels, 8th of November 2013.

## 4. Action plan

Against the background of a multiplicity of small enterprises active in Lombardy, the need to shift towards new markets and new sectors, together with other regional features described above, the regional government finds it fundamental to focus on competitiveness' policies, starting from the principles of the SbA. In this context the development path towards emerging industries of the Region it was launched by publishing the first Call – “*Financing industrial research, experimental development and innovation by single SMEs, groups of companies and research organisations*” (Jan. 2015) (see point II. Entrepreneurship - direct measures). EER label presents itself as an important added value to bring regional actions to the European level.

All initiatives, tools and measures presented below have one common denominator: a strategy in line with “Europe 2020” goals and **focused on projects and resources available on specific priority fields** and industries, identified as such for their strategic interest or for their potential vis-à-vis the public and private system.

At the same time, it is worth to notice that Regione Lombardia has already in place numerous initiatives in common with other European regions, both EER award winners and other. To name but a few: strong collaboration ties with Catalonia, both on bilateral bases as well as in the frame of 4 Motors for Europe<sup>5</sup> initiative, which both regions participate in. Another example is collaboration of Lombardy in the framework of the Vanguard Initiative<sup>6</sup>, which includes a former EER award winner, Nord-Pas de Calais. Those and other international initiatives will be continued and new collaborations will be introduced in the run up to the EER year, during the EER year itself and beyond.

The main **results** expected by the Action Plan is to bring the production system to make the leap from traditional industries to emerging ones, accordingly to move towards new products and new business opportunities.

The following paragraphs will depict the **main actions** undertaken by the regional authorities aiming at a creation of a coherent, sustainable and innovative entrepreneurial policy strategy.

In detail, the two main lines of action of the regional authorities are:

- measures building up “environments” in which businesses can thrive and evolve into emerging industries (**I. Enabling Environments**)
- measures assisting directly businesses (**II. Entrepreneurship - direct measures**).

These two approaches will be followed by a description of cross cutting actions (**III. Cross-cutting actions**) and the section will terminate with a set of indicators (**IV. Monitoring process and indicators**) illustrating the concrete goals Regione Lombardia aims to achieve in the theme of entrepreneurship in the EER year and the following years.

### **I. Enabling Environments**

Regione Lombardia focuses on tools supporting the creation of enabling environments for enterprises so they can grow and evolve into emerging industries. In this field there are two major initiatives: **Regional Technology Clusters** and **Open Innovation** initiative. Clusters and other enterprise aggregations are here seen as tools to create enabling environments for the birth and growth of emerging industries. On top of that, Open Innovation, meant as networks and platforms of knowledge sharing, stimulates the aggregation of economic and scientific entities and the share of best practices, experience, and knowledge (creation of living labs, crowdsourcing environments, etc.) Regione Lombardia launched in this regard, a pilot project, with ERDF funding in the context of the 2007-2013 European Community programming period, concerning the **creation of a relational environment** (Open Innovation environment<sup>7</sup>) to integrate an increasing number of “innovation ecosystems” formed of a variety of actors, including large enterprises. The Open Innovation

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<sup>5</sup> <http://www.4motors.eu/>

<sup>6</sup> <http://www.s3vanguardinitiative.eu/>

<sup>7</sup> See DCR n. X/733 of 27/09/2013 Amendments and additions to the guidelines implementing axis I of the ROP ERDF 2007-2013. Outline of the 1.2.1.1. line of action “Development of information networks and systems for the dissemination and sharing of information and services among SMEs, among SMEs and research system, and among SMEs and the PA.”

platform will also be an important tool for mapping of new value chains and the rearrangement of the already existing value chains within the 7 SA, contributing thus to the “**entrepreneurial discovery**” process. This tool will get into full swing in time in the year EER and beyond.

With regard to this, the expected impact of the Lombardy Innovation framework is twofold:

- entrepreneurs and small and medium sized enterprises will be able to seek partners at international scale which can provide solutions, help, support for their innovation and internationalisation projects;
- entrepreneurs and start ups will have the opportunity to act as solver of problems raised by other firms, thus giving the opportunity to enter into new market or business areas.

As all the network-based phenomena, the impact of the Open Innovation framework is much higher the greater the number of parties involved; for this reason there is the will to extend/integrate our platform with other regions.

Another “environment” enabling creation and growth of businesses into emerging industries are **clusters**, together with other enterprise aggregations. In particular, clusters are considered efficient tools for creation of ‘open spaces’, in which businesses, science research and development institutions as well as support organizations meet to search and explore new solutions of cross-sectorial businesses.

In Lombardy, a total of 9 **Regional Technology Clusters (RTC)** have been created so far in the following areas: Agri-food; Aerospace; Green Chemistry; Energy, Construction and Environment; Smart Factory; Land and Sea Mobility; Life Sciences; Smart Communities Technology; Living Environment Technology. According to the principle of full inclusion, Regione Lombardia gives the territory the opportunity of aggregating enterprises, research centres and other economic entities in new clusters in strategic fields such as, for example, creative and cultural industries. Regione Lombardia seeks also to turn clusters into effective tools of “**intermediate**” **governance** between the territory and the regional administration in order to have trustworthy interlocutors to involve systematically in the planning of regional strategies. In a medium-long time period, clusters will eventually develop, becoming vigilant sentinels of their specific system of skills. In this process, large enterprises will play an important role as catalysts of skills and attraction of resources, of knowledge and technology with a positive effect on SMEs.

In order to accelerate the growth process of Regional Technology Clusters, Regione Lombardia has launched a ‘**Cluster Initiative**’ which consist in the following actions, taking place in the run up and the EER year:

- **Acknowledgment path** with a final bestowal of the official title of a Regional Technology Cluster by Regione Lombardia,
- Direct support for activities complementing and/ or enhancing the **development and exploitation of the RTC** together with system specific actions accompanying clusters in their development following the European best practices (eg measuring growth and development performances against indicators of the ECEI “Gold Label”),
- **Training of experts** to acquire new competences both to support regional authorities in definition of regional policies regarding clusters and assist cluster managers in their efforts aiming at enhancement and strategic development of clusters,
- Further development of QuESTIO, the regional “**Who’s who**” **directory of research and innovation** (a part and a parcel of the Open Innovation environment) by complementing the directory with the continuous mapping of RTC competences and technical and scientific infrastructure/ equipment at disposal of their companies.

This initiative will therefore support the Regional Technology Clusters in establishment of:

- Appropriate **organisational structures**, solid and economically self-sufficient, taking account of their sectorial peculiarities and able to take maximum benefit of available competences.
- **Strategic plans of technological development**, coherent with regional research and development policies, with the view to arrange technology foresight studies, analysis of entrepreneurial development opportunities as well as detection of needs in terms of research infrastructures, allowing to exploit better the local assets, all this contributing to the process of entrepreneurial discovery.

## **II. Entrepreneurship - direct measures**

While the task of clusters and Open Innovation tool is to generate environment favouring creation and development of emerging industries, this section is dedicated to direct measures supporting single businesses

on their entrepreneurial path. Those direct measures supporting businesses in Lombardy are shown in the below table, illustrating the major lines of action of Regione Lombardia, intended directly for businesses, in their three main life-cycle phases: start-up, initial growth and sustainable growth. While main focus is put on the central phase, important measures are dedicated also to the very initial period as well as the final phase, providing funds to companies wishing to convert and restart.

The lines of action are divided into three categories: those having main impact on competitiveness, those enhancing innovation and those supporting internationalization in companies.

Developing →		Emerging →			Mature → Declining	
Start - up	Initial Growth			Sustainable Growth		
Incubation / Seed phase	Early Stage Phase	Late Stage Phase	Growth	Growth/Mature	Decline/ Renewal	
Direct incentives and micro-financing of new enterprises (START-UP)						
Development of risk capital market in pre-seed, seed and early stage phases (SIDE CAR)						
	Financing industrial research, experimental development and innovation by single SMEs, groups of companies and research					
	Support to innovation projects, industrial exploitation of R&D results, implementation of ICT technologies and innovative entrepreneurial models					
	Support for purchase of technology, strategic and organisational innovation services (VOUCHER)					
	Support of complex R&D projects					
	Precommercial Public Procurement and Innovation Procurement					
	Support of innovation of process, product and organisation and exploitation of results					
	Support of investments in tangible and intangible assets together and reorganisation/restructure processes					
	Internationalisation support (networks, incentives for acquisition of services)					
	Support to competitiveness of companies in cultural, touristic and creative sectors (reinforcement, modernisation, networks creation)					
					Direct incentives and micro-financing of new enterprises (RE-START)	
					Network for Support of Companies in Difficulties (RAID)	
					Incentives for acquisition of specialistic internationalisation services (TEM)	
					Enterprise Europe Network	

- measures enhancing competitiveness of companies (including innovation and internationalisation)
- measures enhancing innovation in companies
- measures supporting internationalisation in companies

Here below a detailed description of all measures outlined in the above table is presented. All of them respond directly or indirectly to one or more of the 10 principles of Small Business Act – the relevant principle is indicated next to each support measure. Two SBA principles are present in nearly all measures described: the tools are all addressing small businesses and thus they neatly respond to the “think small first” principle and they are all a result of scrupulous studies of entrepreneurial needs, thus being a testimony of a responsive administration.

- *Direct incentives and micro-financing of new enterprises (START-UP)*. This measure, contributing mainly to exploit business ideas, will aim at supporting the creation of new enterprises both through direct incentives, micro-funding as well as through offer of apposite services assisting in this crucial period. By addressing entrepreneurs-to-be and new entrepreneurs of small dimensions, this measure responds to at least three SBA principles and that is promoting entrepreneurship, think small first and access to finance.
- *Development of risk capital market in pre-seed, seed and early stage phases (SIDE CAR)*. This measure, aiming to enhance competitiveness, will be directed towards the early phases of life cycle of a firm, by contributing to the development of risk capital funds financing pre-seed, seed and early stage phases. This measure concentrates also on combining the risk capital with those of informal investors (eg Business Angels and crowdfunding platforms). Priority will be given to entrepreneurs with business ideas falling into Specialization Areas. Both this and the below described measure confer to entrepreneurs an easier access to finance, respecting thus this important recommendation of SBA.
- *Financing industrial research, experimental development and innovation by single SMEs, groups of companies and research organisations*. This line is dedicated to already established companies, planning to develop their industrial research projects, experimental development or introduce innovations. It is therefore directed towards increasing innovation in businesses. It will provide soft loans both to single small or medium entrepreneurs and to groups of businesses (including large companies) and research institutes. The project ideas will need to follow the priority themes described by the regional Smart Specialisation Strategy.

The following three measures aim to face an important SBA challenge which is the enhancement of skills and innovation in businesses. Three different tools addressing various needs and proposing a choice of solutions with an overall goal to improve competences and introduce innovation in businesses.

- *Support to innovation projects, industrial exploitation of R&D results, implementation of ICT technologies and innovative entrepreneurial models*. This scheme, again, aiming at enhancement of innovation in companies, will provide soft loans to those businesses which will implement innovation projects, industrially apply research results, take part in ICT technology implementation projects and adopt innovative organizational models.
- *Support for purchase of technology, strategic and organisational innovation services (VOUCHER)*. This scheme will offer vouchers financing services of acquisition of technology, strategic organizational and strategic innovation contributing to enhancement of innovation in companies.
- *Support of complex R&D projects*. Here, Regione Lombardia will support realisation of complex research and development projects in few selected themes and application of technology solutions focused on the achievement of S3 objectives, thus playing a part in the increase of innovation in its local businesses.
- *Precommercial Public Procurement and Innovation Procurement*. To support and promote innovation, Regione Lombardia will act on demand from public administration with the Pre-commercial Public Procurement and Innovation Procurement procedures, considered key tools for the region. This will therefore provide a strong impetus to R&D and innovation, while creating favorable conditions for the future and potential commercialization of ensuing solutions. In this view, a European event took place in Milan in November 2014, organized with support of Regione Lombardia and entitled: Modernizing the public sector and boosting economic growth through Innovation Procurement. It offered an opportunity to hear first-hand from front-runner actors (procurers, suppliers) and experts how they are supporting the implementation of Public Procurement of Innovative Solutions (PPI) and

Pre-Commercial Procurement (PCP). This measure responds to the SBA principle recommending establishment of a wider access to public procurement.

- *Support of innovation of process, product and organisation and exploitation of results.* Support for the economic value of innovation through experimentation and adoption of innovative solutions in processes, products and organizational models, as well as through the financing of the industrialization of research results.
- *Support of investments in tangible and intangible assets together and reorganisation/restructure processes.* Funding for investments in machinery, equipment and intangibles and accompanying processes for reorganization and restructuring process : Line Innovalmpresa (InnovaLombardia). Both this tool and the one preceding it, address the “Skills and innovation” SBA principle.
- *Internationalization support (networks, incentives for acquisition of services).* Call for the creation of networks for internationalization, Fund for internationalization, Grants for the overseas promotion of business networks with the participation of an expert in export and networking issues, Financing support to SMEs in the implementation of programs of Lombard overseas promotion and market penetration, Grants to Lombard SMEs for the purchase of consultancy and other services for the internationalization and abroad promotion.
- *Support to competitiveness of companies in cultural, touristic and creative sectors (reinforcement, modernization, networks creation).* Strengthening, modernization and diversification of territorial production systems, which again allows to give a boost to skills available to businesses and enhance their innovativeness.
- *Direct incentives and micro-financing of new enterprises (RE-START).* This measure aims to assist new companies created by restructuring of an existing company (newco) or development of a part of an existing company (spin off). It will provide micro-financing, direct incentives as well as services in order to give a boost to their competitiveness and promote innovation. This measure, together with the next one, are tools helping to create a second chance to entrepreneurs wishing to restructure or encountering difficulties and thus meets in full the assumptions of the “second chance” principle. Here in addition the principle “access to finance” is being dealt with.
- *Network for Support of Companies in Difficulties (RAID).* This measure is directed towards companies in their mature phase, encountering difficulties in continuing their activities. This line of action, aiming to enhance competitiveness in businesses, is a regional ‘one-stop-shop’ for companies in difficulties: a Network for Support of Companies in Difficulties, dialoguing with various actors assisting in re-launch of enterprises: banks, insurance institutions, tax authorities, courts, trade unions.
- *Incentives for acquisition of specialistic internationalisation services (TEM).* This scheme will provide incentives for purchasing services supporting internationalization of businesses. The services will be offered by a ‘Temporary Export Manager’, a professional accompanying and assisting entrepreneurs in their foreign markets operations. This tool corresponds precisely to the tenth principle of SBA and that is support to internationalisation.
- *Enterprise Europe Network.* Lombard SMEs have been long assisted also by local contact points of the Enterprise Europe Network: the most important international network which supports enterprises, especially SMEs, entrepreneurial associations, clusters, research institutes, Universities, public and private organizations. The network offers a wide range of services for innovation and internationalization and is currently present in 54 countries. The services include partner search at international level, support for innovation and transnational technology transfer, information and assistance on European programmes for R&TD (Horizon 2020, COSME, etc.), support to access new markets, information on European legislation and policies. This support measure has been co-financed by Regione Lombardia as a successful support scheme for the regional businesses. This measure corresponds mainly to the principles of Single Market and support to internationalisation, although, having the EEN a strong component of technology transfer, it also contributes to the ‘skills and innovation’ principle.

### **III. Cross-cutting actions**

In addition to the measures mentioned before in support of innovation within the areas of Eco-industry, during EER year Regione Lombardia will implement specific actions in line with the new Regional Environmental Energy Programme (REEP) (DGR n. X/2577 of 10/31/2014). Therefore, the SBA principle regarding facing environmental challenges by turning them into opportunities was not mentioned in the above section, it is dealt with by a separate set of tools here below illustrated. **The energy savings from fossil source is the goal of REEP.** The achievement of this goal is in tune with the major objectives identified by the European Union (the decrease of emissions of gases (CO<sub>2</sub> reduction) and the increase in energy production from renewable sources), but it's also a lever for the re-launch of the economic and productive system, referring to the efficiency and production of renewable energy. Energy demand in 2012, influenced by the economic crisis is still ongoing, has dropped to 24 Mtoe to values close to those of the early 2000. In the contest of a hoped-for economic recovery the REEP has the ambitious goal of reducing energy consumption in 2020, predicting consumption/GDP decoupling in line with its green economy. Energy policies (e.g. REEP, using structural funds 2014-2020) focus on performance-based standardisation, regulation and procurement (also using ESCOs and EPCs) to encourage innovation.

- **Energy efficiency as an instrument for the sustainable competitiveness of enterprises.** An efficient and sustainable means industry competitiveness and capacity of penetration into international markets. This is even more relevant in the new season of the green economy and clean technologies, where the environmental benefits are synonymous with new productive and entrepreneurial zeal. Investing in energy efficiency is also an opportunity for companies involved in green; Regione Lombardia will field specific measures for business efficiency, based on the results of the TREND-Lombard project – regional experience towards an integrated plan for efficiency of enterprises in the manufacturing sector (<http://www.trend.region.Lombardy.en>);
- **Promote awareness for a new energy culture of enterprise.** In order to further promote a new enterprise culture, based on the logic of the optimal management of energy flows, Regione Lombardia is enhancing the role of some key players dedicated to energy issues in the company (in line with the new directive EED on efficiency policies in the industry). Specifically regards energy service companies (ESCOs) and professionals in energy management, with technical rules that govern voluntary forms of certification (UNI CEI 11352: 2010);
- **Support the revival of the industrial sector through streamlining policies.** The REEP is a platform that gets in-depth in designing a line of financing to promote the spread of energy audit and energy management systems – ISO 50001, particularly among SMEs, industrial subjects still disinclined to recognize inherent opportunities of rational use of energy, tying the funding to the real and practical implementation of energy efficiency solutions. It is estimated that the industrial adoption of energy efficiency solutions economically viable can have an impact in terms of reduction of electricity, up to 25%, with a consequent increase of the competitiveness up to 27%.

The **social issue** in this context is considered to be current and cross-cutting all the measures implemented or planned for the EER year. The Healthcare Industry, Smart Communities and the Creative and Cultural Industries are various topics that are both single-level ban into broader contexts. For the EER year and years taking place is provided the activation of Public Procurement for Innovative Solutions and pre-commercial public procurement in the following areas: Healthcare, Water, Sustainable Building, Energy and Environment, Transport, ICT and Culture.

The theme **Sustainable Urban Development** includes the following objectives:

- **The theme Sustainable Urban Development includes the following objectives.** The contribution of this specific objective Urban Development Strategy is twofold: on the one hand, promote district economy and, on the other hand, produce services to inhabitants in a perspective of welfare mix.
- **Support for starting and strengthening businesses that produce socially desirable effects and public goods not product by the market.** The actions will be directed to support for starting and strengthening of social enterprises producing "socially desirable" effects and public goods.

In line with the Europe 2020 strategy, the regional policy is built on three objectives of smart, sustainable and inclusive growth to be implemented as “three mutually reinforcing priorities”. In order to deliver these goals and provide a response to the economic and financial crisis, it is of utmost importance that all involved actors connect these areas of action, involving all relevant stakeholders, developing synergies and enhancing the added-value of public investments. People act as carriers and multipliers of knowledge, boosting the innovation process, and thus the human capital issue is of paramount importance. With the indicated measures Regione Lombardia is also expected to attract business professionals, educators, students, entrepreneurs, investors, researchers, and academics, who are eager to innovate. Incentive schemes that attract and retain excellent people and talent from across the innovation chain will be one the main focus in set up process of the regional measures.

The birth of emerging industries, the transformation of traditional industries in emerging ones, the discovery of new business opportunities, new markets and the strengthening and development of the competitiveness of the Lombard business system are closely related. The scarcity of public resources orients the choices more towards regional financial instruments, measures which bring the possibility of raising additional funds: financial intermediaries, European initiatives to supplement those regional, agreements in synergy with different stakeholders etc.

#### **IV. Monitoring process and indicators**

The monitoring and follow up process will be dealt with by the EER Steering Committee, which will meet twice during the EER year, as specified in the chapter describing the Communication Plan. The Steering Committee will closely collaborate with all actors involved in the governance process in order to gather and analyse the results of the activities undertaken. The outcomes of the monitoring process will in turn be reflected in the actions foreseen by the Communication Plan.

Monitoring and evaluation of the policy impact will be implemented by two categories of indicators: macro and specific indicators.

*Macro indicators* will be set-up for EER year compared to 2014, as follows:

- % of SMEs that have introduced innovation processes;
- % of SMEs that have introduced organisational or marketing innovations;
- Gross turnover rate;
- Venture capital as a percentage of regional GDP;
- Incidence of European projects involving public research institutions and regional businesses against total projects allocated to the Region;
- Investment in R&D by Lombard businesses partnering universities and other research organizations against total investments by Lombard businesses.

*As specific indicators - Observation:*

For all initiatives and measures, will be also identified indicators of "observation", easily measurable and useful information as quickly as possible for an early assessment of activated initiatives concerning key variables to monitor the trajectory of the Action Plan. Some of the indicators are: actions of cross-fertilization; use or development of enabling technologies (KETs); hybridization of value chains.

By 2016, approximately 3300 individuals are expected to register on the Open Innovation Platform.

## 5. Communication plan

Regione Lombardia will set a specific communications plan for the 2016 EER year with the involvement of the different target groups, using the EER as a quality label on all communications tools.

In addition, the communication plan will include moments of benchmark at different levels (local, regional, national, European and international), inward and outward looking process foreseen by **Smart Specialization Strategy (2014-2020)** and events organized by the **Enterprise Europe Network** for businesses and research centers as incoming and outgoing actions.

Large tools of dissemination of the label will be: the official Portal of Regione Lombardia, the websites of its in-house companies (e.g. Finlombarda, Eupolis etc.) as well as the regional Research portal. Open Innovation platform will be of particular importance as it represents a powerful tool of information exchange between companies and research bodies, which makes it a multiplier of economically relevant information, becoming thus an important tool of communication of the 2016 EER year. Social networks: LinkedIn, Twitter and facebook will be another important vehicle of information on the EER label.

A special page on one of this sites will be dedicated to the EER year in terms of Action Plan baseline, on-going activities/programmes, results and outputs.

Every outgoing piece of information (mail, letter, new leaflet or booklet, report ecc.) will bear the EER logo with a link to the EER website.

Communication will be done through the channels of “intermediate governance” of Regione Lombardia, through the actions of dissemination, public participation (eg entrepreneurial missions, participation in fairs) set-up by Lombard Technology Clusters – therefore, companies will be the promoters of EER label.

**Communication-specific tasks** that can be scheduled are:

EER COMMUNICATION ACTIVITIES	TOOLS	OUTPUTS
EER award (2015)	EXPO 2015	Launch EER year
EER kickoff meeting (1 <sup>st</sup> quarter 2016)	Stati Generali “Attività Produttive, Ricerca e Innovazione” – After setting up by Steering Committee.	Presentation of EER year Programme, goals and specific initiatives
2 round “academic” tables (III quarter 2016)	Tavolo R&I Sistema Universitario	Position paper on new steps and initiatives to improve high competitiveness of Lombard enterprises
2 round “entrepreneurial” tables (III quarter 2016)	WG Cluster and WG Experts “SbaLombardialab project” Open Innovation Platform	
1 award event (last quarter 2016)	“Emerging Industries” Event	3 best projects (competitiveness, innovation and internationalization) in terms of emerging industries
EER closing conference (last quarter 2016)	Steering Committee – Final conclusions on EER Action Plan 2016 (Deliverable)	Results of the EER year: institutional and private (entrepreneurial and academic) testimonials