



EXECUTIVE SUMMARY

EU-Chile cooperation on regional innovation systems in the framework of regional policy. N° 2012CE160AT036

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Executive summary: EU-Chile cooperation on regional innovation systems in the framework of regional policy.

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1. BACKGROUND

1.1. BRIEF DESCRIPTION OF THE HISTORY OF EU-CHILE RELATIONS

In retrospect, **bilateral relations between the European Union and Latin America** go back to the **60s**. Between then and more recent times, the relationship has developed progressively. The European Union has positioned itself in recent years as the biggest foreign investor and the second most important trading partner in Latin America.

The strategic partnership between the European Union and Latin America strengthened over the first decade of the 21st century. In the EU, Latin America and the Caribbean (EU-LAC) summit launched in June 1999, a great number of commitments were made at various levels (political, economic, social, cultural and educational), which have been maintained over time through action plans at each summit and were formalised in the Rio de Janeiro Declaration.

The 2006 summit in Vienna was based on the document "*A stronger partnership between the European Union and Latin America*", which recognised that the process of Latin American integration played an important role in strengthening the stability and security of the region and in the promotion of sustainable development. It also reflected the growing influence of Brazil and Mexico at the international level.



In the framework of the politics of cooperation, on 29 July 2008, the Government of Chile and the European Community signed a specific funding agreement, from which was launched the Programme for Innovation and Competitiveness. This programme promoted the use of various tools to improve public policies of

innovation and competitiveness, including a vision of economic and technological cohesion at regional level. This is the framework in which was created the **RED project** "*Connecting Innovation in Regions*", officially known as Project "**Supporting the Development of a Regional Innovation System that Promotes Innovative Regions**".

Subsequently, during the EU-LAC summit held in Madrid in 2010, the EU-LAC Foundation was created to strengthen bi-regional strategic cooperation and improve mutual understanding.

Although debates at these summits take place at bi-regional level (EU-LAC), specialist debates are held in parallel with specific sub-regions (MERCOSUR, Andean Community, etc.) and countries (Brazil, Mexico, Chile, Argentina, etc.). This led, amongst other things, **to a specific dialogue with Chile**, which in 2010 was called EU-Chile Dialogue on Regional Policy. In this context, the priorities of the EU-Chile work plan for the period 2011-2012 were as follows:¹

- **Multi-level governance/decentralisation**, motivated by the OECD's recommendations to Chile to take a more regional approach to decentralisation enabling greater economic development of the various regions as a necessary condition to improve competitiveness as a whole.
- **Cross-border cooperation**, enabling greater cooperation in border regions in Chile based on the European experience and initiating a series of information and training activities.
- **Regional Innovation Strategies**, which were developed in the framework of the RED project, cofunded by the EU.



It was in this context, in 2010, in the framework of the EU-Chile Dialogue on Regional Policy, that the Undersecretariat for Regional and Administrative Development (Subdere) of the Government of Chile and the European Commission Directorate-General for Regional Policy signed a **memorandum of understanding on the Dialogue on Regional Policy**. This memorandum established that: "*The dialogue shall address, inter alia, the exchange of information and practices in policies aimed at promoting economic, social and territorial cohesion, including cross-border cooperation; the establishment and implementation of regional policy and organisation of territorial development strategies; issues related to multi-level*

¹ InfoRegio. International Cooperation. DG REGIO. Link: http://ec.europa.eu/regional_policy/cooperate/international/other_en.cfm#2

*governance and partnership; and procedures and methods of planning and evaluation”.*²

This is the context in which cooperation on regional innovation systems in the framework of regional policy takes place, in particular *EU-Chile cooperation on regional innovation systems in the framework of regional policy (Nº 2012CE160AT036)*, of which this project forms part.

In addition, in the framework of the EU-Chile Cooperation Programme, the experience of RIS in Europe was transferred from 2011 to 7 regions of Chile that had joined the RED project, from which they defined their Regional Innovation Strategies. Likewise, in 2013 the experience was extended by the Chilean Government to 4 more regions of Chile, which are currently developing their strategies.



This made it necessary, on the one hand, to strengthen post-strategy aspects such as implementation, evaluation and monitoring in the 7 regions that had already defined their strategies and, on the other hand, to transfer methodologies and experiences to the 4 regions that had initiated and are currently developing processes of strategic reflection in the area of regional innovation.

Consolidation of the decentralisation process and training in defining strategies and measures to support innovation are still fragile; therefore, continued European support in the future seems essential in order to consolidate the training of regional teams to implement the strategies in a stable manner.

² Memorandum of understanding on the Dialogue on Regional Policy between the Undersecretariat for Regional and Administrative Development of the Government of Chile and the European Commission Directorate-General for Regional Policy.

THE RED PROJECT

The RED project, Connecting Innovation in Regions, began in 2010 with 7 regions and expanded in 2012 to incorporate a further four regions. This expansion reflects the desire to move from words to action, generating agreements and expressing a reality that needs to be addressed in Chile, which is the leap to development through innovation and competitiveness of all its regions in a joined-up manner.

In August 2010 the regions of Arica and Parinacota, Tarapacá, Antofagasta, Coquimbo, Metropolitan, O'Higgins and Biobío joined the project via a selection process that included a regional commitment letter from the Regional Governor and the corresponding Regional Councils. The regions of Valparaíso, Araucanía, Los Lagos and Aysén joined at a later stage.

This project has sought to support government policies and strategies promoting innovation and competitiveness in Chile, tackling three major issues: generating the ability to drive innovation in each region, pursuing a new process to strengthen decentralisation and meeting the challenge of making Chile competitive in a globalised world.

The technical proposal of the project thus suggested carrying out a series of actions to guarantee the effectiveness of the transfer of experiences of European regional policy, in particular on innovation, to various regions of Chile that were, in turn, in different stages of the definition and implementation of their innovation strategies.

At first, this project therefore focused on two groups of regions of Chile (different actions were proposed for each group of regions):

- **Firstly, there were the 7 regions of Chile that had already participated in and launched the RED project** (Tarapacá, Antofagasta, Coquimbo, O'Higgins, Biobío, Metropolitan and Arica and Parinacota). These regions had already defined their innovation strategies in the framework of the RED project. Technical assistance was aimed, amongst other things, at improving their ability to manage and implement these strategies, monitoring and evaluation, and programmes designed to improve the levels of innovation and participation of SMEs in regional innovation systems.
- Secondly, **there was another group of new regions of Chile** that began defining their Regional Innovation Strategies in 2013 (Araucanía, Aysén, Los Lagos and Valparaíso). This second group of regions required training that also looked at the process of defining Regional Innovation Strategies, the main instruments of regional innovation systems and mechanisms of participation of SMEs.

1.2. THE IMPORTANCE OF REGIONAL INNOVATION STRATEGIES IN THE EUROPEAN UNION AS A REFERENCE FOR CHILE

The experiences of the European Union in the 80s, through programmes such as STAR, STRIDE, TELEMATIQUE, ENVIREG, VALOREN, etc., **focused on a linear model of innovation**, through which it was hoped that better results would be achieved in the innovation of companies by driving basic R&D and intermediate infrastructure (supply-driven approach).

This approach changed in the 90s to a systemic approach giving greater importance to regional innovation systems and demand-driven innovation. Out of this framework arose the pilot programmes RTP, RIS, RIS+ and RITTS.

The European Commission, aware that some less developed European regions were structurally lagging behind, implemented actions to drive technological modernisation and activate the capacity of their regional innovation systems to improve their competitiveness. In this context, **Regional Technology Plans (RTP)** were developed as a pilot project. These initiatives were funded and supported by the European Commission through two Directorate-Generals (Directorate-General for Telecommunications, Information Industries and Innovation (DGXIII) and Directorate-General for Regional Policy and Cohesion (DGXVI)) and co-funded with ERDF funds.

The success of the Regional Technological Plans served as a precursor for the launch of **Regional Innovation Strategies (RIS)**, which took a systemic approach to innovation taking into account the importance of actors at regional level.

The objectives of the **Regional Innovation Strategies**³ were as follows:

- a) To urge regions to develop Regional Innovation Strategies and improve the capacity of regional actors to develop policies which take into account the real needs of the business sector and the strengths and capabilities of the region in the field of RTDI.*

³ Information Pack for the Second Project of Inter-regional Cooperation and Innovative Actions within the Structural Funds 1995-1999. DGXVI, Regional Policy and Cohesion.

b) To provide a framework for the European Union and the regions to optimise policy decisions regarding future investments in research and development and technology transfer initiatives at regional level.

RIS was followed by **RIS+**, through which specific pilot activities were carried out at regional level according to the priorities defined in the RIS.

In addition, the DG XIII, subsequently the DG Enterprise and Industry, implemented **Regional Innovation and Technology Transfer Strategies and Infrastructures** (RITTS), also focused on demand-driven innovation. These strategies gave greater emphasis to improving the capacity of technological infrastructures to support innovation in companies, especially SMEs, as a first step towards boosting regional competitiveness. Thus, RITTS focused on improving the efficiency of policies and infrastructure geared towards RTDI, whereas RIS was focused more on improving innovative capacity linked to regional development.

For its part, the **Regional Programme of Innovative Actions**⁴ (PRAI) launched by the European Commission for the period 2000-2006 represented a new milestone and approach to regional RTDI policies, enabling the implementation of actions with a wide-ranging view of and open approach to innovation. The focus of these public actions was to drive an economy based on knowledge and technological innovation.

Why do RIS represent a milestone in European regional policy?

RIS are one of the most important pillars of EU cohesion policy because their approaches reflect the strengths and potential of key actors in the region with the aim of offering a common platform to promote, design, implement, manage and evaluate regional innovation policy.

Regional Innovation Strategies (RIS) are participatory processes whose aim is to define the strategy and action plan that will contribute to the regional development of innovation and competitiveness whilst optimising innovation policies and infrastructure.

⁴ Communication of the Commission: "Regions in the new economy". Guidelines for innovative actions under the ERDF in 2000-2006 [COM (2001) 60 final – not published in the Official Journal].

RIS are based on a methodology containing **four basic elements**, as well as being flexible enough in content to adapt to the specific circumstances and context of each region:

- a) *Regional Innovation Strategies (RIS) **should be based on consensus and public-private partnership**. The private sector and the main regional entities of RTDI must be united in the development and implementation of the strategy.*
- b) *RIS **must be driven by demand**; i.e., they must focus on the innovation needs of companies, especially SMEs.*
- c) ***They must be geared towards action**. The result of the process must be new projects or blueprints for business innovation.*
- d) ***Regions participating in RIS must exploit the inter-regional dimension** through commitment to inter-regional cooperation and analysis of policies and methodologies.*

RIS are a **tool with great potential to contribute to the planning of a solid innovation system** by defining vertical policies focused on regional realities and their respective tools for monitoring and evaluation. It is widely believed in Europe that Regional Innovation Strategies (RIS) contributed to the development of the regions in which they were implemented.



An aspect not always recognised due to its intangibility is 'regional learning in relation to RTDI'. **In many European regions, the process of devising the strategies was also a learning process for all regional, public and private actors**. It led to public-private collaboration processes, inter-regional cooperation projects, the first ever analysis of technological knowledge and demand and systematised regional technological supply, to cite a few examples. This collective learning is now essential to compete in the global economy.

In short, **Regional Innovation Strategies (RIS) are mechanisms to contribute to economic and technological territorial cohesion, insofar as they promote the development of technological knowledge and supply at regional level, thus helping to alleviate the tendency towards geographical concentration of innovative activities and knowledge centres.**

In addition, insofar as regions gradually improve their development indices, thereby generating wealth and well-being, the country as a whole is put on the path to growth and development.

2. APPROACH OF THE PROJECT

The first milestone of interest was the devising of a work plan (included in the *Initial Report*) that detailed the tasks, deliverables and dates that made up the four activities set out for the project:

- **Activity 1:** Ongoing coordination with DG REGIO officials
- **Activity 2:** Technical assistance to regions participating in the RED project
- **Activity 3:** Training programme for regions that have recently joined the RED project
- **Activity 4:** Organisation of the final conference

The objectives set for each of these four activities were as follows:

ACTIVITY	OBJECTIVE
Activity 1: Ongoing coordination with DG REGIO officials	To establish communication with DG REGIO officials in order to inform them periodically of progress in the project and the results being achieved.
Activity 2: Technical assistance to regions participating in the RED project	To consolidate learning generated in the process of defining Regional Innovation Strategies undertaken in the 7 regions of Chile participating in the RED project, as well as contributing to the acquisition of a better understanding of how to implement these strategies, the instruments that are used to support innovation and how these are used in regional innovation policies.
Activity 3: Training programme for regions that have recently joined the RED project	To train new regions of Chile that have recently joined the RED project in order to equip them with the prior knowledge necessary to guide the process of defining Regional Innovation Strategies.
Activity 4: Organisation of the final conference	To disseminate the results and experiences obtained and the exchange of knowledge and practices between the various players involved.

Final Report: EU-Chile cooperation on regional innovation systems in the framework of regional policy.

These activities were developed through a series of tasks for each activity to ensure that they were carried out correctly. The tasks generated the following deliverables and milestones:

ITEM	DETAILS
DELIVERABLES	<ul style="list-style-type: none"> ▪ D1: Initial report ▪ D2: Interim report on the seminar (technical assistance) ▪ D3: Interim report on the study visit (technical assistance) ▪ D4: Interim report on the tutorials (technical assistance) ▪ D5: Interim report on the seminar (training programme) ▪ D6: Interim report on the study visit (training programme) ▪ D7: Interim report on the final conference ▪ D8: Final report ▪ D9: Methodology for the active participation of Chilean delegates in study visits (technical assistance) ▪ D10: Guidelines for improving the management of Regional Innovation Strategies ▪ D11: Implementation guidelines for a range of innovation services to SMEs according to the selected areas of interest. ▪ D12: Guidelines for the implementation of the pilots. ▪ D13: Methodology for the encouragement and active participation of Chilean delegates in study visits (training programme) ▪ D14: Template of practical and methodological report to be filled in (training programme) ▪ D15: Practical reports to be written by Chilean technicians ▪ D16: Online platform for training and the exchange of knowledge (web 2.0)
MILESTONES	<ul style="list-style-type: none"> ▪ M1: Seminar held in Chile (technical assistance) ▪ M2: Study visit to European regions (technical assistance) ▪ M3: Tutorials in regions of Chile (technical assistance) ▪ M4: Seminar held in Chile (training programme) ▪ M5: Study visit to European regions (training programme) ▪ M6: Final conference held

3. PROJECT LAUNCH SEMINAR⁵

The Launch Seminar took place at the Hotel Caesar Business on the 14th and 15th of March 2013 (regions already participating in the RED project) as well as the 18th of March 2013 (regions joining the RED project) in Santiago de Chile.

The first two days (14th and 15th) were aimed at regions already participating in the RED project (Tarapacá, Antofagasta, Coquimbo, O'Higgins, Biobío, Metropolitan and Arica and Parinacota) and the final day, the 18th, was aimed at new regions joining the RED project (Valparaíso, Araucanía, Los Lagos and Aysén). In the end, Aysén did not attend on the final day because that week was the public launch in the region of the start of preparations for the strategy. However, there were attendees from the region of Maule, which was considering starting its own strategy.



In the context of the project, **in relation to the 7 regions already participating in the RED project**, this seminar enabled them to present the cooperation project in the framework of dialogue, to train technicians involved in developing Regional Innovation Strategies in specific aspects related to strategy management, monitoring and evaluation, instruments for the inclusion of SMEs in the regional innovation system, etc. and to present the European framework of cooperation and specific programmes.



With regard to the new regions, the seminar was aimed at informing Chilean delegates of the characteristics of the project, the theoretical and methodological framework of development of Regional Innovation Strategies and the importance of innovation in regional policies, presenting as a case study the programming of RTDI policies.

⁵ The presence of European speakers at this seminar was possible thanks to the collaboration of Culminatium Innovation Oy Ltd (Helsinki, Finland), the SPRI (Basque Agency for Business Development, Basque Government, Spain) and Meta Group S.R.L. (Italy).

CONTENT COVERED IN THE SEMINARS

INITIAL SEMINAR AIMED AT THE 7 REGIONS ALREADY PARTICIPATING IN THE RED PROJECT

- Current trends in regional innovation policy in the European Union.
- European regional policy: principles, objectives, system of governance.
- How to implement an innovation policy.
- Systems of governance, monitoring and evaluation in innovation policies.
- Clusters as an innovative instrument.
- Support instruments to generate innovative processes in SMEs.
- Financial instruments and venture capital.
- Innovation in regional policy in Sweden and Finland.
- The results of an innovation policy: Helsinki.
- RIS in the programming of regional policy in France.

INITIAL SEMINAR AIMED AT REGIONS THAT HAVE RECENTLY JOINED THE RED PROJECT

- Basis and methodologies for defining a Regional Innovation Strategy.
- Governance, concrete measures and monitoring, key for the success of RIS.
- Innovation in regional policies.
- Funding innovation and venture capital.
- The Basque experience of programming RTDI policies.

3.1. DETAILS AND CONCLUSIONS DRAWN FROM THE LAUNCH SEMINAR FOR REGIONS ALREADY PARTICIPATING IN THE RED PROJECT

The launch seminar for regions already participating in the RED project took place on Thursday 14th and Friday 15th March 2013. These sessions were attended by those from regions that had already devised their strategy in the framework of the RED project and were therefore interested in hearing experiences of implementation, since they already had practical knowledge of why and how to devise a Regional Innovation Strategy.

It should be noted that this seminar was attended by more people from the regions than was initially foreseen in the specifications. The decision was made to accept the extra attendees and defray the inherent infrastructure costs because it seemed appropriate to meet the expectations raised by the seminar, which was seen as an excellent opportunity to disseminate European know-how in developing regional and territorial innovation policies.

In addition to representatives from the regions, **there were also a large number of people from national agencies and ministries such as CORFO [Chilean Economic Development Agency], INAPI [National Institute of Industrial Property], CONICYT [National Commission for Scientific and Technological Research] and the Ministry of the Economy, as well as Subdere itself** (from which everyone associated with the RED project attended the seminar at one time or another).

The seminar took place in a central hotel close to government buildings in order to facilitate the participation of those coming from the institutions of the central government.

In addition, it was decided that the hotel where the seminar was held would also host those coming from the regions and provide meals, which facilitated smooth relationships amongst both Chilean participants and European speakers.

The seminar was opened by Mario Varela, head of the RED project at Subdere, and Sophie Behrmann from the EU delegation in Chile (she replaced Ronald Hall, the person designated to open the seminar, who could not carry out this role because his plane arrived late in Santiago de Chile).

Both speakers highlighted the importance of the RED project in consolidating the process of decentralisation in Chile, giving regions instruments enabling them to improve their capacity to manage resources. They also stressed that the project had allowed them to provide visibility to European policies and demonstrate the capacity for decentralised technological cooperation in Europe.

The next speakers covered various aspects of the implementation of policies and the instruments used in European regions and by the European Commission to promote greater competitiveness and capacity for innovation in different areas.

In particular, Mr Hall commented on both the development and perspectives of European regional policy, as well as on the way in which Structural Funds and objectives of regional development interventions are linked and managed.



Following each of the speeches were questions and comments from the Chilean attendees, who were interested both in enhancing their understanding of European policies and the possibility of applying the experiences presented to their respective realities.

During the last session of the afternoon of the 14th, taking advantage of the fact that the topic was monitoring and evaluation systems for the strategies, an interactive methodology emerged in which the lessons of the European experience were applied to the reality for regions in Chile. This was used to assess the way in which strategies are implemented in the various regions.

Another notable aspect is the fact that two of the European regions participating in the seminar were those that would subsequently host study visits for regions that had already devised their strategy. The seminar was used to identify some areas of interest that would subsequently be looked at in more detail during the study visits.

Finally, at the request of Subdere, the presence on Friday of Mr Hall and Mr López-Sánchez from DG REGIO was used to hold a meeting with Mario Varela, head of the RED Project, Cristobal Undurraga, General Coordinator of the Year of Innovation of the Government of Chile, and Juan Manuel

Santa Cruz, head of the Innovation Department of the Ministry of the Economy of the Government of Chile. The meeting explored possible ways to increase future cooperation between the European Union and the Government of Chile in supporting regional development policies and innovation.

3.2. DETAILS AND CONCLUSIONS DRAWN FROM THE LAUNCH SEMINAR FOR REGIONS THAT HAVE RECENTLY JOINED THE RED PROJECT

The seminar aimed at regions that started the process of devising their regional strategies in 2103 took place on Monday, 18th March. It should be noted that at the time, there were only four regions in this situation which were members of the RED project (Aysén, Araucanía, Valparaíso and Los Lagos). Of those, Aysén could not attend because technicians from its regional government were preparing the launch of the process of devising their strategy, which took place in the same week. However, following consultation with Subdere at DG REGIO, representatives of the region of Maule attended instead. Although they had not formally joined the RED project at the time, they have a Regional Science and Technology Strategy and wanted to learn about implementation and participate in the activities carried out as part of the RED project.

The seminar was opened by Mario Varela, national head of the RED project, and Claudia Geier, from the European Union delegation in Chile. The latter attended because both Mr Hall and Mr López-Sánchez had had to leave Santiago for Buenos Aires, where an unexpected and unavoidable commitment had required their presence. Both Mr Varela and Mrs Geier spoke of the importance of the support of the RED project in enabling regions to carry out the process of devising Regional Innovation Strategies, as well as the importance of European support at methodological, human and financial level in enabling the first 7 regions to finish successfully their Regional Innovation Strategies. In their view, the European Commission should continue to support the RED project, of which the DG REGIO-Subdere cooperation project is a good example.

The speakers took different approaches to their talks than those of previous days to adapt to both the level of knowledge and experience of participants in this second seminar. As such, they covered aspects including how to design the strategy, how to mobilise actors, what steps to take to make Regional Diagnostic and how to link the diagnostic to the subsequent strategy.

The speeches were followed by a lively debate, in which the main topic discussed was how the experiences described could serve as an inspiration for defining the process that the attending regions were now going to initiate.

In this case, as in the seminar on Thursday and Friday, there were various representatives of national bodies. Equally, participants from the regions stayed in the same hotel in which the sessions were held, which led to greater interaction between all the participants and promoted networking between them.

4. STUDY VISITS

4.1. STUDY VISITS FOR THE 7 REGIONS ALREADY PARTICIPATING IN THE RED PROJECT⁶

Study visits to Europe marked a major milestone in the framework of activities carried out to consolidate learning generated in the process of defining Regional Innovation Strategies undertaken in the 7 regions of Chile already participating in the RED project.

The Study visits for technicians from the regions already participating in the RED project took place in: the Basque Country (Spain), Madrid (Spain), Etelä-Suomi (Finland) and Brussels (Belgium). The Study visits for this group focused on aspects with a broad overview of all the techniques, methods and instruments that can be implemented in the process of defining Regional Innovation Strategies.

The visits benefited from ongoing technical assistance from INFYDE and a detailed visit agenda with the objectives for each of the sessions and interviews scheduled.

The visit to the **Basque Country** was of great interest for these 7 regions because of the examples observed related to the formulation and prioritisation of excellent public innovation policies, resulting in participatory and transparent processes in a culture of evaluation and continuous learning. This has made Regional Innovation Strategies in the Basque Country highly effective and efficient. Of specific interest were the visits to Gaiker, as an outstanding Technology Centre, and Bilbao Metropoli 30, where the astounding transformation of



⁶ These visits were possible thanks to the collaboration of the SPRI (Basque Agency for Business Development, Basque Government, Spain), the Department of Research, Development and Innovation (Ministry of the Economy and Competitiveness, Spain), the FECYT (Spanish Foundation for Science and Technology, Spain) and Culminatium Innovation Oy Ltd. (Helsinki, Finland).

Bilbao from an industrial city to a service city, as well as the role of innovation in this transformation was presented.

During the visit to Madrid, it was generally considered that the visits were of great benefit, but it was difficult to apply this experience to the case of Chile, mainly because of its administrative model as Capital City. The assessment made following the visits in Madrid highlighted the Madrid Network as the most interesting experience. In second place were Madri+d [Regional RTDI network] and the CDTI [Spanish Centre for Technological and Industrial Development]. The meeting between the regions of Chile and Spain that took place in Madrid, organised by the FECYT [Spanish Foundation for Science and Technology] in the framework of the Spanish RTDI network, was viewed positively and of great interest. The event was attended by officials from the Spanish civil service and Autonomous Communities in charge of RTDI policies, as well as representatives from the 7 regions of Chile, to share good practice on regional innovation policies, in particular the level of progress in the smart specialisation process in both countries. Of particular note were the speeches on the support instruments used by SMEs in both countries and current cooperation programmes in the field of RTDI.

During the meeting held at FECYT to learn about its activities, the presentation by the Spanish RTDI Observatory (ICONO) was noteworthy due to its activities generating and analysing the latest information on the main indicators and strategies in science and innovation at regional, national and international level. It is considered that a similar organisation should be set up at supra-regional level in Chile because of the great advantage of having an instrument of this kind.

Visits to Finland complemented the approaches observed in Spain (the Basque Country and Madrid) in the sense of being able to observe the reality of a leading region in innovation and in policies supporting competitiveness as a reference of the most interesting work being done in Europe.

Visits to organisations that define and implement policies (City of Helsinki, Ministry of Employment and the Economy, and Culminatum Oy) enabled observation of the development of a framework programme for innovation and competitiveness (OSKE) well renowned at European level as an example of good practice, in particular the reconsideration process carried out after 20 years of this policy. The new focus is on linking innovation and R&D with partners specialising in regional development and, in the case of Finland, a growing 'local' vision, where administrations at this level can serve as a connection between the exploitation of knowledge and the social needs of the area.

In Brussels, study visits enabled representatives from the regions of Chile to learn about the functioning of the European Commission and the trajectory of European regional policy, as well as the Research and Innovation Policy and the Industry and Enterprise Policy. On the one hand, this allowed participants to learn about the logic of regional policy and reducing disparities from a much more global approach. It also complemented the rest of the visits (much more focused on projects and tools that promote much



more competitive access, and where the cohesive approach is therefore less explicit). On the other hand, the view of research, industry and competitiveness from the perspective of regional policy enabled participants to map out the competencies of each area and the synergies and potential duplications that could arise when transferring them to their realities.

The relationships established during these visits between technicians from European regions and regions of Chile made it possible not only to transfer knowledge and good practice, but also to build relationships between European and Chilean institutions, thus opening effective lines of communication for agreements of collaboration and understanding in order to work together in future.

4.2. STUDY VISITS FOR REGIONS THAT HAVE RECENTLY JOINED THE RED PROJECT⁷

Study visits to Europe also marked an important milestone in the framework of activities carried out to train the new regions of Chile joining the Red project in order to equip them with the prior knowledge necessary to guide the process of defining Regional Innovation Strategies.

The Study Visits for technicians from the regions that were about to develop Regional Innovation Strategies (Aysén, Araucanía, Los Lagos, Maule and Valparaíso) took place in: Galicia (Spain), Valencia (Spain), Umbria (Italy) and Lazio (Italy).

Study visits focused on sharing experiences that gave the technicians an overview of the activities and processes to be undertaken in order to prepare assessments and design Regional Innovation Strategies, the main instruments for promoting regional innovation and instruments for involving SMEs in the regional innovation system.

Study visits also benefited from ongoing technical assistance from INFYDE and a detailed visit agenda with the objectives for each of the sessions and interviews scheduled.

Visits made in Galicia probably included the widest range of actors involved in the Regional Innovation System. Visits to Tecnópole (a technology park), the Development Agency of Galicia and the Galician Agency for Innovation (GAIN) enabled participants to see how public actors work hard to develop their regional innovation system from very different perspectives such as technology policy, economic stimulus policies or the design and implementation of Regional Innovation Strategies.

Of particular interest was GAIN's presentation of its current



⁷ These visits were possible thanks to the collaboration of GAIN (Galician Agency for Innovation, Regional Government of Galicia, Spain), IVACE (Valencian Institute for Business Competitiveness, Regional Government of Valencia, Spain), Sviluppumbria (Società regionale per lo sviluppo economico dell'Umbria, Italy) and Meta Group S.R.L. (Italy).

operational structure in the area of designing and developing Regional Innovation Strategies for Smart Specialisation (RIS3), which explained that the process focused on three main areas: the prioritisation of specific fields of specialisation for Galicia, the potential to exploit related diversity, and the consistency of the entire process in the overall context of Galicia.

It was also possible to observe both the business perspective (the business incubator of the Chamber of Commerce, which demonstrated its entrepreneurial vision focused on facilitating cooperation and decision-making in regional innovation systems and promoting the system itself), and a perspective that focused more on the transfer of basic/applied research to business (Centre for Research, Transfer and Innovation). It should be noted that although the focus is different, the common element is the commitment to improving business competitiveness and growing capacities for business innovation through the transfer of knowledge/capacities to business.

The visit to Valencia was less intensive in terms of regional development policy planning, mainly because the actors visited, mostly Technology centres and institutes rather than specific actors responsible for regional planning, were more focused on innovation policies. As such, participants were able to study the functioning of REDIT [Network of Technology Institutes of Valencia] and its technology centres as key to establishing a link between science and business, with a supply of technological and research services adapted to the needs of companies in Valencia. REDIT acts as a single entity in the field of driving scientific and technological infrastructure at regional level, and was of great interest to the regions of Chile. Some of the centres visited, such as the Technological Institute of Energy, the Technological Institute of Metallurgy and the Technological Institute of Biomechanics, are more specialised in their respective technological fields, enabling Chilean representatives to acquire knowledge in these areas of interest for their regional innovation strategies.

The visit to Valencia also allowed participants to hear first-hand experiences of the concept of business incubators and support systems for entrepreneurs as an instrument to stimulate new value-added economic activities. The visit to the Las Naves Innovation Space enabled deeper understanding of concepts of great interest to participants due to the potential to replicate them in their respective regions, such as innovation districts, co-working spaces and poles of creativity.

It was also possible to analyse the role of the Valencian Institute of Business Competitiveness (IVACE) as a link between the regional and the global level, emphasising the internationalisation of companies and promoting, encouraging and providing services to contribute to the competitiveness of Small and Medium-Sized Enterprises in Valencia as well as giving impetus to technological cooperation.

Umbria incorporated the vision of the importance of the economic dimension of all activities in the culture and leisure industry in terms of their contribution to regional development. A strong regional innovation system contributes positively to the development of this kind of industry. The increasingly prominent role of the culture and leisure industry in growth and jobs in regional economies is evident. The visit to Il Frantoio di Spello and to the bodega Sportoletti were clear examples of this. In fact, it should be noted that the cultural wealth of a society derives from its ability to encourage and consolidate a wide variety of culture and leisure activities, and innovation plays a key role in this development.

The visit to Sviluppumbria enabled participants to learn at first hand the role of organisations and agencies in encouraging innovation as implementing instruments of these policies. In particular, the Chilean delegates learnt about the important role played by these organisations in a Regional Innovation System in boosting the technologically advanced, diversified and competitive productive fabric that pursues economic growth in the regions. In terms of the future design of Regional Innovation Strategies, the role of these types of actors is of great interest from the perspective of their work as catalysts of dynamism and, where appropriate, regional economic regeneration.

Finally, **Lazio** was also of interest in learning a new way in which a regional innovation system contributes to regional development. Two main elements were considered in this visit: the mechanisms and instruments contributing to regional entrepreneurship and the importance of advanced service providers that support regional governments in the process of defining their respective regional strategies. In this respect, the visits to BIC Lacio, LuissEnlabs and Meta-Group were key examples of how to involve SMEs in regional innovation systems, improve business innovation processes and create innovate and technology-based companies.

The relationships established during these visits between technicians from European regions and those from Chile have also demonstrated models of reference to Chilean participants for the future development and implementation of their strategies. In addition, wider relationships have been established between regions of Europe and Chile, creating a framework for collaboration agreements enabling the development of joint projects in the future.

5. TUTORIALS ON THE GROUND FOR REGIONS WITH A STRATEGY⁸

Tutorials on the ground marked an important milestone in the framework of activities carried out to consolidate learning generated in the process of defining Regional Innovation Strategies undertaken in the 7 regions of Chile already participating in the RED project. These tutorials were initially given only to the 7 regions already taking part in the RED project.

Tutorials on the ground for both members of INFYDE and technicians from regions that undertook study visits to Europe benefited from the support of the following experts: Roberto Parras, Josu Ocariz and Jaime del Castillo.

All these experts look back to a long trajectory within strategic planning and the implementation of public RTDI policies. The tutorials were developed both in the form of joint seminars for all regions and in each region in view of its characteristics and level of complexity, with the agreement of the European Commission and the Government of Chile.



⁸ These tutorials were possible thanks to the collaboration of the SPRI (Basque Agency for Business Development, Basque Government, Spain) and IVACE (Valencian Institute for Business Competitiveness, Regional Government of Valencia, Spain).

During their time in Chile, the experts were in constant contact with the technicians and officials involved in Regional Innovation Strategies, advising them on the various aspects discussed in the seminar and visits, which were identified at the time as being of special interest for each of the regions.

An expert was assigned to each region according to the main areas of interest identified, although in the case of Jaime del Castillo, Subdere preferred him to spend part of his time on joint working sessions with several regions.

Both the visits to regions and the joint working sessions were used to transfer the European experience in the sense that implementation of the strategy entails not just holding tenders, but also subsequently monitoring the progress of the approved projects and continuing to promote others in order to meet all the set objectives.

The experience of this project therefore shows that continued support from foreign experts in developing and implementing innovation strategies in regions of Chile could enrich the policies and instruments defined in future, as well as shortening the training process for technicians implementing the regional strategies.

5.1. CONCLUSIONS FROM THE TUTORIALS

The tutorials on the ground and the joint work with regions led by the three European experts allowed for intensive work in the regions, developing various activities that enabled the provision of expert advice to each region when implementing its Regional Innovation Strategy and consolidating relationships between European institutional actors and institutional actors working in regions of Chile.

The following general conclusions can be drawn with regards to the status of RIS in the regions visited, based on the conclusions reached by the experts:

- Firstly, the biggest problem identified in the implementation of the RIS is, without doubt, the institutional instability caused by the volatility of staff relations in the Regional Governments in Chile. This is evident amongst both officials and professionals/ technicians, whose contracts are linked to or depend on their immediate superiors and are highly precarious. The creation of an Innovation Unit in some regions, such as Metropolitan Region and the O'Higgins Region, was designed in part to correct this.

- One possible way to alleviate the problem mentioned above would be to establish governance procedures not just at the definition phase, but at all phases of projects linked to RIS (contracting, selection and awarding of projects, monitoring of their implementation, rendering of accounts, impact assessment, etc.). However, this does not generally happen in all regions, although there are some foundations on which we could build. Regions of Chile do, in general, lack procedure manuals and computerised management systems. As a result, discretionary ad-hoc criteria are used, and their impartial and coherent use depends on the will and continuity of technicians/professionals whose contracts are, as stated previously, rather insecure.

- The funds used to implement the RIS have traditionally been either linked to funding of the University R&D system or are managed centrally. In the latter case, regional decision-making is limited to selection, except in the case of Biobío, which has its own agency. Funds transferred to a national body (such as CORFO or CONICYT) are managed in the framework of the pre-existing guidelines of these organisations. This has caused a partial disconnect between project proposals and the regional strategy, since implementers have prioritised the continuity of their activities over adapting or reworking them to suit the new proposals. The importance of these executing actors in the local environment (sometimes they are the only ones) necessitates ongoing informal reconsideration and negotiation processes in order to attempt gradually to refocus them to the RIS Strategy. In addition, this centralisation slows down implementation.

- Despite the fact that the indirect participation of the productive sectors is required in accordance with some bids, their real involvement is, in practice, sometimes limited to mere letters of commitment, attached to the projects. Directly related to the previous point, implementing institutions develop many of the projects outside the regional economic environment, leading to a growing disconnect from the implementation of the strategy. The existence of projects with real involvement of private actors, and the participation of these actors in the bodies governing the strategy, could significantly alleviate this problem.

- The fact that, in accordance with FIC-R regulations, decision-making has until now occurred at the level of Regional Councils, has unintentionally hindered the smooth management of strategy development due to the periodic nature of meetings and the logistical difficulty looking at the projects in detail. This situation may be made worse by forthcoming institutional reforms.

Finally, with regard to the timeliness of expert visits, the level of attention paid to these visits varied considerably according to the regions and hosts. It was clear that in some cases, the participation of the foreign expert was not so much required as suggested or imposed, and therefore there was some lack of coordination between national and regional officials. This resulted in some unforeseen situations that were generally resolved on the fly without incident.

With respect to specific aspects of each of the regions visited, it can be concluded that:

- ***Arica and Parinacota.*** Little dissemination of the guidelines of the RIS and a shortage of implementers (concentrated in one university), which has caused a disconnection from the proposals submitted with the strategy. Professionals inexperienced in assessing and allocating resources to projects are experiencing difficulties due to the lack of defined processes and support for the need to apply criteria with technical discretion.

- ***Biobío.*** Much denser network of actors, but the problem is that there is no realistic institutional structure that clearly defines, for example, what an R&D centre is. The existence of a regional actor such as Innova Biobío to manage resources could facilitate smooth management, but better coordination with the regional government is essential. Economic diversification and the potential of knowledge-generating centres in the region make it particularly attractive in international relations, which is why, for example, it would be interesting for European Regions to develop a framework of collaboration, for the benefit of both regions. In fact, the visit of the European expert encouraged certain relationships between knowledge centres.

- ***Coquimbo.*** The specific situation in this region was driven by the replacement of practically the entire team that developed the RIS within the Regional Government. This meant that the new professionals were required to resume activities with no prior references. Although communication tasks were carried out and a participatory spirit generated through the involvement and good work of the officials and journalists who had stayed, the new team will need to be well supported and to have some continuity.

- **O´Higgins.** The situation in the region of O´Higgins, despite the availability of financial resources, is marked by certain limitations, such as the institutional fragility of the country, the low capacity for regional autonomy and the availability of general support instruments that do not focus on productive actors, greatly hindering the consolidation of regional policies on innovation. However, it can be observed that the region clearly considers innovation as a strategic factor and has highly trained teams working towards it.
- **Tarapacá.** Tarapacá has a very cohesive management team, in line with the objectives and interested in incorporating corrective measures into strategy development. However, at decision-making level, responsibilities are not shared in the political and technical fields. As regards the implementation of support instruments, project funding mechanisms are too generalised, attempting to respond to all the needs identified in the RIS and not focusing directly on actors who could lever economic development in the region in the interests of a productive economy. Finally, with regard to the activity of universities, the main beneficiaries of the funding instrument, it can be observed through analysis of the projects submitted that there is a clear lack of alignment with the objectives pursued in the RIS itself, since the latter is considered as an alternative to their own funding.
- **Antofagasta.** Antofagasta has undergone a clear process of decapitalisation as regards the importance of the RED project in the region. It has gone from being a pioneering region in the RED project to experiencing an unfavourable situation where constant changes to the governance of the project and the region itself have led to great ignorance, and therefore a clear lack of commitment to the project by senior political officials.
- **Metropolitan Region.** The Santiago Metropolitan Region, home to the country’s capital, is a success in that it has undergone, for the first time, a process of fostering innovation through regional decision-making bodies. The approach of the project was a success, with the participation of various social actors throughout the process, clear commitment from the Regional Council to apply Funds for Innovation and Competitiveness managed at regional level (FIC-Regional) to the priorities set out in the strategy and a team from the regional government dedicated to their monitoring implementation. In the future, it will be important for the management team not to concern itself solely with ensuring the eligibility of FIC-Regional in line with the strategy, but also to continue monitoring projects to avoid appropriation by

beneficiaries, as well as ensuring that future tenders lead to projects consistent with and complementary to those already implemented.

- **Valparaíso** (Region included in this report as an extra region, but not part of the Programme of Technical Assistance). The nature of this visit was different and the objectives met in full, since the region was beginning to devise the strategy. Having requested the presence of an expert, it was interesting to see what he or she would contribute to the regional process. There were two obvious benefits. Firstly, the expert requested the inclusion on the agenda of actors involved in the port industry, leading to their exciting participation in governance to devise the RIS (given the importance of this industry to the region, their involvement will undoubtedly be decisive). Secondly, the presence of the expert served as a strong stimulus to the participation of university and private actors in the challenge now underway to prepare a transversal innovation strategy.

6. PROJECT FINAL CONFERENCE

The final conference enabled attendees to hear the lessons learned and conclusions drawn throughout the project, as well as the main results achieved.

6.1. BACKGROUND

According to the initial contract and the initial report, the visit to Europe of representatives of the five regions that have recently joined the RED project (originally planned for 20 Chilean delegates who would travel to Europe in June 2013), and the final conference, scheduled for November 2013, was to be held over one day and at a lower level than that which finally took place in January 2014.

In May 2013, Subdere (a partner representing the Government of Chile) suggested changing the visit so that 10 representatives of Regional Governments of Chile would visit Europe in July 2013 and a further 10 institutional representatives would visit in January 2014. This modification was accepted by the European Commission.

Furthermore, taking into account that the period in which the final conference was to be held (November) was going to make it difficult for Chilean delegates to leave their regions due to the National Elections taking place at that time, Subdere proposed holding the final conference in 2 different parts, one for the southern regions in Concepción (Biobío) and another for northern regions in Iquique (Tarapacá). This modification was approved by DG REGIO.

The conference for the southern regions took place on 1st of October in Concepción (Biobío) and coincided with the Innovation Fair organised by Innova Biobío. This ensured extensive publicity in the region (and, in theory, at national level as well) and the significant participation of entrepreneurs and society in general. The project thus ensured the participation in the event of European speakers according to the preferred topics related to innovation policies and processes selected in the Biobío Regional Strategy, which were also of interest for the regional strategies of the other regions involved in the RED project.

Following the conference, and given the difficulty in practice of getting participants from other regions to an event held in Biobío, the best way of mobilising all the actors benefiting from EU-Chile dialogue was discussed with Subdere. The conclusion was reached that the best solution was to hold a big event in January 2014 in Santiago, once Elections were over – the conference for northern regions planned in Iquique did not, thus, take place).

This final event should be used both to present the achievements of the dialogue and to evaluate the RED project co-funded by the European Union.

Since the new Government of Chile was already in place, it was difficult to carry out the final study visit proposed by Subdere for January. It was therefore agreed that the number of European participants in the final closing conference should be increased so that were enough to make it a point of reference for policies that needed to be defined in the next legislative period.

Finally, in a communication sent to the Commission dated 22nd November 2013, a definitive amendment was sought to the original (subsequently modified) action plan.

This communication noted that Subdere could not guarantee that the institutional visit planned for January 2014 would take place because of general elections to be held in Chile in November and December 2013. As a result, an agreement was made with Subdere to suspend the institutional visit and to raise significantly the level of the second part of the final conference, this time, as noted previously, to be held in Santiago. These changes led to a considerable increase in the size of the conference to make up for the cancelled institutional visit, and therefore the European Commission's request had no impact on the initial overall budget of the project.

As a result of the above, the final conference was eventually held in two different parts:

- A first final conference, which took place in October 2013 in the region of Biobío.
- A final high-level closing conference to be held in Santiago de Chile in January 2014.

6.2. CONCLUSIONS AND DETAILS OF THE INITIAL FINAL CONFERENCE HELD IN BIOBÍO⁹

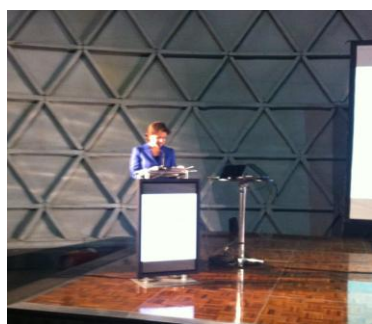
The Innovation Fair in Biobío focused on general themes of innovation, particularly those related to business. Specifically, it dealt with issues related to public policies in support of innovation and business competitiveness, business cooperation for innovation and the role of business associations in supporting innovation in companies.

It was proposed, and accepted by our Chilean counterparts, that the conference would be delivered by employees of the institutions belonging to the consortium that had been awarded the contract, both because of their professional training in speaking about the issues and their strategic interest in establishing future alliances with regions of Chile.



It should be noted that, in fact, the SPRI (Basque Country), following contacts made as part of the RED project and the EU-Chile dialogue, has already signed a collaboration agreement with Innova Biobío to carry out a development process amongst SMEs in the region to introduce innovative measures after having benefited from an assessment process and the definition of an innovation plan.

In addition, and to highlight the importance of European collaboration in organising the conference in the framework of the Innovation Fair, Innova Biobío invited a representative of the EU delegation in Chile to participate in the opening of the Business Forum, which was the main event. This role was carried out by Alexandra Knapton, Head of the Policy, Press and Information Department of the EU delegation in Chile, who shared the opening with Cristóbal Undurraga, the official responsible for the Year of Innovation (2013) in the Government of Chile, and the Regional Ministerial Secretary of Economy, representing the Governor of Biobío.



It should be noted that the conference had a significant impact on entrepreneurs in the region. The Business Forum was attended by more than 200 people, and each working session had between 50 and 100 attendees. In addition, several people from the region (including a large number of students) attended the fair throughout the day. Attendees were made aware of the collaboration between Chile and Europe

⁹ The presence of European speakers at this conference was possible thanks to the collaboration of the SPRI (Basque Agency for Business Development, Basque Government, Spain) and the Regional Development Agency (Western Romania).

in the framework of the Regional Policy Dialogue through the abundance of European Union symbols in the rooms.



It can therefore be considered that European participation in the framework of the Biobío Innovation Fair was a success both due to its interest for the local population in general, and business and institutions in particular, and the relevance of the messages given to entrepreneurs on the importance of innovative companies as a means of improving their competitiveness, as well as the potential for cooperation with Europe in this field.

6.3. CONCLUSIONS AND DETAILS OF THE FINAL CLOSING CONFERENCE HELD IN SANTIAGO DE CHILE¹⁰

The final closing conference held in Santiago de Chile enabled dissemination of the results and experiences obtained and the exchange of knowledge and practices amongst the various agents involved.

The aim of the meeting was to generate a review of regional innovation policies in the framework of the work carried out by the RED project and to close the EU-Chile Regional Dialogue, part of the cooperation between the Undersecretariat for Regional Development (Subdere) and the European Commission Directorate-General for Regional and Urban Policy (DG REGIO).

The conference introduced regional and national decentralisation and economic development policies, paying particular attention to those related to innovation. It also reviewed the European experience in this area with a view to the recent creation and implementation in Chile of Regional Innovation Strategies.

Specifically, the main areas covered in this final conference were as follows:

- History of decentralisation in Chile.
- EU regional policy.
- Experience and effect of EU-Chile cooperation.
- Relationships between national and regional innovation policies from both the European and Chilean perspectives.
- Experience in European regions of regional innovation policies.
- Experience in regions of Chile in the framework of the RED project.
- Instruments of regional innovation policy.



¹⁰ The presence of European speakers at this conference was possible thanks to the collaboration of DATAR (French Government), Department of Research, Development and Innovation (Ministry of the Economy and Competitiveness, Spain), Regional Directorate for Growth and Cohesion Policy (Ministry of Enterprise, Energy and Communications, Sweden), United Kingdom Embassy in Chile (UK), IDEPA (Institute for Economic Development, Principality of Asturias, Spain), Regional Council of Ostrobothnia (Finland), Science and Technology Park of Crete (Greece), Science and Technology Commissioner (regional government of Castilla y León, Spain), Employment Service (government of La Rioja, Spain) and Meta Group S.R.L. (Italy).

The final conference was a major success both due to its media impact and the presence of representatives of all regions with innovation strategies, as well as several representatives from the academic world and national institutions.

To highlight the importance of European collaboration in organising the conference, it should be noted that 12 European experts travelled from Europe to Chile solely to participate in this conference, which was closed by the European Union Ambassador to Chile.



Furthermore, the final conference was very popular, with an average of 150 attendees listening to the speakers' presentations.

The final conference was therefore used to evaluate the RED project and the EU-Chile Regional Policy Dialogue and the results obtained. In this respect, the process must be considered a success in the way that regions of

Chile have developed or are currently developing their Regional Innovation Strategies from their own regions, doing honour to the RED project's founding slogan (connecting innovation and regions), and from the perspective that this is the first experience of decentralisation of innovation policies in Chile and a significant step forward in the process of empowering the regions. Furthermore, the project has been carried out with clear support from Europe, which has facilitated the shortening of the learning process of the Government of Chile and regional governments, as well as creating several institutional, technological and business relationships with regions of Chile.



The significant critical mass of experts participating in the final conference has led to a considerable flow of contacts and exchanges between European experts and Chilean technicians. Some of these experts have maintained this collaboration over the long term and established collaboration agreements that may be beneficial for regions of both Europe and Chile in the future.

Furthermore, it is important to note that holding the conference whilst a new government was being set up in Chile, enabled the case to be made to a wide range of experts and intellectuals for the importance of an decentralised regional approach in the implementation of innovation policy in a country as geographically fragmented as Chile.

6.4. WORKING SESSIONS FOR EUROPEAN SPEAKERS IN REGIONS OF CHILE

During the week in which the final conference was held in Santiago de Chile, four of the European speakers travelled to two regions of Chile (Los Lagos and Araucanía) to assess their processes of devising RIS. These regions are currently developing their respective innovation strategies.

Specifically, on 14th of January, experts Xavier Drouet (DATAR [Inter-ministerial Agency for Spatial Planning and Regional Attractiveness, France) and Arturo Fernández (Government of La Rioja) travelled to Los Lagos accompanied by Pilar Gómez from INFYDE, where they held meetings with technicians from the Regional Government in charge of devising the Regional Innovation Strategy, which is currently being drafted, to advise them on various aspects related to this process.

Furthermore, on 15th of January, European experts J.M.J. Severijns (Province of Limburg, Netherlands) and Juan Casado (Regional Government of Castilla y León) travelled to the region of Araucanía accompanied by Carlos Diez from INFYDE, where they attended a seminar at the University of La Frontera in Temuco, the regional capital, and delivered presentations on instruments of regional innovation policy: trans-regional cooperation in innovation policies and instruments to improve university-business relations.

It should be noted that given the result of these visits and the demand for this kind of support in regions of Chile, the continued support of European experts in processes of governability and management would generate greater trust and consensus between regional actors and shorten the learning process of implementing the strategies.

7. OVERALL CONCLUSIONS FROM THE PROJECT “EU-CHILE COOPERATION ON REGIONAL INNOVATION SYSTEMS IN THE FRAMEWORK OF REGIONAL POLICY”

The project “EU-Chile Cooperation on regional innovation systems in the framework of regional policy Nº 2012CE160AT036” was carried out on the basis of the experience of the RED project in defining 7 Regional Innovation Strategies, a project cofunded by the European Union through DG DEVCO in the framework of the Programme of Cooperation 2010-2013 agreed between the European Commission and the Government of Chile. The body in charge of implementing this project on behalf of the Government of Chile was the Undersecretariat for Regional Development (Subdere).

As a result of this project, the seven strategies were approved by the board (public-private representation) set up in each region at the end of 2012 and by the respective Regional Councils in December 2013. The approval of the strategies enabled the definition of guidelines for each Regional Government (GORE) on the use of Regional Innovation Funds (FIC-Regional).

Furthermore, a cultural change has occurred in the regions, allowing them to improve their self-confidence with regards to their ability to act and the importance of support for innovation in public regional development policies.

The project strengthened the process of decentralisation in Chile because, although it focused on innovation policies, it also improved the training of regional technicians at the same time, empowering them in their relationships with various regional actors. The strategies also strengthen the competitive ability of the various areas by defining actions geared to SMEs and making it possible to support the knowledge supply (researchers) to meet the regional demand (business).

This has ultimately improved the alignment of regional public expenditure with the innovation priorities of each region.

In addition, the establishment of professional capacities in the regions was possible thanks to an intensive training programme (in large part, learning by doing) carried out with technicians from GOREs and other regional actors (in particular regional representatives of national agencies that support competitiveness). This has also caused a significant critical mass of technicians trained in innovation policies in the regions and national agencies, enabling teams in each region to survive frequent changes in specific personnel.

In this context, a logical consequence of joint working has been a new relationship between regional and national institutions, thanks to the collaboration that enabled the strengthening of Regional Innovation Strategies.

Likewise, it has promoted a culture of PPP (Public Private Partnership) which, in addition to involving the private sector in decisions and management, has given the strategies greater stability in the face of political change.

Given the success of this experience, in 2013 Subdere proposed incorporating 4 new regions, which joined the RED project in autumn that year.

The EU-Chile cooperation project was proposed as a continuation of the support provided previously by DG DEVCO so as to maintain the support of European experts in the process of decentralisation in Chile and to improve the definition and implementation of regional development strategies.

After one year of work, the overall result of this new project, together with the previous process supported by DG DEVCO, has been a large number of alliances, such as that between Subdere and European institutions, and specific projects with European regions.

In addition, there is strong consensus that the transfer of knowledge from Europe has accelerated the process. This is because the knowledge and support of European experts and support of the Commission and European regions is viewed favourably by both the regions and central government. As a result, the European Union has acquired great visibility at institutional level and **at business level in a country where these fields were practically absent.**

Furthermore, and from the point of view of lessons learned in improving the definition of public policies, the importance in practice of well-defined and long-term (4-5 years) technical cooperation has been demonstrated. This cooperation has also been a clear example of **good practice in inter-institutional cooperation by the European Commission: DG REGIO** (Europe-Chile dialogue), DG DEVCO and the European External Action Service.

The various schemes in support of the RED project have made it possible for **more than 200 Chilean technicians and institutional representatives (including 50 so far in 2014) to undertake study visits to European regions.** This has resulted in a significant flow of contacts and exchanges.

Furthermore, over the course of the RED project and Dialogue on Regional Policy, more than 30 European experts have worked in Chile in close contact with Chilean technicians. Some of these experts have maintained this collaboration over the long term.

Apart from the experts hired thanks to European funding, regions of Chile have also benefited from the support of European consultants, who work on the implementation of various projects funded at regional level in the framework of the

strategies. In turn, several regions of Chile have signed collaboration agreements (often with specific funding) with European regions.

Looking to the future, however, the consolidation of the decentralisation process and the ability to define strategies and measures to support innovation in the regions is still fragile. This is due to the short period of time that has passed, which has not been sufficient to create stable cultures, as well as the high staff turnover in regional governments, which hinders the creation of a corporate culture.

The need for continued support to overcome these difficulties seems even more important in light of the innovation and decentralisation policies proposed by the new Government of Chile, which took power in 2014. This is because innovation is seen as essential for improving added value in the country and generating a diversification process that will make it less dependent on mining, and primary production in general. The country is aware that it is impossible to bring innovation to companies (especially SMEs) from the top down, without generating local environments conducive to innovative activity. In short, innovation policies must be decentralised, with regional institutions playing an active role.

As such, European support from 2014, in its commitment to a project that would involve both the EU and the Government of Chile, would facilitate a politically and institutionally sustainable solution to maintain regional teams and implement the strategies in a stable manner.

It would also facilitate the implementation of effective coordination and complementing mechanisms between regional and national innovation policies.

The continued involvement of foreign experts supporting processes of governability and management would enable strengthening and shortening of the process of generating trust and reducing risks.

Amongst the aspects to be reinforced by these experts are:

- Firstly, and most importantly, maintaining collaboration between European and Chilean institutions and regions, both at national and regional level, thus taking advantage of the mutual trust and understanding generated.

- Continuing the training of regional administrative staff and other public and private professionals in the definition and management of policies to support innovation and competitiveness.

- Contributing to greater stability in policy orientation, beyond policy changes and staff turnover.
- Strengthening cooperation and linkages between the various institutional levels (support from Central Government – Subdere and National Agencies such as CORFO – with decisions made in the regions).
- Building consensus and capacities for strategic but pragmatic policy-making.
- Bringing together, in a single process, strategic programming, budgeting and effective implementation and investment.
- Incorporating the private sector into the process as the final beneficiary and a key player in the definition of priorities.

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Commissioner for Science and Technology (Regional Government of Castilla y León, Spain)

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Employment Service (Government of La Rioja, Spain)

IDEPA (Institute for Economic Development, Principality of Asturias, Spain)

IVACE (Valencian Institute for Business Competitiveness, Regional Government of Valencia, Spain)

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