



INNOVATION EXPRESS 2.0

response to Covid-19 recovery

BACKGROUND

In light of the present **COVID-19 pandemic** with its negative impact on the economies where companies suddenly find themselves in a situation with disrupted production and supply chains a quick response is needed. In the acute face governments have provided for financial support, lowered taxes and/or direct financial aid to companies. However, the pandemic is far from over and it is expected to be a slow and lengthy recovery maybe stretching out over several years. On top of that it is also noticed changes in consumer patterns that might be permanent or with an even slower recovery, for example, more distance working and less international tourism. On the other hand, this open up for other, more sustainable business models. It can also be expected that people in general will feel insecure and spend less and save more. At the same time, the EU commitment for green and digital transition provides new opportunities for businesses. This all **reinforces the need for international cluster cooperation by intensifying cluster and business network collaboration across borders and sectoral boundaries.**

What is needed now is an **appropriate response within a reasonable period of time.** To get engaged in larger European Initiatives risk to take too much time and might not lead to support schemes which take the individual needs of the regions into account. That is why macro-regional strategies come into play through their participative nature, collaborative spirit, open information flows and flexible implementation formats. Focusing on our common challenges and opportunities, in various places in the system, they contribute to co-creating systemic solutions at the interface of policy and action-on-the-ground. **In the present situation, capitalising on the existing experience, macro-regions can offer a quick response tailor-made to the need of the economies where companies need to make use of the full potential of our single market, and lead transition to a greener and more digital economy.** In a situation where customers disappeared companies can access new knowledge, shape their products and widen their markets through cluster initiatives in own country and abroad.

Cross-regional cooperation schemes as part of macro-regional strategies can bundle critical mass of actors and financial means needed to mutually respond to upcoming challenges. The idea of cross-regional collaboration schemes designed and funded by the regions (not by European Programmes, like INTERREG or Horizon 2020) is not new. However, not much experience exists. Nevertheless, **the former BSR STARS INNOVATION EXPRESS can be seen as good practice** how a lean and very efficient cross-regional collaboration scheme created good impact and can be understood as a role model for future macro-regional strategy driven support schemes.

Based on the above representatives of **two macro-regional strategies**, the EU Strategy for the Baltic Sea Region (EUSBSR) and the EU Strategy for the Danube Region (EUSDR) decided to **initiate a revised INNOVATION EXPRESS aiming at involving all four macro-regional strategies** also including the EU Strategy for Adriatic-Ionian Region (EUSAIR) and the EU Strategy for the Alpine Region (EUSALP).





EUSBSR
EU STRATEGY
FOR THE BALTIC
SEA REGION



BSR STARS INNOVATION EXPRESS

Innovation Express was a programme fostering internationalisation of SMEs through clusters or business networks. It encompassed a **cluster-to-cluster matchmaking** event, a **coordinated transnational call** for proposals (where approved projects were funded through distributed regional/ national sources) and **capacity building** activities. The programme was part of the EU Strategy for the Baltic Sea Region and implemented from 2012 until 2018. The smartness of the approach was that not a programme was created rather than existing national and/or regional programmes were just synchronised. The participating regions used their own programmes, administrative procedures remained unchanged. Applications applied according rules given in the regional programmes, **no funding crossed borders**. The synchronisation of existing programme call facilitated cross-regional collaboration within existing administrative boundaries. **One single application form filled by each partner separately but submitted together through one point of submission.**

Concrete advantages for SMEs:¹

- General networking and access to new international contacts/cooperation partners
- Access to market information/benchmarking/inspiration
- Exposure to new opportunities/new partners in other sectors or application fields

Highlights of the programme:²

- BSR Stars Innovation Express concept is an effective approach for engaging SMEs in pragmatic international activities - **Innovation Express projects act as seed investments – providing SMEs with new knowledge, inspiration and broader networks (in the short term), which contribute to new international research and innovation or commercial collaboration (in the longer-term).**
- The concept is one efficient way to facilitate linkages and initiate transnational collaboration projects - **the Innovation Express approach meets funding agencies' policy objectives of SME internationalisation and interregional collaboration** by providing clusters and their member companies with **access** to a critical mass of potential collaboration partners, **legitimacy** (and "proof of quality") through the involvement of national/regional agencies, and **strengthened international visibility** (both within and outside the BSR) of countries' specialized innovation hubs.

Perspectives from SMEs and cluster organizations participating in the 27 transnational innovation projects – highlighting five key messages³:

1. Cluster organisations continue to be viewed as an effective instrument to support SME internationalisation.
2. Several different internationalisation models are pursued, some focusing on strengthening export and globalization, others on developing research collaboration or building transnational platforms between clusters.

¹ Based on SME responses: http://www.bsr-stars.eu/wp-content/uploads/2018/01/Evaluation-of-BSR-Stars-Innovation-Express-2015-projects_SHORT-VERSION.pdf

² Based on the evaluation report (drawn up in December 2017) by Emily Wise - Research Fellow and Consultant Lund University and IEC AB, marking the end of five years of implementation of the Innovation Express programme

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3. The most successful approaches combine aspects of several models, offering a tailored package of services to a targeted group of SMEs.
4. Innovation Express projects deliver useful results for SMEs - providing new knowledge and inspiration and initiating relations with new partners. SMEs view this a helpful "first step" that may lead to longer term commercial or innovation collaboration.

The Innovation Express concept was perceived as a valuable instrument that fills a gap in existing support to international collaboration. It is quick, simple and enables actual involvement of SMEs in international activities that are tailored to their needs.

INNOVATION EXPRESS 2.0

In response to the COVID-19 pandemic and the need of a quick response already tested and well-functioning measures are preferred. The Innovation Express had valuable qualities such as appreciated by participants, effective and with good results and at the same time a low-cost programme, easy to administrate. In this concept note a further elaborated INNOVATION EXPRESS 2.0 is introduced.

The beauty of INNOVATION EXPRESS 2.0 is that a multi-regional governance structure will be developed which can be applied for any kind of cross-regional cooperation scheme. It can be a scheme for cluster-to-cluster cooperation, but also other objectives can be addressed.

With these fruits for thoughts together with experiences of business internationalisation the following design of INNOVATION EXPRESS 2.0 is proposed.

CONTENT

Yearly match-making events, alternating between the national agencies/other institutions forming the partnership of the joint programme. Besides match-making these events offers tailor-made capacity building activities for different group of participants as well as sharing of good practice. The programme will be further elaborated in a workshop, see next steps.

A funding scheme with coordinated calls where each partner applies own rules and funding, but the calls are jointly decided as well as the duration of the projects and what kind of activities that can be funded. One single application form filled by each project partner separately but submitted together through one point of submission.

The thematic focus of the INNOVATION EXPRESS 2.0 will be set through the participating country/region representatives.

COORDINATION

The needed coordination is done by the partnership of the joint programme with two partners taking the role as lead coordinators. These institutions organize the joint calls and host a website for communication internally and externally.





POSSIBLE FUNDING

Each partner allocates sufficient funding for coordination, match-making events and the projects. Possible funding sources besides own national/regional budgets are REACT-EU, ERDF and INTERREG.

NEXT STEPS

Previous partners in BSR STARS INNOVATION EXPRESS together with other potentially new partners will be invited to a workshop where the programme will be co-created based on this draft concept note. Stakeholders to be invited are state agencies providing support to cluster organisations and other relevant structures with similar missions.

