Cluster Action Plan

Transformative Activities for Regional Development

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Background

The Alpine Region provides a huge potential for the successful development of regional transformative activities into new industries and is home to many strong businesses. Transformative activities require a great deal of effort and a compelling rationale. However, the advantages of a macro regional approach to boost new jobs and wealth are untapped.

The analysis of the S3 of many Alpine regions confirmed the essence and validity of S3 as a policy process which depends on many determinants. It further confirmed that although regions are very different in many regards --such as in critical mass of actors or investments in R&D -- they focus on many similar priority areas. This provides a good common ground to jointly tackle Alpine Space related challenges which range from economic globalisation to demographic change to energy. However, these investigations, backed up by other studies from non-Alpine Space Regions, also revealed that the scope of S3 tends to be very broad and it focuses on existing specialization rather than opportunities for transformation. Many regions are struggling with translating academic concepts to real policies in the field. The lack of focus on real transformative activities hampers the intended diversification processes within regions.

There is a common understanding that the macro-regional approach of the Alpine Space can provide huge synergy potential for the areas located in the greater Alpine region. Furthermore, significant potential synergies among the S3 of the regions were identified1. However, simply thinking in terms of synergies isn't enough. Such synergies don't necessarily lead to improvements in scalability of transformative activities and new business models. Most S3 of the Alpine regions are not aligned with the neighbour regions and cross-regional cooperation is not actively promoted. The insight gained at the macro-regional level indicates that much more work is needed to overcome the obstacles that arise from the local context of S3 and capacity constraints. A variety of options exists through collaboration with partners within regions and cross regions. This serves to attract partners from other regions to bundle regional competences and to reach critical mass.

Transformative activities can be understood as an accumulation of innovation-related activities of a group of actors targeting the same (technical, market or industrial) area and having the potential to significantly transform existing industries. They provide huge potential for regions to develop and ultimately to create jobs in innovative new areas with high growth potential. Recognizing the opportunities for cluster initiatives in the process, an approach is needed to focus on transformative activities that are implemented at the cluster level (i.e. for those cluster initiatives that are in a beneficial position to assume a lead role in the execution of actions leading to critical mass).

All of the foregoing prompts the need for a more systematic approach to identifying and implementing transformative activities and to better harvest the potential of a macro-regional approach to overcome existing administrative regional boundaries to achieving critical mass. Thus, there is a clear need for joint actions among the Alpine macro regions in order to tackle the challenges identified and to harvest the huge potential for cross-regional cooperation among the Alpine Space regions.

Cluster Action Plan - CAP

The present ALPINE SPACE CLUSTER ACTION PLAN (CAP) is the result of the activities and new insights gained within the S3-4AlpCluster project. The CAP systemic thinking allows for exploration on the micro-regional as well as on the macro-regional level at which

meaningful economic development initiatives take place. It is shifting linear models to impact where transformative activities match scale of economic activities in terms of critical mass and threshold of transactions. It strives to articulate transformative activities informed by market forces and a focus on business areas with the largest economic and innovation potential based on strengths and comparative advantages of the regions.

The key characteristics of CAP are illustrated below.

Focus given on transformative activities: The CAP is focused on transformative activities, e.g. activities with high potential for regions in terms of innovation and jobs in the context of Smart Specialization and clusters.

Promoting cross-sectorial design of S3. Transformative activities are inherently cross sectorial. They are spanning over different clusters and fuel new combinations of activities and actors. They are not necessarily scalable. To achieve scalability, capacity constraints must be removed to achieve critical mass of private sector engagement and investments.

Enabling demand-driven collaboration. Critical mass inherently requires synergies and the Alpen Space offers a portfolio of clusters that enable regions to create and exploit synergies in a speed and scale that are hard for competitors to replicate.

Using clusters. Using a strong Alpen Space cluster portfolio ultimately enables regions, cluster initiatives, firms and entrepreneurs to be actively engaged in transformative activities that create impact.

Introducing cross-regional and cross-sectorial tools. The CAP provides policy tools that adequately address S3 implementation challenges (Stress Test, Synergies Diamonds, EDW, and cEDW) and provides elements for a fully synchronized Alpen space scheme.

Synchronized Alpine Space Scheme. The Cross regional joint scheme provides a mechanism for leveraging resources and a certain critical mass through existing operational plans and regional support schemes in the context of S3. Activities are developed jointly with clusters at the regional level and combined at the macro regional level. The Alpen Space innovation agenda is empowered across networks of experts and institutions involved to enhance market focus and global reach.

Focus on transformative impact: Impact derives from a demand-driven collaboration among clusters. Outcomes are obtained by alignment of S3 among regions and outputs. Output is driven by identification of transformative actions, identification of synergies, obstacles and constraints for a creation of critical mass as well as solutions and services at the cluster management level.

The Theory of Change the CAP follows holds that bundling and delivering support for identification and development of transformative activities at the regional level can help to accelerate the transformative impact. In the graph below, the Theory of Change describes how the desired change is created, starting from the rationale and the status quo under S3 implementation. It sets different priorities aiming to reach the desired output and transformative impact.

The CAP itself follows a systematic approach and proposes interventions at the regional and cross-regional level. The focus is on clusters as a tool to involve cluster actors in the identification and development of transformative activities. They can attract private investments and contribute to generating new jobs in the regions.
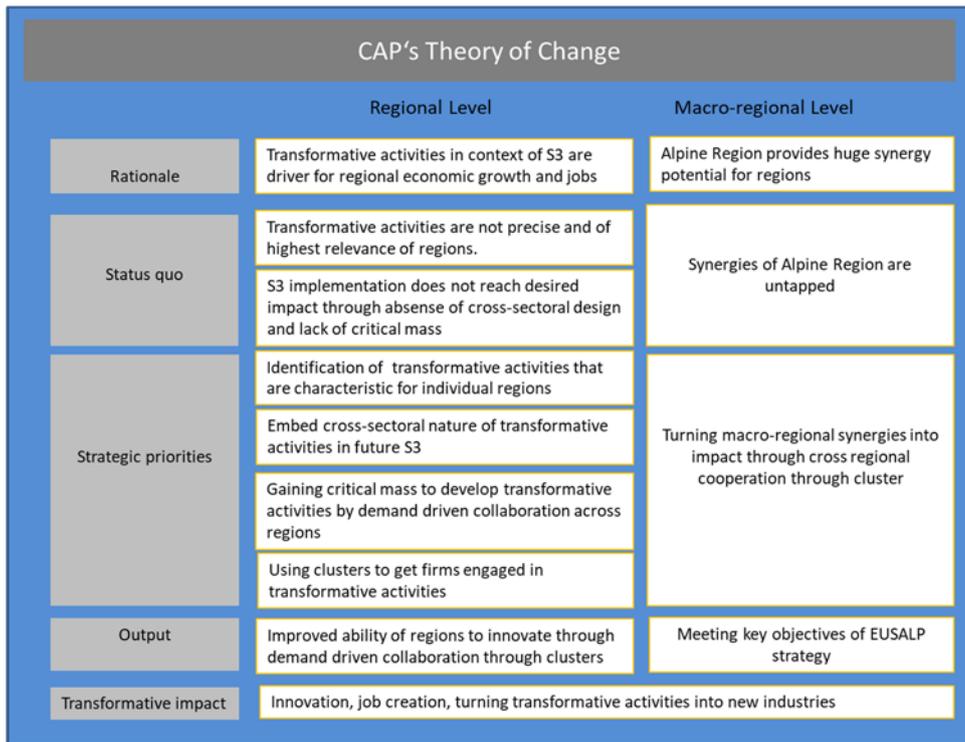
Figure 1: Cluster Action Plan's Theory of Change

The CAP promotes actions intended to turn regional transformative activities into new industries in the Alpine region. The entire process of applying a set of cluster-related tools spans from the identification until the implementation of transformative activities in a systematic way (see Figure 2).
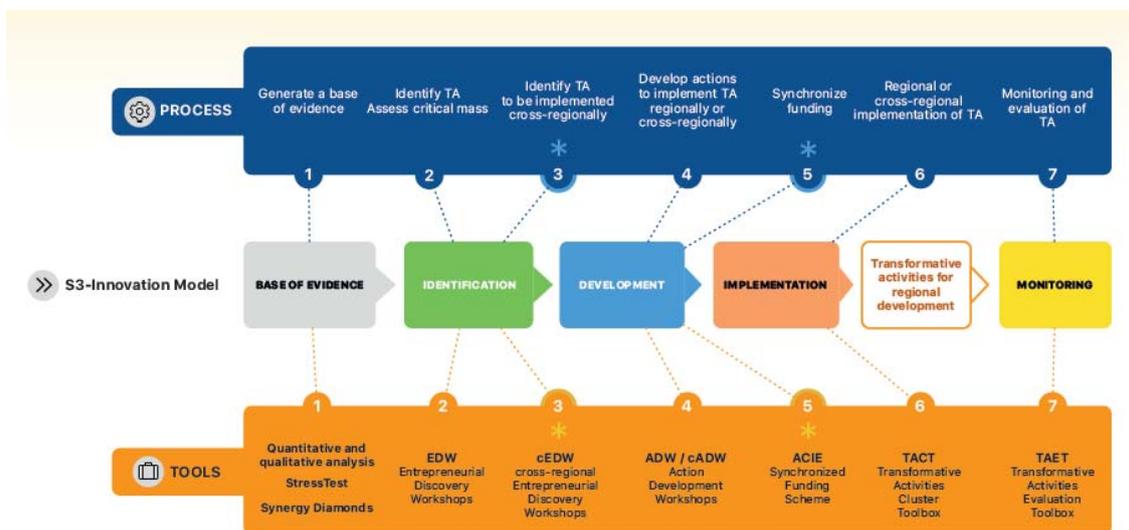

Figure 2: Systematic approach for the development of transformative activities

The process promoted by the CAP starts with the identification of transformative activities. This level includes the application of tools enabling the generation of a comprehensive base of evidence to guide the entrepreneurial discovery process. Based on the generated evidence, transformative activities are properly identified in Entrepreneurial Discovery Workshops based on reflections about existing capacities on the one hand and opportunities represented by new technologies and challenges that can support and drive the process of structural transformation on the other. Identifying transformative activities at this stage includes an assessment of the existing critical mass in the concerned areas. This notably allows for detecting and specifying needs for cross-regional cooperation. If cross-regional cooperation is found crucial for the creation of critical mass, cross-regional Entrepreneurial Discovery Workshops allow for alignment of identified transformative activities cross-regionally and for exploration of need-based cooperation partnerships to build up critical mass. The tools of the identification level of the process include actors from the quadruple helix and enable clusters to take active roles.

At the development stage of the process, concrete actions aiming at gaining critical mass within the identified transformative activities are defined. The corresponding tools, Action Development Workshops and cross-regional Action Development Workshops, include a frame allowing clusters to develop the actions necessary to establish the identified transformative activities. The cross-regional Action Development Workshops place emphasis on developing cross-regional actions to create critical mass for transformative activities requiring access to extra-regional capacities. Therefore, the cross-regional development phase also addresses synchronized funding and includes a synchronized funding scheme (Alpine Cluster Innovation Express - ACIE).

At the implementation phase, the developed actions are executed, ultimately aiming at the implementation of the identified transformative activities within the economy. Since both the identified transformative activities and the concrete developed actions are unknown *ex ante* and can take a multitude of different forms, the CAP does not target this phase with a specific tool. However, a collection of services (TACT: Transformative Activity Cluster Toolbox) is made available as a transversal support for different kinds of potential implementation actions. The services have been collected as best practices within the S3-4AlpClusters project and target a variety of fields such as education, innovation and technology, growth, collaboration and research and networking. In case the identified transformative activities have a cross-regional character or have actors with complementary competences, these shall be bundled to gain critical mass. The Synchronized Scheme approach (ACIE - Alpine Cluster Innovation Express) supports implementation since it facilitates cross-regional cooperation between actors from different regions.

The implementation of the CAP is crucially dependent on solving three challenges: First, the systematic identification of transformative activities is a complex exercise requiring tools to support an entrepreneurial discovery process. Second, the development of transformative activities into implementation is in many cases hampered by lacking critical mass. Need-based cross-regional cooperation to address this lack is crucially missing from the given framework conditions. Third, the decisive role that cluster initiatives can play at all levels of the process needs to be clarified. Consequently, the CAP follows three objectives (the following order does not indicate any particular prioritization):

- Identification of transformative activities that are characteristic of the regions.

- Creation of critical mass needed to successfully develop transformative activities within regions through facilitating cross-regional cooperation.

- Using clusters to get innovation actors engaged in transformative activities.

Actors

The CAP follows a multilevel stakeholder approach and engages different actors. The key beneficiaries, in the end, are **industry** and **academia**. They become key drivers by turning transformative activities into emerging industries that lead to new markets, business opportunities and job creation. **Cluster initiatives and regional networks** are important as tools to develop and implement cluster-based regional development strategies targeting the development of transformative activities. Consequently, cluster initiatives (and similar entities) have to be able and willing to play this role, which is relatively new for most cluster initiatives in the Alpine region. They are getting involved in the entire development and implementation process on regional strategies targeting transformative activities. **Regional policy makers** are addressed by the CAP by motivating them to leave traditional paths of policy making. The CAP also helps by making more efforts to identify the real transformative activities relevant for their regions and by using cross-border interventions as tool to meet regional goals faster and more efficiently. A high degree of openness and strong promotion of the synchronized scheme approach are key to succeeding in this regard. The CAP also intends to address the **AlpGov consortium**[1] which is aimed at implementing EUSALP governance structures and mechanisms as outlined in the EUSALP Action Plan. The AlpGov consortium supports a joint approach for implementing the EU-Strategy of the Alpine Region. Due to the fact that AlpGov covers the entire Alpine region, AlpGov is the appropriate actor to implement the idea of a synchronised scheme rather than to coordinate the entire CAP as part of the EU-Strategy of the Alpine Region.

Proposed Actions

The following five different actions lines are intended to turn regional transformative activities into new industries.

ACTION LINE 1: Provide a Base of Evidence

ACTION LINE 2: Identify Transformative Activities

ACTION LINE 3: Define Actions to develop TA

ACTION LINE 4: Support Implementation of TA

ACTION LINE 5: Evaluation and Monitoring

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1 As a good practice the Nordic Council, as coordinating entity of the Baltic Sea Region, took over the coordination of the Baltic Sea Region Innovation Express, a transregional synchronized call scheme aiming to promote cross-regional cluster to cluster cooperation.

ACTION LINE 1: Provide a Base of Evidence

Providing a sufficient base of evidence based on proper qualitative and quantitative analytics is needed to get a realistic picture of the current status of the region. There are many well established approaches to collect this information. Some of such analytics are designed to catch the current status in terms of strengths / weakness analysis, sector analysis, etc. However, most of these approaches do not involve clusters at this stage of analytics. The decisive role of clusters in getting innovation actors engaged in transformative activities needs to be clarified. Therefore, the present CAP promotes a **StressTest** to systematically analyse the role of clusters in the implementation of regional strategies. The other important tool proposed is **S3 Synergy Diamond**, a strategic tool designed to facilitate evidence-based discussions on transformative actions and areas of specialization.

StressTest

Objectives: The StressTest reviews and assesses the status-quo of the implementation process of Smart Specialisation Strategies (S3) or other regional strategies through clusters. Due to its analytical nature, StressTesting can also be used as an analytical tool for those regions that already have certain experiences in developing and implementing S3 through clusters and intend to better monitor the entire process.

Methodological approach: The StressTest tool determines how and where clusters can be most supportive as tools to foster industrial transformation and economic growth. Due to its benchmarking approach, it serves the purpose of comparing regional approaches with others based on 31 specific indicators to stimulate mutual learning. By now, the StressTest database contains 25 regions as a benchmarking portfolio.

StressTesting addresses both policymaking and implementation processes. The approach examines the role of clusters in the design of S3 and the regional support schemes for cluster initiatives. It provides insights on the coordination and alignment of S3 at the regional and national level. It also considers questions about the ability of cluster initiatives to implement new innovation models, further develop regional transformative activities and to operate as requested in the given regional development strategies.

The StressTest approach is based upon six dimensions of policy design and implementation as shown in Figure 3. Although regions are different in many respects, there are six similar key dimensions, which are nevertheless similar for all policy making and implementation processes.

Figure 3: Dimensions of the policy-making and implementation process used in the StressTest[2]

Target group: StressTesting is intended for regional policy makers or related entities being in charge with the development and implementation of S3 or related regional strategy. It actively involves the following target groups that are mainly involved in the S3 development and implementation processes

- Regional policy makers in charge of the development and implementation of S3

- Cluster managers (and similar positions)

- Other stakeholders such as representatives from regional development agencies, regional councils or other entities closely involved in the development and implementation of S3.

The **target group** will be involved by participating in a single survey based on about 25 questions.

The StressTest provides detailed information about the status quo of development and implementation of S3 through clusters by benchmarking regional approaches based on 31 indicators according to the six dimensions of policy making. The StressTest report illustrates strengths and weaknesses of the regional approaches and provides recommendations for improving actions. Done on a regular basis, it also illustrates the progress made over time. The results of the StressTest also pave the way for another important question of how S3 can help to define new innovation models in further detail. Thus, it fully considers the two-way interplay between clusters and S3.

Role of cluster initiatives: Cluster initiatives act as key respondents during the StressTest survey. They provide a detailed feedback to all questions related to the design and implementation of S3

or related strategies. Furthermore, cluster initiatives support the StressTest coordinator with expertise and, if necessary, access to additional stakeholders to be involved in the StressTest.

S3 Synergy Diamond

Objective: The S3 Synergy Diamond is a strategic tool to facilitate evidence-based discussions on transformative actions and areas of specialisation in the regional and cross-regional context. It helps regions to analyse their areas of specialisation in the context of transformative actions and to better target cross-regional collaboration that can create synergies.

Methodology: The S3 Synergy Diamond approach is based on the assumption that transformative actions mainly emerge between priority areas as a result of increasing industrial convergence. The S3 Synergy Diamond groups the priority area of a given region at the corners and supports the identification of transformative activities between them (s. Fig. 4). In the end, the entire S3 Synergy Diamond illustrates where relevant transformative activities emerge from in a given (macro) region. The S3 Synergy Diamonds provide a setting for evidence-based inputs and common discussions. They also present a tool for redirecting attention to the actions that are led and motivated by entrepreneurs.
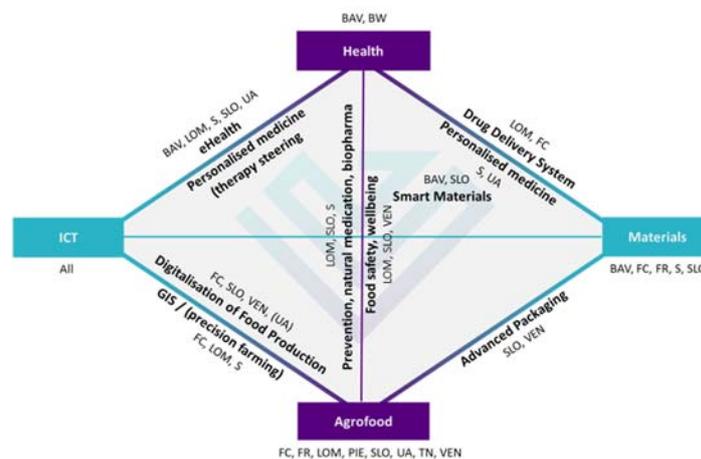

Figure 4: S3 Synergy Diamond targeting the EUSALP challenge: Demographic Change

The approach of the S3 Synergy Diamond is explained by means of the challenge of Demographic Change for the Alpine Region. Health, ICT, Agrofood and Materials are, without doubt, strongholds for many Alpine Regions. (These are mentioned at the corners of the S3 Synergy Diamond in Figure 3). They can be considered as important sources where innovative products and services of tomorrow will lead to new solutions to cope with Demographic Change. In between these fields of strengths, significant transformative activities are ongoing and emerging. The S3 Diamond helps to identify these transformative activities and is able to demonstrate that, in the above mentioned case, much of the Alpine Region is dealing with very similar transformative activities such as the following:

- E-Health or personalised medicine (that will contribute to a better life for elderly people) or

- Increased food safety, functional food and smart packaging (that will contribute to a healthy nutrition and better focus on the needs of the older population segments of society).

In the given case, the S3 Synergy Diamond illustrates where need-based, cross-regional exchanges among regions might be beneficiary. This is especially true in those cases where regions have identified the same transformative activities, but are too small to succeed alone.

The sectoral dynamics and the flow of interactions are linked to future development and are not presented in the S3 Synergy Diamond. Concerning this matter, the S3 Synergy Diamond provides critical inputs for cross-regional Entrepreneurial Discovery Workshops (cEDW, see also Action Line 2 below). Embedding the S3 Synergy Diamond in this exact manner into the cEDW helps to focus on what is expected to happen between the corners and identify related regional transformative actions. As a result, cEDW can serve as a forum in which such interaction might be initiated and can help to foster the creation of meaningful cross-regional linkages and gain critical mass.

Once the transformative actions are identified by means of the S3 Synergy Diamond approach, they can be grouped and prioritized according to regional strengths and period of relevance (short, medium or long term). This is based on how strong the region is related to a given transformative activity compared to the national and global level. Such a prioritization is beneficial for regions during the identification process to determine which transformative activity to place the focus on first. Furthermore, the comparison of regional strengths assists regions to better pinpoint how and why to cooperate cross-regionally. Cross-regional cooperation is important:

- in those cases where a given transformative activity has been determined to be of high relevance, but the region is not well positioned yet. Here cross-regional cooperation with partner regions that are strong with regards to this transformative activity is needed. Business-oriented cooperation supports the "weaker region" to catch up in a fast way without extensive investment in knowledge or technologies; and, .

- in those cases where a given transformative activity has been identified to be of high relevance, and the region is well positioned already. Here cross-regional cooperation with peer partner regions makes sense, focusing on common R&D and innovation to jointly enhance the leading position in the long run.
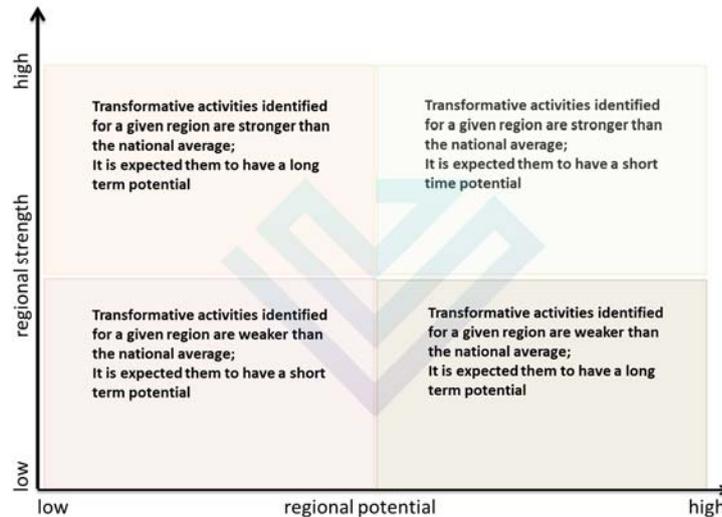
Figure 5: Prioritization of transformative actions according to regional strengths and potential

Role of cluster organizations: Cluster organizations provide detailed input in the preparation phase. Selecting the right Priority Areas (corner stones of the Diamond) are key for success. The expertise of the cluster management team and a high openness for cross-sectoral topics helps to identify those transformative activities which are of relevance for the region. This also means that cluster managements shall not adhere to traditional sectoral boundaries nor do lobbying for "their" members.

ACTION LINE 2: Identify Transformative Activities

Transformative activities can be defined as a number of innovation related activities done by a group of actors targeting the same (technical, market or industrial) area, having the potential to significantly transform existing industries. However, they are always difficult to identify since traditional statistics and indicators are missing. Action Line 2 of the CAP proposes the Entrepreneurial Discovery Workshop as a key action to identify those transformative activities which are relevant for a given region and not those that are considered to be fancy or politically attractive.

Entrepreneurial Discovery Workshop
Objectives: The Entrepreneurial Discovery Workshop (EDW) aims to identify those transformative activities which are of highest relevance for a given region and are most likely to turn into emerging industries in the future.

Methodological approach: The EDW is based on an interactive bottom-up approach in which participants from different environments (policy, business, academia, etc.) identify opportunities that emerge in the future and turn into emerging industries. The EDW represents an approach in

priority-setting, which is crucial for developing S3. More importantly, it does so in a non-prescriptive, bottom-up fashion, where no individual player is supposed to have *a priori* preferential access to knowledge about future opportunities/developments. It is through the interaction of all sides that such identification emerges[3].

The identification and definition of Priority Areas, preferably using the S3 Synergy Diamond, serves as mandatory input for the EDW. Basically, the EDW as such is not new. It has been applied in various occasions for quite a while. However, the findings within the S3-4AlpCluster project have revealed that the outcomes of EDW did not always meet the expected outcomes since a clear focus was often missing. Consequently, the Cluster Action Plan recommends improving the EDW methodology in three regards:

- Firstly, besides a well-designed analytical input, the involvement of a proper mix of participants is crucial. The involvement of cluster initiatives and cluster organisations provides high added value. Cluster managements represent actors from industry and academia with good knowledge of markets and technology. Furthermore, they are free of any particular individual interest and they primarily represent the interest of their cluster actors. Thus, involving all cluster managements or representatives from a region is strongly recommended to assure a well balanced mix of competences and interests. Furthermore, participants from other environments (policy, business, academia, regional development agencies etc.) shall also be involved.

- Secondly, it is beneficiary to also implement so called cross-regional Entrepreneurial Discovery Workshops (cEDW) with neighbor regions or partners from the Alpine Space Macro Region. The cEDW helps to find common interests, but also complementary competences from several regions. While there is interest on the part of several regions to cooperate in order to gain critical mass, there is no consensus on which fields to cooperate. A cEDW can jointly identify similar transformative activities which are of relevance to several regions. There is also a need for a common undertaking to turn them into emerging industries.

- Thirdly, it is of high importance to focus on the right scope within an EDW. Experience has shown that if the scope is too narrow (e. g. only agriculture), many important transformative activities are overlooked. If the scope is too broad, the discussion and the "discovering process" is not able to really lead to relevant important transformative activities. Entrepreneurial discovery exercises applying such S3 Synergy Diamonds have proven to provide higher quality, with higher fact-based outputs. They have served to guide the discussion towards the main prevailing transformative actions which are of interest to the regions[4]. The S3-Synergy Diamond tool is a good methodology to guide the participants of an EDW in such a way that a proper scope for the entrepreneurial discovery process is applied.

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[3] Capello, R. (2014). Smart Specialisation Strategy and the New EU Cohesion Policy Reform: Introductory Remarks. Scienze Regionali, 13 (1), 5–14.
[4] The S3 Synergy Diamonds have been applied in connection with entrepreneurial discovery processes in Munich (Bavaria), Linz (Upper Austria) as well as in Milano (Lombardy) in the period of March – May 2017.

Role of cluster organisation: Cluster organizations provide detailed input during the preparation of the EDW. Furthermore, they act as key experts during the EDW, representing the entire sector they stand for. Excellent knowledge about current and upcoming market and technology trends relevant for the region is required. An active participation is mandatory as well strong support of the organiser. In case a cross-regional EDW has to be implemented, the cluster management is also requested to support the organizer to identify those transformative activities which have a cross-regional dimension and have to be tackled by need-based cooperation across regions.

ACTION LINE 3: Define Actions to develop TA

Actions needed to develop transformative activities can significantly vary from region to region. It depends on the administrative and economic situation of the region but also on the level of maturity of the transformative activities. Consequently, at this development stage, concrete actions are needed to be implemented to best address the identified transformative activities and develop them further. The CAP proposes two tools that might be helpful.

Action Development Workshops / cross-regional Action Development Workshops
Objectives: The objective of the Action Development Workshops (ADW) or cross-regional Action Development Workshops (cADW) is to identify and develop the actions necessary to further develop the identified transformative activities. Consequently, the participants shall, in an open and inspiring setting, discuss processes, activities, collaboration schemes, roles and coordination practices, designed to promote the development of transformative activities further.

Methodological approach: The character and methodology applied for the ADW might significantly differ among regions. In any case, the cross-regional Action Development Workshops (cADW) place emphasis on developing cross-regional actions to create critical mass for transformative activities requiring access to extra-regional capacities. It would be reasonable to develop a roadmap within such ADW / cADW including upcoming technology and market trends within the areas of transformative activities. These include defining missing links or identifying existing constraints. In any case, in the end, the ADWs / cADWs shall contribute to this process. The agendas of the ADW / cADW shall not only be driven by a technological perspective but also by market, society and framework condition perspectives.

Target group: The mix of participants is crucial for the success of ADW / cADW and cluster initiatives play an important role. Due to the cross-sectoral nature of transformative activities, different competences from several sectors are needed. Cluster managers are key actors, but also representatives from start-ups and SME are needed.

Role of cluster organisations: Cluster organisations provide significant input in the preparatory phase as well as in support for the organizer to attract the right participants from all levels.

Alpine Cluster Innovation Express (ACIE)
Objectives: The ACIE is a common approach implemented by several regions aiming to support the development of the same transformative activities. Facilitating collaboration across-regions helps to gain critical mass to develop transformative activities by demand-driven collaboration across regions. Focus is placed on cross-border learning, competence development and innovation

creation. Bundling different competencies from cluster actors from participating regions provides good framework conditions for cross-regional innovations.

Methodological approach: The ACIE is funded by already existing regional programs whose calls are synchronized accordingly. This means there is no need to provide additional funding but rather to synchronize existing programs and calls. It is designed to support collaborative projects among several partners, all of whom apply according to their "home" funding role. The ACIE has the significant advantage that funding does not cross any borders nor do any regional application procedures need to be changed. Due to the fact that already existing programs are involved, the ACIE does not require additional money. By synchronizing existing programs, the calls that are directed at similar targets allow for an increase in the critical mass and a bundling of complementary regional competences. Thus, the targets can be faster and more efficiently reached than if different regions would each try to succeed separately. The focus of the ACIE is placed on further developing transformative activities which are high priorities for all the participating regions. ACIE applications are evaluated based on the selection criteria set forth in the ACIE along with criteria from regional/national funding organisations.

When developing an ACIE, attention is given to the design of the related support schemes. Discussions at that stage help to further define activities under the ACIE scheme to develop transformative activities further.

A draft ACIE Call is enclosed in the appendix to this plan.

Target Group: The ACIE follows a multi-level stakeholder approach. Regional policy makers and program owners   work to move existing regional support schemes towards cross-regional synchronization. The beneficiaries are firms, intermediaries and academia, depending on the scope of the ACIE and the targets to be addressed.

ACTION LINE 4: Support Implementation of TA

Actions proposed in this phase are designed to support the execution of the developed actions, ultimately aiming at the implementation of the identified transformative activities. Since both the identified transformative activities and the concrete developed actions are unknown *ex ante* and can take a multitude of different forms, the CAP does not target this phase with a specific tool. While most cluster services known are mainly intended to support competitiveness and innovation capacity of individual firms (cluster members), there is a need to develop a Tool Box for cluster services intended to better address transformative activities on regional level. The CAP invites interested regions to contribute to the development of such Transformative Activities Cluster Tools (TACT). The Alpine Cluster Innovation Express (ACIE) (see Action Line 3 above) is a powerful tool to support implementation of transformative activities by engaging firms in cooperation across regions and, by doing so, enabling a critical mass to better address transformative activities.

ACTION LINE 5: Evaluation and Monitoring of CAP Implementation

The recent experiences with S3 development and implementation have shown that transferring theory into practice is a challenge. The CAP is following the new approach of supporting the development of transformative activities. In general, the evaluation contributes to a process of

mutual learning and knowledge exchange at the relevant actor levels. On the basis of the evaluation results, the performance, effectiveness and sustainability of the implementation of the CAP could be measured and corrective improved.

Since the CAP follows a multilevel stakeholder approach (regional policy makers, cluster initiatives and regional networks, industry and academia) it is important to show fact based improvements achieved by CAP. Therefor an evaluation and monitoring process should be planned from the very beginning. Otherwise comparable data for indicators are missing. Data from evaluation of the previous S3 strategy or a previous stress test result could be used as a starting point. Nevertheless it is important that the quantitative indicators are always related to the action/institution involved as well as related to the amount input provided.

Due to the novelty of the CAP approach and related action proposed, it might be advisable to not only run an ex-post evaluation after a certain period of years rather than an formative evaluation that identifies what works and what doesn't work as well as fields of improvement even during the implementation of the CAP.

The CAP invites interested regions to get engaged in the development of evaluation tools to monitor and evaluate the measures, cluster services and policy interventions connected with the CAP, intended to develop transformative activities further.

S3-4AlpClusters in a nutshell

Smart Specialisation with Smart Clusters

Smart Specialisation Strategies (S3) are a lever of EU Cohesion Policy. One of the biggest challenges is to make use of the interplay between S3 and clusters. How can S3 be used to foster innovation processes and spark entrepreneurship within clusters? How can S3 be implemented through clusters to gain sustainable and inclusive growth? There is a lack of experience among regions on how to use clusters in the implementation of S3 and how to develop implementation tools to fully benefit SMEs. In addition, alignment between and knowledge about other regions' strategies are very limited.

This is exactly the focus of the S3-4AlpClusters project, which believes that the interplay between S3 and clusters is an innovative approach that could spread innovation in the whole Alpine Space. S3-4AlpClusters will launch cross-regional coordinated actions between the different sectors/regions involved and enhance transnational cluster cooperation. The final aim is to generate critical mass for SMEs and to improve the framework conditions for innovation in the Alpine Space.

S3-4AlpClusters will develop:

- A joint transnational cluster action plan to improve transnational, cluster-based cooperation
- An S3-based innovation model for cluster development
- A fully synchronized call scheme
- New services validated by pilot clusters

The S3-4AlpClusters community includes cluster managers, entrepreneurs, academics and policymakers, and is supported by public authorities and S3 experts.

The NUMBERS of S3-4ALPCLUSTERS

15 Partners

35 decision makers

9 Observers

11 Alpine Regions

830 SME

10 pilot clusters to be involved

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PROPLAST - Consortium for the Plastic Culture Promotion

Cluster Technologies for Smart Cities & Communities Lombardy Foundation

Autonomous Province of Trento (PAT)

Trentino Innovation Hub

Lombardy Region Government

Bavarian Research Alliance GmbH

Government Office for Development and European Cohesion Policy

Veneto Innovazione S.p.A.