



FINAL REPORT

EULAC-REGIO (RIS) - EU-Latin America Cooperation on Regional Innovation Systems in the framework of Regional Policy (Chile and Peru). No. 2013.CE.16.0AT.077

“EULAC-REGIO (RIS) - EU-Latin America Cooperation on Regional Innovation Systems in the framework of Regional Policy (Chile and Peru)”: This project is funded by the European Commission Directorate-General for Regional and Urban Policy in the framework of the EU-Peru and EU-Chile regional policy dialogs. These dialogs have been established to exchange information and good practice on experiences in applying the cohesion policy.

“The information contained in this publication does not necessarily reflect the position or opinion of the European Union”.

Date: 2/24/2016



Contents

1.	BACKGROUND.....	4
1.1.	EUROPEAN REGIONAL POLICY: A POLICY BASED ON INNOVATION.....	4
1.2.	BRIEF DESCRIPTION OF THE HISTORY OF EU-CHILE AND EU-PERU RELATIONS	8
1.3.	CROSS-BORDER INTEGRATION BETWEEN CHILE AND PERU.....	11
2.	PROJECT APPROACH.....	12
3.	PROJECT LAUNCH SEMINARS IN LATIN AMERICAN REGIONS	14
3.1.	CONTENT.....	14
3.2.	DEVELOPMENT OF LAUNCH SEMINARS.....	16
3.3.	ADDITIONAL ACTIONS	16
3.4.	CONCLUSIONS OF THE LAUNCH SEMINARS	17
4.	DEVELOPMENT OF TUTORIALS IN LATIN AMERICAN REGIONS	18
4.1.	MAIN CONCLUSIONS OF THE TUTORIALS ON THE GROUND.....	19
4.2.	MAIN CONCLUSIONS OF THE PROCESS OF EXPERT VALIDATION OF THE RIS	20
5.	DEVELOPMENT OF THE STUDY VISITS	23
5.1.	LESSONS LEARNED IN THE DEVELOPMENT OF THE STUDY VISITS.....	23
5.2.	POTENTIAL COLLABORATION PROJECTS OF INTEREST IDENTIFIED.....	26
6.	FINAL PROJECT CONFERENCE	28
6.1.	FINAL SESSION OF DIALOG ON EU-CHILE-PERU COOPERATION HELD IN SANTIAGO.....	28
6.2.	SEMINAR ON REGIONAL INNOVATION IN THE FRAMEWORK OF CHILE-PERU COOPERATION HELD IN TACNA	30

“EULAC-REGIO (RIS) - EU-Latin America Cooperation on Regional Innovation Systems in the framework of Regional Policy (Chile and Peru)”: This project is funded by the European Commission Directorate-General for Regional and Urban Policy in the framework of the EU-Peru and EU-Chile regional policy dialogs. These dialogs have been established to exchange information and good practice on experiences in applying the cohesion policy.

“The information contained in this publication does not necessarily reflect the position or opinion of the European Union”.



6.3. SEMINAR ON REGIONAL INNOVATION IN THE FRAMEWORK OF CHILE-PERU COOPERATION HELD IN LIMA.....	31
6.4. WORKSHOPS TO PROMOTE INNOVATION HELD IN SANTIAGO.....	33
6.5. CONCLUSIONS OBTAINED FROM THE ACTIVITIES UNDERTAKEN IN THE FRAMEWORK OF THE FINAL CONFERENCE.....	34
7. POTENTIAL PROJECTS OF INTEREST IDENTIFIED FOR CROSS- BORDER COLLABORATION BETWEEN CHILE AND PERU	35
8. CONCLUSIONS	37

1. BACKGROUND

1.1. EUROPEAN REGIONAL POLICY: A POLICY BASED ON INNOVATION

The project "*EU-Latin America Cooperation on Regional Innovation Systems in the framework of Regional Policy (Chile and Peru)*" was based on transferring and disseminating European experience in regional development and innovation policies in the framework of the cooperation dialogs established between the European Union and the governments of Chile and Peru. The project was based on the belief that:

- In order to understand European regional innovation policies, it is essential to know their history.
- Traditionally, European policies on cohesion, R&D and innovation had different strategic frameworks. On one hand, there was the structural funds and cohesion policy managed by DG REGIO; on the other, there was the business innovation policy of DG ENTERPRISE AND INDUSTRY, as well as the R&D support policy of DG RESEARCH.
- European policy in support of innovation therefore draws on various sources, and it is only in recent years, specifically the 2014-2020 cohesion funds programming period, that greater integration is taking place in order to produce a genuine territorial policy based on innovation.

Until recently, many of the **instruments or measures to support R&D&I and competitiveness based on innovation in European Union (EU) member states** focused mainly on measures to support research, science and technology (financial support measures, infrastructure, etc.); according to data from INNO POLICY TRENDCHART, around 40% of instruments are still focused on this area. In particular, the most common instruments in regional measures to support R&D&I are focused on:

- **Mechanisms to support public research organizations (universities, research groups, etc.) and other research infrastructures** such as technology centers and other public-private research bodies. One of its objectives was to develop coordination in basic and applied research with the innovation needs and plans of each region.
- Support for **intermediate infrastructures such as the creation and consolidation of scientific and technology parks, laboratories, centers of excellence, platforms and other supply and transfer institutions.** This

support has focused on transferring to society the knowledge acquired through the innovation of products, processes or new organization methods. The creation, maintenance and consolidation of this type of infrastructure has been one of the foundations of public policies on promoting innovation, research, knowledge transfer and territorial competitiveness.

- Establishing **support mechanisms to improve the access of SMEs** to innovation and their integration in regional innovation systems.
- Support for the **creation of clusters**. EU regions specialized in clusters have developed effective instruments to carry out technological interventions adapted to their productive sectors, generating appropriate critical technologies and involving SMEs in the process through connections with larger companies, all with an international perspective. Support for the formation of clusters has enabled the development of strategies focused on sectors and value chains, filling technological gaps and incorporating research and high added-value activities.
- Support for **cooperation in R&D&I** through the definition of **cooperation programs** (business-business or business-researcher) in the economic and technological priority areas identified in the region. Equally, support and promotion of **Public Private Partnerships** led by the business network and made up of researchers and government; permanent networks focused on priorities raised by businesses (with the participation of the SME network).
- Support for the creation of **interregional networks and common technology platforms** with high-tech services, infrastructures and equipment.

In the vast majority of European regions, experience of definition, implementation and strategic evaluation dates back to the 90s and 2000s, when the Commission called for the regions to develop regional strategies called Regional Technology Plans (RTP) and Regional Innovation Strategies (RIS)¹. Therefore, one of the main milestones in European regional policies was **Regional Innovation Strategies (RIS), participatory processes whose objective was to define in each region a strategy and action plan to contribute to the development of regional innovation and competitiveness** by optimizing innovation policies and infrastructure. Above all, key players were mobilized in order to bring about a change in regional culture that made it more conducive to innovation.

RIS are one of the most important pillars of EU cohesion policy. Their strong point is that their approach reflects the strengths and potential of the key players in the

¹ Also sometimes known as RTP (Regional Technology Plans) or RITTS (Regional Innovation and Technology Transfer Strategies),

region, with the objective of offering a common platform to promote, design, manage and evaluate regional innovation policies.

METHODOLOGY FOR THE CREATION OF RIS PROCESSES

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

1. **Regional Innovation Strategies (RIS)** should be based on consensus and a public-private partnership. The private sector and the main regional R&D&I institutions should be united in developing and implementing the strategy.
2. RIS must be focused on **demand**; i.e. the innovation needs of businesses, especially SMEs.
3. They must **focus on action**. The result of this process should be new business innovation projects or new innovation frameworks.
4. Regions that define and then implement an RIS should take advantage of the **European interregional dimension** through a commitment to **interregional cooperation** and a comparative analysis of the policies and methodologies used in other regions.

RIS have been **tools with great potential to contribute to the planning of solid innovation systems** through the definition of policies focused on the regional situation and their respective tools for monitoring and evaluation.

It is a widely shared view in Europe that Regional Innovation Strategies (RIS) have contributed to the development of the regions that have implemented them. In short, they are a mechanism to contribute to territorial economic and technological cohesion to the extent that they promote the development of knowledge and technology at the regional level, as well as their use by businesses, thus helping to reduce the tendency of geographical concentration of innovative activities and knowledge centers. Furthermore, as regions gradually improve their development indices and generate wealth and well-being, each country as a whole, and in turn the European Union, achieves growth and development.

In the current scenario, **the European Regional Development Fund (ERDF) for the period 2014-2020, drawing on the experience of RIS adapted to a more globalized world where the knowledge economy continues to grow in importance, has embraced smart specialization at the regional level. Regional Innovation and Smart Specialization Strategies (RIS3)²** are

2

governance processes that are currently proposed in the Commission as an updated and improved rethink of the methodology used to draw up strategies in the previous period. Thus, this rethink aims precisely to respond to the difficulties encountered and the bottlenecks that subsequently appeared in the previous strategic processes, especially new challenges. To this end, it aims to contribute more from regional policy to the new objectives of Europe 2020 (Landabaso 2011)³.

From this perspective, **smart specialization is the prioritization at the territorial level of a number of potentially competitive economic activities, scientific fields and technological domains that could generate new market opportunities in a global context over the prioritization of other territories.**

This new approach includes, in the frameworks of regional governance policies, features of the smart specialization model (specialization, economic transformation and globalization) to maximize the development potential of each region. Furthermore, in so doing, European regions respond to the 'ex ante' conditionalities which, within the framework of the Structural Funds, are established by the Commission to fund regional R&D&I policies. In other words, regions should set out their policies on the basis of a specialization strategy containing a SWOT analysis, definition of priorities and agreed actions, identification of resources, and monitoring and follow-up⁴, in order to maximize the efficiency and effectiveness of governance and thus generate genuine long-term development processes. In addition, this strategy should be defined in a dynamic, bottom-up process involving the whole of regional society on the basis of a public-private partnership.

In the framework of **EU-Chile and EU-Peru collaboration** on regional policies, addressing the development of Regional Innovation Strategies in the context of smart specialization was therefore of great interest with regard to learning about and understanding the different aspects of the process of origin, definition and subsequent implementation.

Furthermore, it built on previous experience of cooperation in this area between the EU and Chile with the development of the RED project to define and implement Regional Innovation Strategies in the country, enabling a triangular cooperation process.

³ Landabaso, M. (2011) "Strategic guidance for the new EU Cohesion Policy 2014-2020 in the research and innovation field". Meeting on Smart Specialization in Andalusia. Seville.

⁴ EC (2011) "Communication from the EC to the European Parliament, the Council, the European Economic and Social Committee and the CoR: Regional Policy contributing to smart growth in Europe 2020" Brussels

1.2. BRIEF DESCRIPTION OF THE HISTORY OF EU-CHILE AND EU-PERU RELATIONS

Bilateral relations between the European Union and Latin America began to be strengthened in the **seventies**. These relations have been evolving ever since. The European Union has positioned itself in recent years as the main foreign investor and the second biggest trade partner for Latin America.

1969 marked the start of **trade relations between the European Union and the Andean Community of Nations** (which until 1996 was called the Andean Group), with the first formal cooperation agreement signed in 1983. Also of significance is the San José Dialog, launched in 1984 between the European Union and countries in Central America, focused on consolidating democracy, peace, political stability and territorial integration in this area.

In the **nineties**, EU-Latin America relations began to acquire a more strategic nature, with **bi-regional and 'third generation' agreements** that considered economic and trade cooperation, development cooperation and the granting of the most-favored-nation clause. 1990 saw the launch of the **EU-Rio Group** Dialog (Declaration of Rome of 20th December 1990) focused on meeting bi-regional objectives of policy cooperation, trade, integration and extending the operations of the European Investment Bank in Latin America (1992). Development cooperation became a shared competence of the European Union through the **Maastricht Treaty** (1992). A very important milestone in EU-Latin America relations was the adoption of the *basic document on EU relations with Latin America and the Caribbean*⁵ in 1994, **considered to be the first strategic agreement**.



The first decade of the 21st century consolidated the strategic partnership between the European Union and Latin America. **At the Latin America-Caribbean and European Union Summit (EU-LAC) in June 1999, many commitments were made at different political, economic, social, cultural and educational levels**, which have been maintained over time through action plans at each summit and were formalized in the Declaration of Rio de Janeiro.

The 2006 summit in Vienna used a previous document, "*a stronger partnership between the European Union and Latin America*", which recognized that the Latin

⁵ Council of the European Union (1994) "Europe and Latin America: a partnership for action". Luxembourg

American integration process played an important role in strengthening stability and security in the region, and promoting sustainable development. It also reflected the growing influence of Brazil and Mexico at the international level.

One of the initiatives derived from these actions was the materialization of regional policy dialogs between the European Union and, among others, Chile and Peru, which are described below.

On 29th July 2008, in the framework of European cooperation, the **Government of Chile and the European Community** signed a **Specific Funding Agreement**, after which the **Innovation and Competitiveness Program** was launched. This program promoted the use in Chile of various tools to improve public innovation and competitiveness policies, including a vision of economic and technological cohesion at the 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**", which had an initial budget of €2,238,067, of which the EU contributed €1,100,242 and the Government of Chile €1,137,643.

Although debates at the summits took place at the bi-regional level (EC-LAC), there were also specialized debates at the same time with specific subregions (MERCOSUR, Andean Community of Nations, etc.) and countries (Brazil, Mexico, Chile, Argentina, etc). This led, among other actions, to **a specific dialog between the EU and Chile** from 2010, called the EU-Chile Regional Policy Dialog. In this context, the priorities of the work plan for the period 2011-2012 were as follows⁶:

- **Multi-level governance/decentralization**, motivated by the OECD recommendation that Chile decentralize with a more regional approach that would allow improved economic development in the various regions as a necessary condition for improving competitiveness as a whole.
- **Cross-border cooperation**, which enables improved cooperation in the border areas of Chile drawing on the European experience, initiating a series of information and training activities.
- **Regional innovation strategies**, which were being developed within the framework of the RED project, co-funded by the EU.

⁶ http://ec.europa.eu/regional_policy/cooperate/international/other_en.cfm#2

It was in this context that in 2010, in the framework of the EU-Chile Regional Policy Dialog, the Office for Regional and Administrative Development of the Government of Chile (SUBDERE) and the European Commission Directorate-General for Regional Policy signed a **memorandum of understanding on regional policy dialog**.

A result of this dialog was the project '2012.CE.160AT.036 on cooperation between the EU and Chile on Regional Innovation Systems in the framework of regional policy.' Upon completion of the RED Project, it also helped the 7 regions that had already developed their Regional Innovation Strategies to implement them. In addition, it helped another 4 regions that were at that time beginning preparatory work on the definition of their own strategies.

In turn, in May 2013 the **Directorate-General for Regional Policy** (DG REGIO)⁷ and the **Ministry of External Relations of the Republic of Peru** exchanged a **letter of intent**⁸ **to establish a dialog on regional policy and cross-border integration**. The dialog took place in the context of the 2009 Memorandum of Understanding, which established a bilateral consultation mechanism between the European Commission Directorate-General for Regional and Urban Policy and the Republic of Peru.

Dialog between the two parties **focused on the exchange of information and good practice in the following areas:**

- **Economic promotion, social cohesion and territorial cohesion policies**, as well as the development of innovation and technology.
- **Cross-border cooperation**, as well as transnational and interregional cooperation.
- Implementation and deployment of **regional and cross-border integration policies**, focused on capacity-building, mainly at the regional and local levels.
- **Multi-level governance and decentralization** of governmental structures for the deployment of regional policies.
- **Definition of policies for sustainable economic development** and the implementation of measures to support Corporate Social Responsibility at various territorial levels.

⁷ http://ec.europa.eu/regional_policy/cooperate/international/peru_en.cfm

⁸ "Letter of intent on a dialog on regional policy and cross-border integration between the Ministry of External Relations of the Republic of Peru and the European Commission Directorate-General for Regional and Urban Policy": http://ec.europa.eu/regional_policy/cooperate/international/pdf/peru_intent_es.pdf

These areas will be addressed through a **Work Plan 2013-14** on Regional Innovation Systems and cross-border cooperation.

Accordingly, some of the most significant actions related to **EU-Peru dialogs** prior to this project were:

- In November 2012, **3 workshops were organized in Cusco, Tarapoto and Lima**, enabling the exchange of experiences and good practice between the DG REGIO, European experts and Peruvian policy-makers on the definition and management of regional and cross-border cooperation policies.
- In 2013, both parties agreed to carry out an **empirical study on regional innovation systems** in two regions of Peru (Tacna and Cusco) focused on the use of best practice criteria to achieve systematic innovation in each region.

1.3. CROSS-BORDER INTEGRATION BETWEEN CHILE AND PERU

The project *EU-Latin America Cooperation on Regional Innovation Systems in the framework of Regional Policy (Chile and Peru)* has sought to give continuity to both European cooperation policy and the dialogs established by the DG REGIO with Chile and Peru, transferring **European experiences of regional policy, and specifically regional innovation policy, to the regions of Chile and Peru.**

The project aimed to define a cooperation strategy between a region of Chile and one of Peru, initially the Metropolitan Region of Santiago and Lima, in order to find a way in which the two could collaborate to support collectively the improvement of the capacity for innovation of two other regions, Bío Bío in Chile and Tacna in Peru. But **following the January 2014 judgment of the International Court of the Hague on the delineation of the maritime border between Chile and Peru**, partners in the project (SUBDERE in Chile and the Ministry of External Relations in Peru), together with the European delegations in Santiago and Lima, expressed interest in a new approach.

They also sought to showcase the importance of transregional cooperation in improving relations between the border regions of both countries. For this reason, the EU embassies in Chile and Peru and the beneficiaries of the project, always under the supervision of the DG REGIO, mutually agreed to introduce a new region (Arica and Parinacota) to the project, strengthening the roles of Arica and Tacna as border regions and maintaining the key role of the Metropolitan Region of Santiago and Lima, without abandoning the role of the Chilean region of Bío Bío as an observer.

2. PROJECT APPROACH

The first milestone was to draw up a work plan to detail the tasks, deliverables and dates for the five activities defined for the project:

- **Activity 1:** Ongoing coordination between officials of the DG REGIO.
- **Activity 2:** Organization of seminars in Latin American regions.
- **Activity 3:** Study visit and exchange program
- **Activity 4:** Specialized tutorials in Latin American regions
- **Activity 5:** Organization of the final conference in each region

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

ACTIVITY	OBJECTIVE
Activity 1: Ongoing coordination between officials of the DG REGIO.	<p>Establish a system of regular communication with officials of the DG REGIO to inform on the development of the project and the results being obtained, as well as to contrast aspects relating to the content and methodology of the seminars and conferences, study visits/exchange program and tutorials on the ground.</p> <p>At the same time, a crucial aspect of the project was to cooperate with the EU delegations in Chile and Peru, informing them of the activities to be carried out in participating regions of those countries, involving them in the same and ensuring that all stages of the process were carried out with their knowledge.</p>
Activity 2: Organization of seminars in Latin American regions.	Present the project in participating regions of Chile and Peru and carry out 2 seminars for 15-20 representatives of Chilean and Peruvian institutions to lay the foundations of cooperation between representatives through participatory exercises that build trust and teamwork for the study visits.
Activity 3: Study visit	Analyze the expert advisory process and the

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

	collaborative work undertaken in seminars by representatives of Chilean and Peruvian institutions on the topics indicated by contrasting them with experience on the ground through study visits, interviews and meetings with key players in innovation and regional development policy in European regions.
Activity 4: Specialized tutorials in Latin American regions	Organize specialized tutorials in Latin American regions with the experts suggested
Activity 5: Organization of the final conference	Organize a final conference where the results of the project are presented to local, regional and national authorities and organizations.

These activities are carried out through a range of tasks for each activity to ensure correct implementation. The tasks produced the following deliverables and milestones:

ELEMENT	DETAILS
DELIVERABLES	<ul style="list-style-type: none"> ▪ D1: Initial report ▪ D2: Proposal for a system of internationalization and dissemination of knowledge ▪ D3: Methodology for holding the seminars ▪ D4: Interim report on holding the seminars ▪ D5: Technical guide of recommendations for the definition, management and improvement of regional innovation strategies ▪ D6: Technical guide of recommendations on innovation services to SMEs ▪ D7: Methodology for the active participation of participants ▪ D8: Practical reports for each region (drawn up by Chilean and Peruvian officials) ▪ D9: Interim report on the study visit ▪ D10: Proposal for topics to be addressed, agenda, experts and methodology of the tutorials held in each of the regions ▪ D11: Interim report on the specialized tutorials held in Latin American regions ▪ E12: Interim report on the organization of a final conference
MILESTONES	<ul style="list-style-type: none"> ▪ M1: Seminars in Santiago and Lima ▪ M2: Study visit to Europe ▪ M3: Specialized tutorials in Latin American regions ▪ M4: Final conferences

3. PROJECT LAUNCH SEMINARS IN LATIN AMERICAN REGIONS

The project launch seminars took place on the 10th and 11th of June 2014 in Tacna (Peru), 12th June in Arica (Chile) and 13th June in Lima (Peru) with the aim of presenting the project in the participating regions and to the national authorities in Peru.

3.1. CONTENT

CONTENT ADDRESSED IN THE SEMINARS	
MAIN TOPICS ADDRESSED IN THE SEMINARS	<ul style="list-style-type: none">• Innovation and competitiveness in a global knowledge economy• Innovation for competitiveness and regional development• EU policies (2014-2020) for cross-border cooperation and regional innovation.• European experience in regional competitiveness and innovation policies• Regional policies to support competitive sectors.• RIS3 in Spain and national coordination through the Spanish R&D&I network.• Regional innovation, competitiveness and development policies in Chile.• Regional Innovation Strategy of the Metropolitan Region of Santiago de Chile and the role of the regional government.• The experience of Arica and Parinacota in developing Regional Innovation Strategies.• Systematization and socialization of the experience of innovation in the region of Arica and Parinacota.• National strategy for the development of science, technology and innovation in Peru.• Innovation based on a model of dynamic capabilities (empirical evidence from businesses in Peru).• Reading policies relating to Regional Innovation Systems in Peru.• Innovation for export in Tacna.• Peru-Chile: possibilities for the development and strategic management of cross-border territories.

3.2. DEVELOPMENT OF LAUNCH SEMINARS

The launch seminars were held in Peru in order to pass on to various players the experience of Europe and Chile in developing and implementing Regional Innovation Strategies.

They were attended by a delegation of 8 people from various national institutions in Chile, as well as the regions of Bío Bío, Arica and the Metropolitan Region of Santiago. There was also a European delegation of 7 representatives from the European Commission, as well as from various regions.



The seminars were **very well attended**. In the case of the **seminar in Tacna**, they were around 200 attendees. In fact, apart from the participation of representatives of regional businesses and institutions, there was also a large number of university students, who demonstrated great interest and concern for aspects relating to innovation policies, specifically opportunities for collaboration in the framework of cross-border cooperation.

In the seminar held in Lima, there were 100 participants. The seminar was aimed at institutional representatives, so the number of attendees is considered a success. Of note is the participation of national institutions, including the Ministry of External Relations of Peru, all the regional delegations of the Technological Institute of Production (ITP in its Spanish initials), as well as the Chilean and EU ambassadors to Peru,

In the city of Arica, the launch took place during a plenary session of the **Directorate of Regional Innovation Strategies** of Arica and Parinacota to analyze how cross-border cooperation could make its objectives and actions consistent with those of the strategy.

3.3. ADDITIONAL ACTIONS

On the 12th of June, the European expert Jaime del Castillo **participated in the Peru-Chile Cross-Border Committee**, made up of representatives from the *Ministries of External Relations* of both countries and to which he presented the content of the EU-Chile-Peru dialog project and its actions and objectives.



On 9th June 2014, at the suggestion of the Ministry of External Relations of Peru, and with the prior agreement of the DG REGIO, the expert also participated in the **International Seminar on Regional Innovation Policies and Strategies for Development** in the region of La Libertad in the province of Trujillo. This seminar was attended by 64 participants from businesses and institutions, and its objective was to make the region of La Libertad a participant in the EU-Chile and EU-Peru regional policy dialogs, as well as to transfer European experience in the definition and implementation of Regional Innovation Strategies.

Furthermore, taking advantage of the visit of the speakers from both Chile and Europe, in addition to the seminars, **a number of visits to Peruvian institutions in Lima also took place on 9th June.** The objective was to lay the foundations of cooperation between representatives of institutions in Chile and Peru, and between them and the



European representatives, through participatory exercises that built trust and teamwork for the subsequent study and exchange visits. Meetings were held with the INIA (National Institute of Agricultural Innovation), ITP (Technological Institute of Production), Chambers of Commerce in Lima and Peru, Concytec (National Council of Science and Technology) and the National University of Engineering.

Finally, it should be noted that on the same Friday 13th June, in order to continue focused activities, build trust and establish working methods for the future implementation of recommendations derived from the project, and especially to establish new cooperative relationships between various institutions in Chile and Peru, the European experts held interviews in Lima with the Ministry of Production of Peru and the National Competitiveness Council (CNC in its Spanish initials).

3.4. CONCLUSIONS OF THE LAUNCH SEMINARS

The European experience, as well as that of Chile through the RED Project and the EU-Chile dialog on regional R&D&I policy as a mechanism to improve competitiveness, was the core work of these sessions.

Shared knowledge, the exchange of experiences and an initial exploration of ideas for possible areas of cooperation or exchange of knowledge was the main purpose of these exchanges.

The seminar enabled the involvement of various key players in R&D&I both in Peru and in Chile. It was without doubt critical in establishing a process of dialog and moving forward in the governance process not only for a project of this type, but also more ambitious institutional R&D&I projects with various objectives and starting points.

In any case, and as a final conclusion of the seminar, it is worth noting how the project was welcomed by the Peruvian institutions visited, project stakeholders and attendees of the seminars held in Tacna, Lima and Arica.

4. DEVELOPMENT OF TUTORIALS IN LATIN AMERICAN REGIONS

An important part of the project was the participation of European experts in supporting participating regions of Chile and Peru in reflecting on the most appropriate measures to achieve transregional and cross-border cooperation, including how to define and implement joint projects. The support of experts should also be focused on disseminating European good practice in regional innovation policy.

From this perspective, the specialized tutorials offered to the Latin American regions **ensured the direct transfer of knowledge to organizations in Chile and Peru** and also served to evaluate the effective transfer of knowledge to these institutions.

Initially, according to the contract, tutorials were to be held on the ground by two European experts, who closely advised and trained officials and representatives of institutions in Chile and Peru, at the same time evaluating the efficiency of knowledge transfer actions. In the end, tutorials on the ground were led by the expert Jaime del Castillo and tutorials with the second expert were replaced, at the suggestion of the *Office for Regional and Administrative Development (SUBDERE)*⁹ and with the agreement of the DG REGIO, by **expert validation of the new Regional Innovation Strategies by Enric Tortosa** (Araucanía, Aysén, Los Lagos and Valparaíso).

Tutorials were held in Lima, Santiago, Tacna and Arica taking into account their characteristics and level of complexity, with the agreement of the European Commission and the Governments of Chile and Peru. During these days, the expert was in constant contact with various institutions and organizations involved directly or indirectly in R&D&I policies, assessing them on the issues that had been identified as of particular interest for each one of the regions.

⁹ As a result of the fact that, upon completion of the RED Project, there were no experts available to validate the new strategies, SUBDERE suggested to the DG REGIO that the program of tasks in the contract be amended and sessions with the expert replaced by validation of the new Regional Innovation Strategies. This suggestion was based on the importance of this validation in the success of the previous strategies.

The **expert validations of the Regional Innovation Strategies** of Araucanía, Aysén, Los Lagos and Valparaíso, carried out by Enric Tortosa, **were all positive**, as well as offering advice for their improvement. Thus **the expectations of SUBDERE were met** in relation to what the work should contribute to the process of building new strategies.

4.1. MAIN CONCLUSIONS OF THE TUTORIALS ON THE GROUND

With regard to the capital city regions, **Lima had practically no institutions, so it was necessary to work with all players at the national level** (institutions, universities, etc.) that are located there. However, the wide availability of all those contacted to collaborate both in a project that benefits Tacna and with the Chilean counterpart should be noted. Also worth pointing out is the great interest shown by national and regional institutions in both countries in regional policy and European innovation policy.

In the **Metropolitan Region of Santiago**, the regional government does have its own powers, and currently its main development priority is to promote the Smart City concept. For this reason, its challenge is to **coordinate the priorities of the previously defined Regional Innovation Strategy** with this objective. **In the same context, it addresses the possibilities offered by a supraregional cooperation policy** with regions in Peru and other regions of Chile. Thus, technicians from the regional government (GORE in its Spanish initials) participated in this actions of the project from this perspective, and were interested in seeking areas of collaboration and facilitating contact with institutions or researchers who may be interested in the fields in which these joint actions may be carried out.



In the **border area between the two countries, although there are problems common to Tacna and Arica** (water, energy, agro-industry, tourism, waste, etc.), and the **population of both regions are aware of their similarities and complementarity, there is no institutional framework to facilitate collaboration**. There is only a *Border Committee* made up of the Ministries of External Relations of both countries, which meets regularly to address common problems. Collaboration would therefore have to be planned initially through this body.

As a result of his experience following his wide-ranging series of meetings, the European expert identified **the following areas of common interest that are likely to lead to joint actions between the regions of both countries:**

- Cross-border virtual support center for innovation and competitiveness.
- Joint definition of solar and wind maps of Tacna and Arica.
- Analysis of joint actions on water, energy and/or waste
- Search for agro-industrial products (or better integration of the value chain) with greater added value. Search for new markets through greater cross-border integration of the value chain
- Creation of a joint image of 'desert products'
- Joint actions on tourism or logistics

These hypotheses must be subsequently validated or not validated and, if appropriate, prioritized in the exchange program. In that regard, the expert interviewed all future participants in the exchange program throughout the mission, explaining its direction, the outlines of the agenda, and their responsibilities and commitments. In particular, he stressed the need for them to take into account that the objective of these visits was to generate ideas to improve the policies to be developed in each region, as well as to identify the possibility of generating collaborations between them and with European institutions. For that reason, it was important that they later produced a report on the lessons learned during the visit to Europe, so that what was gained from the visits could be transferred to the rest of the region.

4.2. MAIN CONCLUSIONS OF THE PROCESS OF EXPERT VALIDATION OF THE RIS

Expert validation of the new Regional Innovation Strategies (Araucanía, Aysén, Los Lagos and Valparaíso) was carried out by Enric Tortosa. The following table shows a summary of the main conclusions drawn from the process of validation of each of the four strategies, **all validated by the expert.**

MAIN CONCLUSIONS OF THE PROCESS OF EXPERT VALIDATION OF THE RIS

SUMMARY OF THE EXPERT VALIDATION OF THE ARAUCANÍA RIS

- The RIS **focused almost exclusively on the business sector**, which is consistent with the classic philosophy of this type of strategy developed initially in regions of the European Union.
- The region of Araucanía, as rightly raised in its RIS, is committed to sustainability, using natural resources responsibly, and quality of life. An issue that therefore deserves the greatest attention is the **management of natural spaces, marine and continental ecosystems,**

	<p>biodiversity and the countryside.</p> <ul style="list-style-type: none"> ▪ According to the expert the sustainable management of ecosystems requires a particular overall emphasis on at least two things: a) the need for bodies and institutions that generate knowledge to include or reinforce this topic as a priority in their activities; and b) that governments have or acquire sufficient capacity to transform this knowledge into technologies to sustainably manage the environment and are able to apply them (innovation). ▪ It is important that the region of Araucanía relates to and establishes common strategies with other regions whose strategies focus on sustainability and natural resources.
<p>SUMMARY OF THE EXPERT VALIDATION OF THE AYSÉN RIS</p>	<ul style="list-style-type: none"> ▪ Excellent approach to the definition of the regional innovation system. The concept cited in the text that interaction and flow, without which an authentic system would not really exist, are more important than system nodes is considered very significant. ▪ It is essential to support teamwork and mutual learning between knowledge and technology creators and businesses, with the participation of governments and interface bodies or structures. ▪ It is important to note that the strategy does not focus exclusively on technological innovation in businesses. It is right to include innovation in the public sector. It is possibly a novelty in the context of the strategies drawn up until now in the regions of Chile, given that the classic RIS focuses mainly and almost exclusively on innovation in businesses and not in the public sector. ▪ In relation to the action plan, the plans are extremely ambitious and sometimes have general objectives that are very difficult to meet. Therefore, in order to be implemented, they will need to be specified through projects with a clearly defined objective, time frame, budget and real evaluation of results.
<p>SUMMARY OF THE EXPERT VALIDATION OF THE LOS</p>	<ul style="list-style-type: none"> ▪ The general approach is considered appropriate, assuming that it is in accordance with the results of the overall SWOT¹⁰ of the region and sectors. ▪ It is necessary to emphasize the importance not only of

¹⁰ Analysis of Strengths, Weaknesses, Opportunities and Threats. Known as SWOT.

<p>LAGOS RIS</p>	<p>the 'production' of knowledge, but also its 'absorption, transformation and application'; and one of the crucial factors for this is the level of education and training.</p> <ul style="list-style-type: none"> ▪ In relation to the strategic framework, the vision and strategic objectives are very appropriate, although aspects of environmental management must be included. ▪ It is very appropriate to stress the importance of the development of quality tourism and the high purchasing power of potential visitors who, at the global level, seek and pay for excellent and diverse natural tourism. ▪ The action plan is clear and precise. ▪ The governance proposal and proposed outlines are correct, orthodox and respond to the experience gained through the RED project in other regions.
<p>SUMMARY OF THE EXPERT VALIDATION OF THE VALPARAÍSO RIS</p>	<ul style="list-style-type: none"> ▪ This is considered to be an excellent approach to the establishment of the strategy and its axes of four competitive clusters and three cross-cutting areas. It also enables adjustment of the more general concepts that can be drawn from the main axes to the specific problems of the region. ▪ From an expert point of view, the strategy proposal is considered correct, well structured and justified. It highlights that social innovation should contribute with innovative solutions to territorial cohesion and equitable development. ▪ It also emphasizes the basic importance of 'trust and collaboration' between businesses and R&D centers (universities and others) in producing appropriate knowledge transfer. The support for assimilating knowledge obtained outside the region, both at the national and international levels, is also relevant. ▪ The programs and initiatives selected are, in general terms, consistent with past development and would enable consistent and effective implementation of the RIS. ▪ In terms of governance, the expert ignores the reason for proposing a structure that apparently leaves out the experience of other regions in the process of drawing up RIS, based on three structural and functional levels (governing body, management team and implementation unit).

5. DEVELOPMENT OF THE STUDY VISITS

11 Chilean and Peruvian¹¹ **representatives** from the regions of Arica and Parinacota, the Metropolitan Region of Santiago, Tacna and national institutions of Peru and Chile **participated in the study visits**, traveling to **Baden-Württemberg (Germany), the Community of Madrid (Spain), the region of Murcia (Spain) and the Basque Country (Spain)**.

The study visits focused on **continuing the collaborative process started in the seminars** by Chilean and Peruvian representatives. This objective was achieved through interviews and meetings with key players in innovation and regional development policies in the European regions during the two weeks of the exchange program. During this time, as well as finding out which policies and actions were being carried out in the European regions visited, the exchange between participants helped to outline better possibilities for transregional collaboration projects.

The study visits had **ongoing technical assistance** from the INFYDE, as well as a **detailed visit agenda** with the objectives of each of the sessions and interviews to be held.

During the exchange, the European regions also held two assessment and reflection seminars (at the end of each of the two weeks). In these, participants **shared all the aspects observed during the visits and in this way agreed the lessons learned, good practice observed, recommendations for their region/country and key aspects that should guide the cross-border cooperation process** between the regions of Arica and Parinacota with Tacna and the Metropolitan Region with Lima, as well as between all of these and European institutions.

5.1. LESSONS LEARNED IN THE DEVELOPMENT OF THE STUDY VISITS

The visits to Europe **offered participants a different but complementary vision of frameworks to support innovation and competitiveness** that regional governments can develop.

¹¹ The plan was for a total of 12 people to participate, 6 from each country, but one of the participants canceled at the last minute.

They were able to contrast the experiences of advanced regions and European leaders such as Baden-Württemberg as well as the experiences of European regions with similar geographical characteristics and problems (agro-industry and water shortages) to **the regions of Chile and Peru** (Arica and Parinacota and Tacna), as may be the case for the region of Murcia.

The visit to **Baden-Württemberg** provided the opportunity to learn about the structure and main instruments of one of the most innovative regions in the world. There was evidence of how **public R&D&I infrastructures** (such as the Max Planck institute, the Fraunhofer system, the Helmholtz confederation and a range of institutes attached to universities, mostly with a strong technological focus), **regional policies and instruments to support innovation and public-private partnership provide a suitable climate for entrepreneurship and the growth of business competitiveness.**



It is known for being a region that has developed a strong **identity based on a large network of multinationals and SMEs in the automotive, electronics and mechanical engineering industries.** The region stands out for its **profile of businesses with a high spend on R&D in relation to their total costs,** and has also managed to attract large businesses to locate their R&D&I centers in the area of Stuttgart.

Public research infrastructures in the region are an important source of knowledge that have a positive impact on the private sector and promote regional innovation. Universities play a very important role in disseminating knowledge, which is demonstrated by the high number of industrial patents (it has more patents per capita than any other region of Germany).

Of note is the **dynamism of regional public institutions with the introduction and ongoing reform of R&D&I action policies. Noteworthy among these are initiatives launched by regional institutions to develop and strengthen relationships between various players in the innovation system.** In this way, long-term strategies can be defined jointly between the regional government, universities and businesses themselves.

The **visit to Madrid** demonstrated the mechanisms through which the region has positioned itself as an **industrial**



and economic leader on the world stage. It highlighted the fact that it is developing a proposal to join with other regions that are also developing policies around clusters and technology parks. An action of great interest to both Chile and Peru (specifically the regions of Santiago and Lima) is the activity of the **Advanced Regions** Network, which is a network of international contacts with the most innovative regions. This network reinforces the idea of Madrid as a region of technological excellence, and facilitates the inclusion of Madrid businesses and researchers in international projects. It highlights the importance of Madrid businesses being included in international networks in which the most advanced centers participate in order to improve their capacity for innovation.

In terms of the support measures and instruments used, it emphasized the relationship of the mechanisms presented by the Ministry of the Economy and Competitiveness, from the perspective of the great value added by the network of public R&D&I policies (REDIDI) at the national level. Due to its great interest and transferability, one presentation that stood out was on the **participation mechanisms of SMEs in smart specialization strategies and cooperation programs in the area of R&D&I as developers of and catalysts for innovative effort aimed at improving success rates in the results of R&D&I derived from these policies.**

In the visit to Murcia, **participants were able to observe at first hand various ways of addressing energy problems and water shortages, which are also problems in the border area of Peru and Chile.** The environment and sustainability is a **strategic focus of innovation in the region,** especially with regard to energy, the environment, water resources and the sea.

The visit to desalination and purification plans enabled participants to observe technologies aimed at solving very similar problems to those present in the border area of Peru and Chile. It was explained that **desalination has become an emergency system to tackle droughts, and although the infrastructure is expensive, it is necessary to guarantee the well-being of residents.** In Murcia, the significant water deficit explains the importance of investment in this area and the ongoing development of desalination processes, whose costs have decreased over time. This experience was of great interest for the regions of Peru and Chile who have to address a significant shortage in water resources for the development of their agricultural production.



Also of interest was the visit to a food company aimed at providing consumers with natural, high-quality products, thanks to the excellence of garden fruits in Murcia. **Of note were references to the company's R&D department, dedicated exclusively to acquiring and processing external knowledge** (market, technology, scientific advances and legislation, among others), with the aim of designing and developing products and services that satisfy the needs of the market.

In the Basque Country, participants saw how institutions and private players in the region have used their own model of competitiveness sustained by the active focus on the competitiveness of the productive industry, clustering of activities, public-private partnership and interinstitutional collaboration, as well as the use of the capacity for self-governance as a lever to equip themselves with new instruments to



serve competitiveness. It presented the Basque Science and Technology Network as an example of a very extensive mix of public support measures and instruments that **influence competitiveness in territorial businesses.**

The new model of Basque competitiveness supports industrialization without losing sight of the inclusion of more up-to-date approaches adapted to current demands. The model is focused, among other things, on improving the transfer of R&D to industry, optimizing resources aimed at R&D&I and the smart specialization strategy.

Finally, **it emphasized the importance of smart specialization strategies as a way of promoting a new economic model and a transformation that strengthens and highlights the uniqueness of the business network in each region.** In the Basque case, this strategy is centered on three essential facilitating technologies (biosciences, nanosciences and advanced manufacturing) and five market priorities (transport and mobility, digital world, science industry, aging and health care, and energy).

5.2. POTENTIAL COLLABORATION PROJECTS OF INTEREST IDENTIFIED

In the work seminars held during the exchange, and according to the lessons learned during the visits undertaken, **a number of potential collaboration projects were identified to be carried out in the border area between Chile and Peru.**

PROJECTS IDENTIFIED CLASSIFIED BY PARTICIPANTS IN ORDER OF INTEREST

<p>MAIN PROJECTS IDENTIFIED</p>	<ul style="list-style-type: none"> ▪ Develop more efficient processes in the use of water and aquifers. ▪ Work on policies that improve the treatment of waste in productive activities, especially agriculture, and their transformation process. ▪ Study that enables the definition of the complementarity of a common value chain in the food and agriculture sectors. ▪ Possibilities of defining tourist products common to both regions. ▪ Define a plan that enables use of the Free Trade Zone of Tacna as a place to develop cross-border activity, including that carried out by Chilean importers, in order to formalize currently informal activities and to strengthen the logistics capacity of the port of Arica to dispose of these products ▪ Analysis of the advantages that can be obtained by promoting a common image (for example, desert products and services). ▪ Creation of a virtual innovation support center which, through the Border Committee, could use contacts gained on the exchange program and expert visits to support businesses and researchers in both regions. ▪ Plan joint parallel wind maps (and in Tacna also solar maps) between both regions to take advantage of the synergies and cost reduction.
<p>ADDITIONAL PROJECTS IDENTIFIED (OF LESS INTEREST BUT CONSIDERED STRATEGIC)</p>	<ul style="list-style-type: none"> ▪ Creation of a cluster of agro-mining providers. ▪ Health cluster. ▪ Development of institutionality linked to interregional cross-border innovation. ▪ Study that enables the development of a participatory governance process with the aim of influencing cross-border collaborative relationships. ▪ Support from institutions in Chile for Peru to start defining its regional innovation strategies. ▪ Programs to link science and business in the framework of the regional innovation strategies. ▪ Development of a platform to identify businesses and talents that enable the construction of a map of R&D&I capabilities of the most important sectors in the cross-border territories.

6. FINAL PROJECT CONFERENCE

The **final project conference** took place over three days in various locations in January 2015:

- In Chile, the *final session of dialog in EU-Chile-Peru cooperation and workshop on development and innovation* were held on 12-14 January and included a *workshop with INAPI* (12th January), its own *conference to present the results of the project* (13th January), a *seminar on decentralization and productive development policies* (13th January) and a *workshop on productive development policies* (14th January), held at the San Francisco Plaza Hotel in Santiago.
- The closing session of the conference in Tacna was held on 15th January 2015 in the auditorium of the Chamber of Commerce, entitled *seminar on regional innovation in the framework of EU-Chile-Peru cooperation*.
- The closing session of the conference in Lima was held on 16th January 2015 at the headquarters of the Ministry of External Relations of Peru, entitled *seminar on regional innovation in the framework of EU-Chile-Peru cooperation*.

The project ensured the participation in the events of **speakers from Europe, Chile and Peru** according to the topics, related to innovation policies and cross-border cooperation processes, that had been defined as preferred in previous actions of the project.

6.1. FINAL SESSION OF DIALOG ON EU-CHILE-PERU COOPERATION HELD IN SANTIAGO

In Chile, the Office for Regional Development (SUBDERE) wanted to take advantage of the occasion to give a presentation on the direction of the pilot project on the decentralization of productive development policies. European experience of regional policies to support competitiveness and innovation based on RIS3 is hugely important in this process, given that in Chile the Ministry of Economy and Productive Development Corporation (CORFO) has also chosen to convert to smart specialization as the methodological basis for its own policy-making.

Therefore, the seminar to present the results of the cooperation project between the EU, Chile and Peru was one of 4 seminars with this purpose, and in which participated more than 150 people from all of the regions in Chile, as well as national institutions with an interest in decentralization and productive development policies.

The final session was opened by *Natalia Piergentili*, head of the regional development division of SUBDERE, who **analyzed the importance of regions having their own regional innovation policies for the future of territorial cohesion in Chile**. The speaker highlighted that cooperation with the EU first in the RED project and then in regional policy dialogs had been of fundamental importance for the regions in Chile in defining regional innovation strategies adapted to their own situations.



Ronald Hall, Principal Advisor at the European Commission Directorate-General for Regional and Urban Policy and responsible for the management of sector-wide dialogs on regional policy, explained that their objective is to **facilitate the transfer of knowledge on regional policies from the European Commission to interested countries**, and that the project forms part of these dialogs, which are carried out in several countries around the world, especially in Latin America.



Rafael Dochao, EU Ambassador to Chile, explained **new trends for cooperation between the EU and Latin America**, such as how the **"partnership instrument"**, a new instrument that will facilitate the implementation of joint projects on both sides of the Atlantic, will work.

Subsequently, **representatives of the Ministries of Foreign Affairs of Peru and Chile thanked the European Union for its support and expressed an interest in continuing this type of collaboration in the future**, including references to trilaterally developed projects.

Finally, *Jaime del Castillo*, who was in charge of the technical coordination of the project, explained the **interest it had generated among entrepreneurs and other social and institutional players in the regions that had participated in the process in implementing joint actions in the future**. He also **explained a range of projects that had been of interest for transregional collaboration**, especially in sectors such as agro-industry, tourism and water. In addition, he stressed **the importance of seeking measures to put these recommendations for action into practice**.



6.2. SEMINAR ON REGIONAL INNOVATION IN THE FRAMEWORK OF CHILE-PERU COOPERATION HELD IN TACNA

The closing session of the conference in Tacna was held on 15th January 2015 in the auditorium of the Chamber of Commerce with over 60 participants, entitled "*seminar on regional innovation in the framework of EU-Chile-Peru cooperation*".

It was opened by the EU Ambassador to Peru, *Irene Horejs*, and the manager of regional economic development in the new regional government. **The Ambassador presented the main elements of cooperation, trade and scientific and technological exchange policies between the European Union and Peru. The manager set out the new regional government's commitment to innovation and cross-border cooperation.**



Luís Hernández, from the Ministry of External Relations of Peru, explained **the role of collaboration with DG REGIO in supporting the development of the border regions of Peru.**

Claudia Jara from SUBDERE explained the **strands of the new decentralization policy in Chile, as well as its importance in the RED project co-funded by the European Union in instilling a culture of innovation** in the regions of Chile and empowering regional players to take the future destiny of the regions in their hands.

In turn, the representative from Corfo Arica explained the broad guidelines of a **project proposal to develop a transregional support center for entrepreneurs.** In a speech similar to the one he made at the closing session of the conference in Santiago,



Jaime del Castillo **analyzed the areas of collaboration that had been identified in the work carried out.** Attendees expressed their agreement with these guidelines, and there was a broad consensus on the importance of maintaining cross-border collaboration processes.

The session was closed by the Vice-President of the Regional Government, who **expressed its clear commitment to future implementation of these projects which, in his opinion, strengthened cross-border cooperation. He also**

thanked the European Union for having supported this regional dialog initiative.

6.3. SEMINAR ON REGIONAL INNOVATION IN THE FRAMEWORK OF CHILE-PERU COOPERATION HELD IN LIMA

On Friday 17th, more than 50 participants attended the **national closing session of the project** at the Ministry of External Relations of Peru in Lima. In order for subsequent work to be carried out on how to implement the projects presented, it was aimed exclusively at universities, business organizations and representatives of various national institutions with an interest in regional policies and productive development policies.

The opening session was chaired by the EU Ambassador to Peru, the EU Ambassador to Chile, the Chilean Ambassador to Peru and the Director for the Americas of the Ministry of External Relations of Peru, as well as the cross-border policy director from the same ministry. They all stressed the key

importance of transregional and cross-border collaboration for the future of development of various areas of Latin America. Subsequently, *Mrs. Horejs* summarized



the direction of European policies for the continent during the period 2014-2020. Later, *Mr. Hernández*, Director of Borders, **explained the strategy of the Government of Peru for supporting these areas and thanked the EU for the support received for this project.**

For her part, *Claudia Jara* from SUBDERE and the expert *Jaime del Castillo* made speeches similar to the ones they made in Tacna. In turn, *Ana Gómez*, from the Government of the **Metropolitan Region of Santiago**, explained the **experience of the region in defining and implementing its regional innovation strategy, and the importance of European cooperation in this process.**

Finally, in the debate, **the speakers agreed the broad outlines of the recommendations for areas of possible cross-border collaboration, and expressed an interest in implementing some of the most significant projects that could arise from them.**

They also emphasized the interest in continuing this type of **triangular cooperation** in the future, where European experience can be transferred not only in its own right, but also in terms of how it has been applied in other countries, as has been the case of the RED Project in Chile

6.4. WORKSHOPS TO PROMOTE INNOVATION HELD IN SANTIAGO

As stated earlier, taking advantage of the visit of European experts to Chile, these workshops complemented the closing session of the project of EU-Chile-Peru collaboration held on 13th January. Organized by the Office for Regional and Administrative Development (SUBDERE), its **objective was to improve the capacity of all regions in Chile to implement both Regional Innovation Strategies and new responsibilities that they will have in the framework of the decentralization process of productive development policies.**

In the afternoon session on Tuesday 13th, Ronald Hall explained the foundations for European regional policy, stressing that their key objective was the reduction of regional disparities. Therefore, it enables **regions to implement Regional Innovation and Smart Specialization Strategies (RIS3) as a way of generating economic processes that enable their businesses to be more competitive and thus increase their capacity to generate wealth and quality businesses.**

Viviana Betancourt, Head of the Policy Division of SUBDERE, explained to participants the immediate steps of decentralization policy in Chile, in particular directly elected mayors and the way in which they will **reorganize regional institutions. Among these actions is the proposal the government is going to make to implement decentralization of productive development policies.** In this regard, *Eduardo Bitrán*, Executive Vice-



President of Corfo, explained that the **smart specialization policy promoted by the government is consistent with the decentralization process**, in which regional priority sectors and regional mesos are of great importance.

On the morning of Wednesday 15th, *Luis Cuervo*, special envoy for Latin America from the European Commission Directorate-General for Internal Market, Industry and Entrepreneurship, **stressed the importance Europe places on industrial policy as a way of improving economic conditions and coming out of recession faster.** *Jaime del Castillo* reviewed the development of the Basque Government's industrial policy and policies to support competitiveness, noting that it had been essential for Basque businesses to overcome the consequences of the recession of the 70s-80s and become competitive and open to globalization, thus making the Basque Country today one of the richest and most competitive regions

in Spain. He stressed **the importance of policies being adapted to the conditions of each region, remaining consistent over time and being prepared to accept that not all actions undertaken will have a good result.**

Subsequently, during a *round table*, **various regions of Chile expressed the importance of the Red program and collaboration with European regions and experts in improving the management of their instruments to support innovation.**

Finally, *Claudia Jara*, coordinator of the Productive Development Unit of SUBDERE, **closed the session, stating that the institution would continue to support regions in the new process of decentralization of productive development policies.**

It should be noted that, as another action carried out in the framework of the project, specifically the region of Arica and Parinacota, on the morning of Thursday 16th January, the expert *Jaime del Castillo*, alongside *Claudia Jara* and *Guiselle Pedreros*, from SUBDERE, held a meeting with the Director and technicians from the regional office of Corfo in Arica and Parinacota to learn at first hand about a **project being considered for development in line with the recommendations of the dialog.** This project aims to promote cooperation between Tacna and Arica, and also regions on the Bolivian border, in order to **share a business initiative support center, thereby sharing costs and experiences.** It was precisely this topic that Corfo presented the following day at the seminar in Tacna.

6.5. CONCLUSIONS OBTAINED FROM THE ACTIVITIES UNDERTAKEN IN THE FRAMEWORK OF THE FINAL CONFERENCE

The final conference **focused on issues related to improving the capacity to define regional innovation policies and transregional cooperation projects between Chile and Peru and with the support of the European Union.** The main content of the various events that made up the final conference were as follows:

- Decentralization and productive development policies.
- Instruments of regional innovation policy.
- EU regional policy and EU policies in Latin America.
- The experience of regions of Chile in the framework of the RED Project: regional innovation, competitiveness and development policies.

- Regional innovation in the framework of cross-border integration between Chile and Peru.
- Experience and impact of EU-Chile-Peru collaboration.
- Improving the capacity to define transregional cooperation projects between Chile and Peru with the support of the European Union.
- Lessons learned by the regions of Peru in the process.

The various players who together made up the final conference **were a big success** both because of their media impact and the presence of several institutional, business and academic representatives. Furthermore, the various sessions that made up the final conference were well attended, with an average over the 3 days of 150 participants at the speeches in Santiago, and around 50-60 attendees in Tacna and Lima.

The final conference **therefore provided an opportunity to review the project** and the results obtained. The **process must be considered a success in that the broad outlines of recommendations were agreed with regard to areas for possible cross-border collaboration**, and interest was expressed in the sessions in implementing some of the most significant projects proposed.

7. POTENTIAL PROJECTS OF INTEREST IDENTIFIED FOR CROSS-BORDER COLLABORATION BETWEEN CHILE AND PERU

In the framework of the project "*EULAC-REGIO (RIS) - EU-Latin America Cooperation on Regional Innovation Systems in the framework of Regional Policy (Chile and Peru)*" , **a number of potential collaboration initiatives were identified to be developed in the cross-border area between Chile and Peru**. These ideas for joint projects were identified at an early stage during the visits of European experts to Latin America. They were developed by the collaborative work undertaken in the study visits to Europe and in the field work carried out during the exchange program, as well as the contributions of various project *stakeholders*.

Taking into account existing similarities between the regions in the border areas that this project is aimed at, the opportunity arose to address joint regional policies that enable improvement of existing structural problems and are designed to function in the long term and to address all cross-border problems in a consistent and interlinked manner.

Achieving complementarity and continuity in the medium to long-term future between the actions of various policies on both sides of the border is complex and will require effective capacity for institutional programming and organization in order to optimize the advantages of cross-border and supraregional cooperation between Chile and Peru, and with European regions.

It should be noted that although these projects would be defined to be developed in the border area, **their implementation would be greatly facilitated if they made use of previously identified contacts in research and technology centers both in the EU and in Lima and the Metropolitan Region of Santiago.**

The possible **lines of action** are as follows, from the perspective of cross-border cooperation projects:

LINES OF ACTION IDENTIFIED IN TERMS OF CROSS-BORDER COOPERATION RESULTING FROM THE ACTIONS OF THE PROJECT

- **Line 1 (L1):** Efficient use of water.
- **Line 2 (L2):** Complementarity of a **cross-border value chain in the food and agriculture sector.**
- **Line 3 (L3):** Definition of **tourist products** common to both regions
- **Line 4 (L4):** Use of the **Free Trade Zone of Tacna as a place to develop transforming activity**, including that carried out by Chilean importers, in order to formalize currently informal activities and to strengthen the **logistics capacity of the port of Arica to dispose of these products.**
- **Line 5 (L5):** Promotion of a **common brand or image** (for example, desert products and services).
- **Line 6 (L6):** **Cross-border collaboration** on measures to support **innovation and competitiveness.**

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

These lines of action will have to be implemented through specific **joint projects or actions**. Some of these, identified throughout the project, are shown below:

JOINT PROJECT OR ACTIONS	LINE OF ACTION	DETAILS
A. PROGRAM OF JOINT ACTIONS ON WATER MANAGEMENT	L1	Develop a joint action policy on both water treatment for consumption and irrigation, and treatment of waste water.
B. ESTABLISHMENT OF A CROSS-BORDER INNOVATION NETWORK ON FOOD AND AGRICULTURE IN ARICA-TACNA	L2, L6	Formalize an innovation cooperation network, with exchanges of means and transfer of knowledge in the border region.
C. DESIGN OF A CROSS-BORDER TOURISM POLICY	L3	Generate a dialog and teamwork around the issue of sustainable tourism, which strengthens the cross-border integration process through cooperation and multi-level governance.
D. TRANSREGIONAL LOGISTICS SERVICES PLATFORM	L4	Support trade both in Chile and Peru and international trade produced and transited through both regions and strengthen the capacity to generate business both in the region of Tacna and in the region of Arica and Parinacota.
E. CROSS-BORDER PLATFORM FOR INDUSTRIAL DEVELOPMENT AND ENVIRONMENTAL SUSTAINABILITY	L4, L6	Improve the competitiveness of priority industrial sectors in the regions of Tacna and Arica and Parinacota from the perspective of environmental sustainability.
F. CREATION OF A TACNA-ARICA CROSS-BORDER COMMITTEE	L5	Strengthen relations between companies, improving the means of communication and carrying out studies that can assess the cross-border area from a perspective of 'desert products and services'

8. CONCLUSIONS

Upon completion of the project, implementation of measures and actions shall be the responsibility of various regional and national players in both countries. In any case, it will be important to have the support of the Chile-Peru Border Committee, where the governments of both countries address cross-border issues, and to which the main findings and conclusions of the project were presented.

The results can be summarized quantitatively by stating that more than 500 people from both countries were mobilized, an exchange program of 11 people who visited

4 European regions was set up, 12 people from Chile and Peru went on working visits to the other country, and 10 EU officials, regional representatives and European experts also worked on the ground with participating regions. Furthermore, four new Regional Innovation Strategies in Chile were validated, thus facilitating the continuity of the methodological process that had been implemented with the RED Project.

From a qualitative point of view, emphasis must be given to the importance for participating regions of finding out about the European experience in the area of interregional cooperation and innovation policies. This knowledge was even more important given that both countries are currently immersed in a process of productive diversification, decentralization and R&D&I support policies. Throughout the project, the Latin American participants have been able to contact various European speakers, experts and representatives of regional and national institutions. They have remained in contact with them, and it is therefore likely that there may in future be collaborations between both sides of the Atlantic.

What is even more significant is that the project has enabled implementation of the experience of triangular cooperation between the European Union, Chile and Peru. Drawing on the experience of applying the European methodology of Regional Innovation Strategies in Chile, the skills acquired by the regions and national institutions in Chile have enabled acceleration of the transfer process to the regions of Peru, for whom the experience of their Chilean counterparts is much closer than that of the Europeans.

