



Green Paper: The CreativeMED Model for Smart Specialisation

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Executive Summary

CreativeMED is one of 13 Capitalisation projects of the ETC (European Territorial Cooperation) MED Programme, aiming to integrate and promote the results of previous transnational projects in view of the 2014-2020 programming period. CreativeMED in particular focuses on innovation, and thus aims to contribute to on-going Regional Smart Specialisation Strategy (S3) processes. The Smart Specialisation approach is itself a significant policy innovation, operationalizing Europe 2020 objectives and incorporating social and non-technical innovation, so the potential contribution of experiences in Territorial Cooperation programmes gains a new relevance.

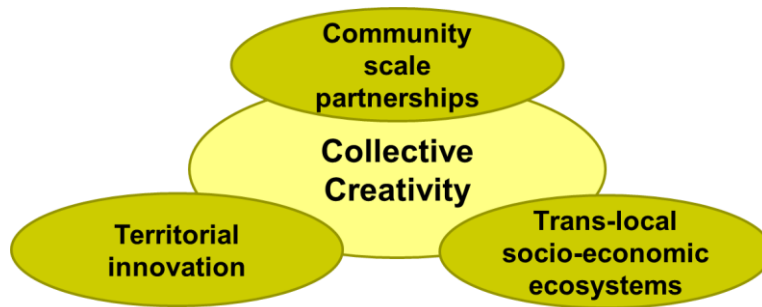
Indeed, in the depressed environment created throughout the MED space by the financial and growth crisis, it becomes increasingly urgent to leverage the high level of motivation, creativity and innovation demonstrated in the MED projects that constitute the CreativeMED baseline:

Project	Years	Lead Partner	Theme
SMILIES	2009-12	Chamber of Commerce of Rethymnon (GR)	Supporting 99 innovative start-up ideas
MEDLAB	2009-12	Region of Central Macedonia (GR)	Living Labs for regional development policies
TEXMEDIN	2010-13	Municipality of Prato (IT)	Tradition-based fashion Inspiration Labs
CHORD	2009-11	Province of Benevento (IT)	Innovative cultural heritage services
SOSTENUTO	2009-12	AMI of Marseilles (FR)	Culture for economic and social innovation

Key CreativeMED Background Initiatives (ETC MED Projects Being Capitalised)

CreativeMED integrates the main outcomes of these experiences to formulate a coherent policy model, which maintains the evidence base of the individual activities carried out while deriving bottom-up a strategic framework at a level that is compatible with what policy makers need to do to define and carry out a Smart Specialisation Strategy. The project's 18-month workplan develops this model to align with regional S3 processes by a) bringing together results to define a common "Mediterranean Way" towards innovation and b) supporting the mobilization of local actors in the 12 participating regions to enrich entrepreneurial discovery, build consensus, and identify opportunities for inter-regional cooperation.

A key hypothesis of CreativeMED is that the MED space has specific needs and potentials as regards innovation, which emerge from a preliminary SWOT analysis and the identification of key success factors specific to Mediterranean regions: cultural anchoring, open networked people, innovation mixes, new business models, and shared values. This leads to a common Collective Creativity vision composed of three main elements, as shown below.



The CreativeMED Vision for the MED space

Integrating this creativity-based vision with more traditional policies implies viewing different forms of innovation – scientific, technical, social, and institutional – not as distinct approaches but as different dynamics that unfold in synergy. Through constant interaction, they form an “innovation landscape” that progresses as an interacting system across the maturity phases from first ideas to social uptake and penetration of daily life and work processes in a region. Promotion of such innovation dynamics will clearly require the integration of current policy approaches with new methods, new actors, and new initiatives, many of which have in fact already been successfully experimented in Territorial Cooperation projects.

The ultimate objective of CreativeMED is thus to support Regions in initiating this process of integration and enhancement, and in order to do so, CreativeMED has designed a Common S3 Framework articulated according to the six main elements that make up a policy design and implementation programme.

Substance	Process
Vision	Governance
Policy Architecture	Policy tools
Measures	Indicators

The CreativeMED Common S3 Framework

Mapping a Mediterranean Region’s strategy baseline onto this framework allows CreativeMED to make concrete and tangible contributions, accompanying each step with a gradual reinforcement of awareness, consensus and buy-in of regional stakeholders and identifying possible paths to facilitate the interaction between bottom-up ideas/activities and top-down S3 planning. Above all, by accompanying the specific paths different types of actors may take through the six elements of the model, it promotes the integration of social innovation and new creativity-based approaches to regional development, as expressed in the Collective Creativity vision above, with territorial strategies and investments in innovation policy.

The specific contribution here is evident from an analysis of each of the six elements:

- *Vision*: CreativeMED can help Regions make implementation of their Smart Specialisation visions more effective by broadening out to a wider range of territorial energies and creativities both in the context of the common Mediterranean model and local territorial specificities.

- *Policy Architecture:* CreativeMED can extend the scope of possible programme structures, normally based on thematic axes or priorities, to include spatial approaches, innovation dynamics, and multi-disciplinary research.
- *Measures:* CreativeMED can broaden the portfolio of specific actions based on the experiences of the baseline projects, to include: systematization of knowledge, building strategic partnerships, promoting collective learning, broadening participation, integrating service platforms, establishing interaction facilities, and accompanying innovative startup ideas.
- *Governance:* CreativeMED extends the scope of governance issues beyond policy management to include the innovation ecosystems promoted; the baseline projects suggest common principles, approaches, and open issues to help foster open and participatory innovation dynamics with sound management.
- *Policy tools:* CreativeMED background projects throw up a range of options to enhance the toolkit of available options beyond traditional calls for tender, to include: new conditionalities for traditional tenders, funding of services and infrastructures, training and capacity building, matching funds, promotional actions, and the innovative use of social networks.
- *Indicators:* CreativeMED highlights the importance of extending both the portfolio and the usage of indicators, beyond the common patent-counting and the monitoring mindframe; work is in fact under way to identify indicators capable of identifying and evaluating social and territorial innovation processes for monitoring purposes but also to support self-governance processes.

As the CreativeMED Common S3 Framework is essentially descriptive – the prescriptive aspects derive from the Smart Specialisation guidelines, the MED vision for Collective Creativity, and individual regional strategies – it is important to see how it can be applied in practice to achieve shared goals. Five non-exhaustive approaches are briefly developed as follows:

- *Mapping the CreativeMED model onto the S3 development path:* While the six elements of the CreativeMED framework are not intended as a procedural model, some elements do bear resemblance to the S3 development process indicated by DG Regio. While Regions need to follow synchronized development paths as part of the overall European strategy, it is also important to underline that all elements interact at every step. For each element, we highlight what Regions do and how CreativeMED can support the process.
- *Building local partnerships for implementation:* The long-term impact of Regional S3 strategies will very much depend on the stable innovation partnerships that are built over the seven-year programming period. CreativeMED aims to support the partnership formation process by identifying and promoting interoperability of three working groups – policy makers, local and regional actors, and technical experts – crucial to implementation for each aspect of the common framework.
- *Policy development as a learning process:* CreativeMED applies the “policy learning” concept to its local workgroup activities, based on the “triple-loop” model that builds learning into policy governance at three levels: reacting, reframing, and transforming. The specific role of the CreativeMED suite of tools and actions is mapped onto each of these learning processes.

- *Integrating good practice from ETC*: The CreativeMED framework can be used as a filter to map the results of the different baseline projects from the MED Programme according to the steps of an S3 design and revision “cycle” according to DG Regio. This can facilitate for instance the identification of specific outcomes that can be capitalized in the future programming period.
- *Identifying relevant indicators for creativity and innovation*: By intersecting the CreativeMED success factors with the S3 development process indicated by DG Regio, an indicator system is under development that brings together existing indexes with the outcomes of baseline MED projects. The aim is to jointly define a coherent “measurement for learning” framework potentially useful to regional policy makers and innovation actors alike.

This document is structured to develop the above points in a synthetic way, leading where appropriate to the CreativeMED website (and the references cited therein) for further detailed information. The first section describes the policy context of the MED Programme and Smart Specialisation, followed by the MED vision for Smart Specialisation based on Collective Creativity. The next section develops the six elements the Common S3 Framework and how they related to on-going regional S3 development processes. This is followed by brief explanations of the process scenarios for using the framework concretely in a given region. An Annex to this document provides brief descriptions of each of the five main baseline MED projects that feed into CreativeMED, with examples of concrete pilots or actions for each as follows:

- *SMILIES (supporting 99 innovative ideas)*: The Penteconter Vessel; Taste and Culture – Naxos; Women’s Handbags from Recycled Felt; and Converted Electric Vehicles for Islands.
- *MEDLAB (Living Labs for regional development policies)*: Andalusian Network of Living Labs; Environmental Monitoring in Latium; Territorial Living Lab – Kypros; and Cultural Farm Favara.
- *TEXMEDIN (tradition-based fashion Inspiration Labs)*: Industrial Heritage as a Competitive Asset – The TEXMEDIN Digital Library; Textile Museums as Centres of Innovation; Inspiring Lab of Athens; and Personalised Support to Young Designers.
- *CHORD (innovative cultural heritage services)*: Cultural and Heritage Promotion in the Rural Areas of the Province of Seville; Good Practice Exchange with the PRIDES Heritage Industries Cluster; Inspiring the ESF “Culture: A Motor for Employment” Project in Andalusia (ES); and Promotion of Typical Mediterranean Products in Solopaca (IT).
- *SOSTENUTO: (culture for economic and social innovation)*: Cultural and Creative Business Incubator; The Bunker LETS Experience; Cultural Heritage Development Laboratory; and Artisan Cluster in the Chiana Valley.

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The Policy Context

The MED Capitalisation initiative

The European Territorial Co-operation objective (ETC) is financed by the European Regional Development Fund (ERDF) and supports cross-border, transnational and interregional co-operation programmes. The budget of €8.7 billion for this objective accounts for 2.5% of the total 2007-13 allocation for Cohesion Policy. The MED programme is a transnational cooperation initiative within the framework of ETC, involving collaboration among the EU regions in the Mediterranean area.

Of the 108 projects funded by the MED programme through 4 calls for proposals in the 2007-2013 period, 45 projects or 42% of the total number address the first of four objectives related to innovation (the other three are environment, territorial accessibility, and balanced regional development), with the specific goals to “encourage dissemination of innovative technologies and know-how and strengthen strategic cooperation between public and private sectors”.

Since its outset, the MED programme initiated a process of capitalization, which aims to thematically link the different ongoing projects in order to improve policy coherence and impact, since the main aim of ETC is to explore new issues and approaches which can then be mainstreamed into the Structural Funds Operational Programmes (OPs) of each of the EU's 271 regions (the other 97.5% of the budget). This process culminated in a call for projects designed to specifically implement the capitalization strategy by integrating the outcomes of a set of previous or on-going initiatives. The CreativeMED project is one of the 13 such capitalization projects, specifically targeting innovation projects in the MED programme and their potential relevance for regional innovation strategies for the 2014-2020 ERDF programming period.

Smart Specialisation and Europe 2020

The framework within which local authorities throughout Europe are designing innovation strategies for 2014-2020 has evolved significantly since the period when the programmes currently in place were developed. The Lisbon Strategy with its emphasis on competitiveness and the knowledge economy has been replaced by the Europe 2020 strategy with its objective on building a “smart, sustainable and inclusive economy”. Innovation strategies in particular are now being framed in a process called Smart Specialisation, which is a strategic approach to economic development through targeted support to Research and Innovation (R&I).

Smart Specialisation will have a significant impact on the future of regional policy and EU 2020 in general, in two ways: a) innovation itself is considered “at the heart of the Europe 2020 strategy”, and is thus a strategic priority at the regional, national, and EU levels, and b) the budgets for Research and Innovation (R&I), the policy area covered by Smart Specialisation, are likely to continue a trend of constant growth across the EU. In the 2006-2013 programming period Research and Innovation accounted for an average 26% of regional OPs, totalling over € 86 Billion or more than the entire 7th Framework Programme for Research.

In addition, Smart Specialisation Strategies (S3) represent a strong policy innovation in three respects:

- First, S3 is an “ex-ante conditionality”, which means that each region must define a sufficiently compliant strategy shaped to its specific needs and potentials before being able to spend ERDF funds on R&I. This means that each of Europe’s 271 regions has no choice but take it seriously, but it also means that there are 271 S3s to approve in a very short time. This has led to one of the largest-scale coordinated policy exercises in the history of the EU, currently embodied in the S3 Platform supported by the Commission’s Institute for Prospective Technological Studies in Seville.
- Second, the Europe 2020 framework for S3 significantly broadens the definition of innovation and thus the nature and scope of S3 policies and potential actions. The preparatory reports of 2011-12 already speak of a mix of “technical and non-technical innovation”. Their findings are based on a critique of the low return on investment on traditional innovation policies as well as a new awareness of the potential of creativity-based (more than research-based) approaches to innovation such as design and marketing to bring benefits to a broader landscape of enterprises in a shorter time frame.
- Third, S3 represents an innovation in the way policy is made, with a shift of emphasis from a linear analysis-strategy-implementation path to a more open, recursive and participatory process. To quote the S3 website, “smart specialisation involves a process of developing a vision, identifying competitive advantage, setting strategic priorities and making use of smart policies to maximise the knowledge-based development potential of any region, strong or weak, high-tech or low-tech”. This is having the effect of promoting diffused institutional innovation processes within each region, including new procedures and new stakeholder engagement strategies in a shift of stance from top-down negotiations to a role as enabler of emergent policy processes.

CreativeMED objectives & state of play

In the depressed environment created throughout the MED region by the financial and growth crisis, it becomes increasingly urgent to leverage territorial and cultural capital to co-design new service and business models that may favour the transformation of innovative and creative entrepreneurship ideas into economic well-being and prosperity.

Several MED projects – both completed and on-going – have demonstrated a high level of motivation, creativity and innovation, involving public authorities, economic stakeholders, SMEs, young entrepreneurs and citizens in general. Indeed, specific policy insights gained from different experiences foretell the emergence of a new socio-economic model of Smart Specialisation whose confines are still being defined. This involves aspects such as cultural anchoring, open networked people, innovation mixes blending advanced technologies with traditional crafts, social learning, and shared values related to sustainability and equal opportunities.

CreativeMED capitalizes outcomes of MEDLAB, SMILIES, TEXMEDIN, CHORD, SOSTENUTO, and other related projects to develop a framework for bottom-up Smart Specialisation based on this emergent development model and its potential for application in regional strategies. The project involves 12 partners in 12 regions of 8 countries, with the City of Prato (IT) leading a partnership of public authorities, chambers of commerce, development agencies, and sector and policy research bodies.

The CreativeMED Policy Learning approach first integrates project outcomes to define a draft policy model and then co-designs its development together with three workgroups: Policy Makers, Local and Regional Actors in the 12 participating regions, and the Expert Community. The main outputs are a White Paper targeted to EU, national and regional levels and a practical on-line Toolkit and Guidelines to support take-up among local and regional actors. The project started in July 2013 and is planned to finish in December 2014.

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SMILIES	2009-12	Chamber of Commerce of Rethymnon (GR)	Supporting 99 innovative start-up ideas
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SOSTENUTO	2009-12	AMI of Marseilles (FR)	Culture for economic and social innovation

Key CreativeMED Background Initiatives (ETC MED Projects Being Capitalised)

The role of the CreativeMED Model

The policy innovations introduced by the Smart Specialisation approach are putting significant pressure on regional programming authorities to adapt to new procedures, new approaches, new stakeholders, and new policy processes. By their very nature, the kind of policy measures foreseen are themselves innovative, so there are very few methodological guidelines to follow. The S3 Platform supported by the IPTS in Seville¹ is providing a series of tools for guidance, but there is already for instance a long waiting list for the peer-to-peer workshops requested by individual regions. DG Regio published in March 2013 a *Guide to Social Innovation*, but while this is an excellent guidebook it is unclear how regions should reconcile these new approaches with existing constituencies such as industrial clusters or university research centres.

This is where the contribution of Territorial Cooperation programmes such as MED comes in. Little known by most programming authorities, the kind of policy experimentation with exploratory innovation methods foreseen for Smart Specialisation has already been taking place within the same regional settings for years. The problem has been that – above and beyond the typical silos tendency to ignore activities in neighbouring departments – these projects have a level of granularity that is difficult to incorporate into the broad policy objectives required to frame a Smart Specialisation Strategy, having dealt with specific topics in a pilot-project approach, in initiatives lasting at most 30 months.

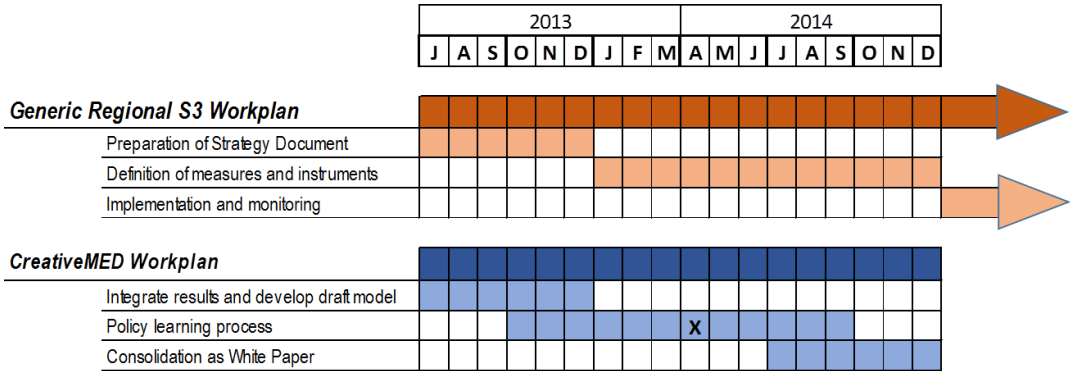
CreativeMED addresses this issue by integrating the results of several previous MED projects dealing with creativity and innovation into a coherent policy model. This model maintains the evidence base of the individual activities carried out while deriving bottom-up a strategic framework at a level that is compatible with what policy makers need to do to define and carry out a Smart Specialisation Strategy. The aim of CreativeMED is thus to test the degree to which this approach can provide added value by integrating the results of Territorial Cooperation within the S3 policy process in the 12 participating regions.

¹ <http://s3platform.jrc.ec.europa.eu/home>

In doing so, the CreativeMED model aims not to substitute the key activities of regional policy-makers – such as the identification of regional priorities – but rather to play a complementary role in two main aspects:

- *Macro:* As a collaborative effort across the baseline MED projects and the 12 participating Regions, the model proposes a Smart Specialisation Strategy at the macro-regional level of the MED space. This aims to help the individual regions within that area to a) align with the common features of a “Mediterranean Way” towards innovation and b) situate their selected regional priorities within a broader framework for inter-regional cooperation in the MED area.
- *Local:* By mobilizing local stakeholders and exploring options for concrete implementation in each of the 12 regions, the CreativeMED policy learning process aims to build regional socio-economic partnerships as a platform for implementation of Regional S3 strategies. Regions are currently formulating their high-level strategies – identifying needs, potentials and priorities – but will soon need to move on to the next level of defining the specific measures and instruments. This is where the working groups in the 12 CreativeMED regions can contribute, building on the evidence base of the good practice initiatives across the MED space that are capitalized through CreativeMED.

The synchronization between the DG Regio S3 schedule and the CreativeMED workplan is shown below:



X = Conference under Greek Presidency

Synchronisation between regional S3 and CreativeMED processes.

Smart Specialisation in the MED Space

Mediterranean creativity and innovation

A key hypothesis of CreativeMED is that the MED space has specific needs and potentials for innovation, as emerges from the experiences of the background projects it builds on. This MED approach to innovation builds strongly on place-based creativity and thus cultural capital, more so than on physical or financial resources. The heritage of the MED regions in fact, from the Greeks and Romans through the Renaissance, underpins Europe’s distinctive cultures, while traditions such as the Mediterranean diet and lifestyle are also important for the MED space’s distinctive value proposition.

This provides not only the human capital from which Mediterranean creativity and innovation can draw on, but also specific innovation needs (and markets) towards which to steer innovation policies, including issues such as desertification and insularity. If we consider that the current crisis is structural – in President Barroso’s words while introducing Europe 2020, “a changing world” – then we will require new models and renewed values to emerge from it in a way that addresses not only the financial aspects but also the environmental contradictions and democracy deficit of our current societal structures.

This model can emerge by taking a new look at what innovation is for and who it is for, both in traditional innovation spaces such as the ICT or bio-medical fields but also by considering new arenas such as tourism, healthy food, or landscape. In doing so, “smart, sustainable and inclusive” need to be considered as facets of an integrated approach rather than separate topics of innovation, more as effective governance of the development process by public administrations than just the promotion of technological advancement. In addition, since growth may or may not lead to jobs and prosperity, well-being and a dignified occupation need to be the real goals, with an improvement in equity (the distribution of wealth) as the driving force of our future vision.

These considerations have been formulated as a preliminary SWOT analysis for the MED space:

MED Space Smart Specialisation Potentials	
Strengths	Weaknesses
Climate, authenticity of lifestyles	Outdated infrastructures
Cultural diversity and identity	Low level of trust in public sphere
Creativity, artisan tradition	Industrial fragmentation
Emergent innovation capacity	Dependence on external finance
Opportunities	Threats
Emergent economic models	Destructive power of austerity
Value of authenticity	Regional conflicts
Immigration	Vulnerability to climate change
Maker economy	Cultural homogenisation

Preliminary SWOT for the MED Space

Common success factors from previous initiatives

On a more operational level, the analysis of pilot projects in the CreativeMED background projects has led to the identification of five success factors that underpin the CreativeMED development model, proposed as viable across the MED space. These are:

1. *Cultural anchoring*, in some relationship between the value proposition and the specific cultural heritage within the Mediterranean;
2. *Open networked people*, with a civic infrastructure that goes beyond the confines of the single organisation to emphasize multi-disciplinary and informal collaboration;
3. *Innovation mixes*, blending and balancing the high-tech with traditional practice, or industrial with social innovation;
4. *New business models*, where the value proposition includes an active role of the user/consumer in knowledge exchange about the product or service, collective learning and dynamics, etc.
5. *Shared values*, where the new product or service embodies and transmits a broader ethical practice, eg sustainable lifestyles, and contributes to shared value creation within the community.

Evidence of how these success factors mix across the CreativeMED Background initiatives can be seen in the following table:

Pilot	MED Project	Success factors
Artisanal women's accessories using recycled felt	SMILIES	1, 3, 4, 5
Network of SMEs for cultural heritage	CHORD	1, 2, 3, 4
Textile Museums as centres of Innovation	TEXMEDIN	1, 4, 5
Citizen participation in Electronic Town Meetings in Sicily	MEDLAB	2, 3, 4, 5
Networked arts and crafts centres	SOSTENUTO	1, 2, 4, 5
Promoting local food through training and certification	SMILIES	1, 2, 5
Incubator for innovative cultural start-ups	MEDLAB	1, 2, 3, 4
Personalised support to young designers	TEXMEDIN	2, 3, 4
Converted electrical vehicles for islands	SMILIES	2, 3, 4
Partnerships of tourism operators in rural destinations	CHORD	1, 2, 3, 4,
Ancient Greek Penteconter as laboratory for new materials	SMILIES	1, 3, 4
Collaboration platform for rural communities	MEDLAB	2, 3, 5
Open musical initiatives in urban settings	SOSTENUTO	2, 3, 5
Inspiring Lab linking prototypes to Museum collections	TEXMEDIN	1,2,3,4,5

Evidence of Success Factors in CreativeMED

Complementary to these success factors, the the CreativeMed background projects have equally identified important common obstacles to innovation in the MED space. These include:

- *Regulatory issues*: complexity of regulations, bureaucracy and lack of transparency of public administration processes and decisions, distance of competent administrations.
- *Market structure (a common handicap, reaching high levels in remote and insular areas)*: distance from main European and International marketplaces, limited number of local providers and purchasers, obstacles to access to public tenders.
- *Financial issues*: lack of access to any form of seed capital, business angels or even normal banking credit at affordable conditions and rates, which is currently a particularly sensitive issue even for established businesses.
- *Difficulties in international networking*: linked to the insufficient diffusion of networking capacities (less so for the younger generation) and insufficient mastery of foreign languages

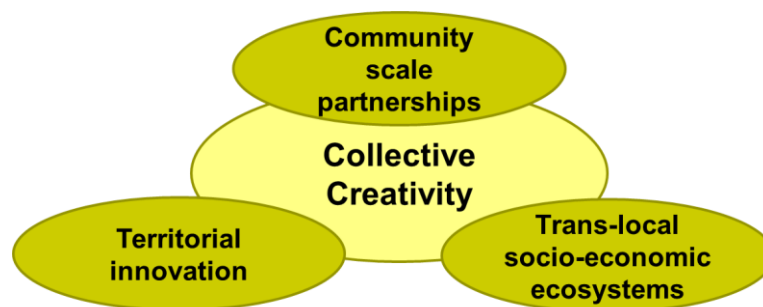
(in some countries), only partly compensated by an important diaspora (still under-exploited).

A Vision for Collective Creativity

By integrating the concrete experiences of the innovation initiatives carried out in the CreativeMED background projects, three common elements emerge as capital that might empower future S3 implementation:

- *Community scale partnerships*: Spontaneous alliances between different types of stakeholders (following the PPPP or public-private-people-partnership model) but also with different multi-disciplinary perspectives, at the level of the local community: rural district, town, or urban neighbourhood. (SMILIES, CHORD, MEDLAB)
- *Territorial innovation*: a specific (place-based) dynamics of product or service innovation that is underpinned by technology – predominantly ICT – but mainly driven by citizen needs and the specific features of a given place, in terms of natural resources, cultural approaches, geographical specificities such as insularity, etc. (MEDLAB, TEXMEDIN, SOSTENUTO)
- *Trans-local socio-economic ecosystems*: emergent forms of work and business that shift the emphasis from the local, individual company or network to a “trans-local” transaction system cutting across vertical sectors (eg business-oriented cultural associations, peer-to-peer exchanges, etc.), traditional value and supply chain configurations (eg ad hoc partnerships, co-working, etc.), and naturally regional borders. (CHORD, SMILIES, SOSTENUTO, TEXMEDIN)

These three elements can be integrated into a coherent vision of MED space development, supported by the dimension of collective creativity that both drives and is driven by each, as follows:



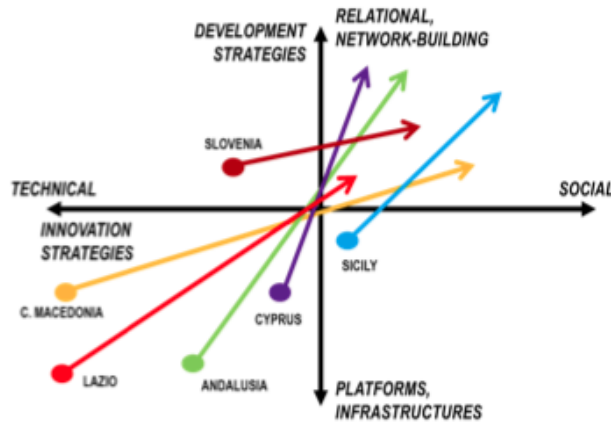
The CreativeMED Vision for the MED space

Integrating social and industrial innovation policies

As the above diagram shows, the CreativeMED background projects characterize a model based on a concept of innovation that is strongly driven by creativity in its communitarian, territorial and cross-border dimensions. This is a bottom-up process built on a place-based social capital, at first sight in contrast with traditional top-down policies that aim to drive economic development through technological and industrial innovation, as was the case for the majority of the Regional (and EU) Innovation Strategies of the 2007-2013 period.

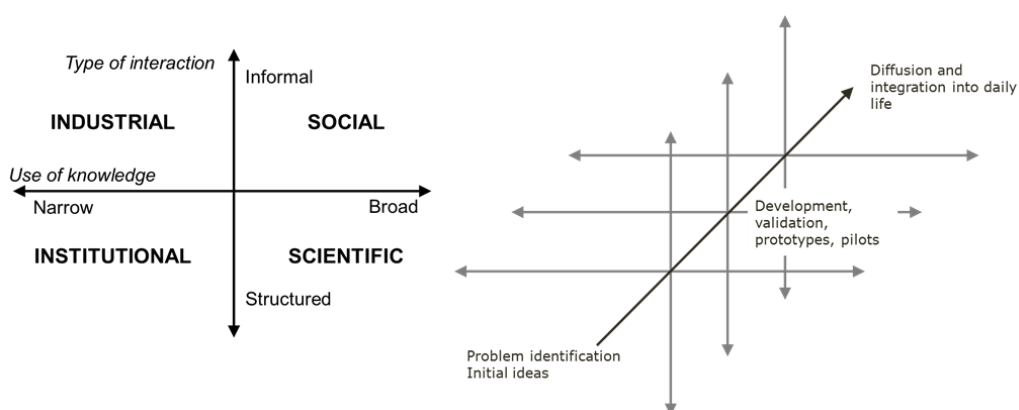
The experience in particular from the MEDLAB project demonstrates that rather than seeing technical and social innovation as opposing philosophies, the community approach is more a shift of

emphasis in a maturation process towards a richer view of innovation. The paths taken by the MEDLAB pilots, from their original conception to their development through interaction with the local stakeholders, demonstrate the substantial continuity of the integration of technical with social innovation and “hard” with “soft” development strategies:



Innovation enrichment processes in the MEDLAB pilots.

The main difference with traditional innovation policies is thus not so much in the object of the policy but in the conception of the innovation-related phenomena that policy is acting on. Traditional innovation theories describe a linear process that starts with an idea that is then developed as an industrial product and afterwards launched on the market. In this model, the goal of policy is to bridge the gap between basic research and the market, through strategies such as the Triple Helix, industrial parks and clusters, etc. While these infrastructures maintain their intrinsic value, the emergent view of creativity paints a more complex, ecosystemic picture. Here, different types of knowledge creation and use – not only industrial and social, but also institutional and scientific – interact with each other in a way that is specific to the place where these dynamics unfold, as institutional frameworks and knowledge approaches shape the way innovations move



forward in each territorial dimension. This place-based view of creative knowledge management in its various dimensions contributes to defining an “innovation landscape”, which evolves as a system along the different phases of ideation, development, and implementation.

Innovation landscape and systemic maturity model.

Each of the CreativeMED Background Initiatives can be interpreted according to this “landscape” model of innovation as follows:

Project	Forms of innovation			
	<i>Scientific</i>	<i>Institutional</i>	<i>Industrial</i>	<i>Social</i>
SMILIES	New materials, energy technologies, etc.	New roles for public support of start-ups	Light manufacturing in insular settings.	Inter-regional business networks, shared value enterprises
MEDLAB	ICT infrastructures for collaboration, GRID computing	New policy models for innovation	Co-design of innovative services	Citizen participation in public service delivery
TEXMEDIN	New materials and processes	New roles for museums and schools	New fashion ideas inspired by tradition	Cultural interaction based on different heritages
CHORD	ICT for cultural heritage and tourism promotion	New partnerships for local tourism	Innovative offers in tourism industry	Well-being in marginalized settings
SOSTENUTO	New techniques for restoration of cultural heritage	New economic development insights for cultural activities	Culture industry as key sector	Citizen engagement in cultural activities

A full development and application of this concept, including capitalizing on the experiences it is based on, can only occur however through the identification of core government institutions, in order to integrate the CreativeMED model with the concrete objectives and measures of individual S3 strategies at the regional level.

Initiating this process is the key objective of CreativeMED.

The CreativeMED Common S3 Framework

CreativeMED has designed a Common S3 Framework that aims to identify the areas where support can be given to regional S3 processes. The framework is articulated according to the six main elements that make up a policy design and implementation programme, dividing them into three substance-oriented elements (defining the what) and three process-oriented elements (defining the how) as follows:

- *Vision (substance)*: what a Region wants to look like at some point in the future, with particular emphasis on its innovation dynamics.
- *Architecture (substance)*: how the different issues to address are structured into a coherent policy programme, for instance through strategic axes of intervention and their inter-relationships.
- *Measures (substance)*: what kinds of concrete actions are envisaged, eg experimenting pilot scenarios, providing services to actors and networks, capturing data and processes, etc.
- *Governance (process)*: this includes both the governance of the policy implementation process (traditional definition) but also the ethical and operational principles for (self-)governance of individual initiatives and emergent innovation communities fostered by the programme.
- *Policy tools (process)*: this means how money will be spent, especially using approaches and instruments that are alternative to traditional calls for tender.
- *Indicators (process)*: how progress towards shared goals is to be monitored and fed back into governance.

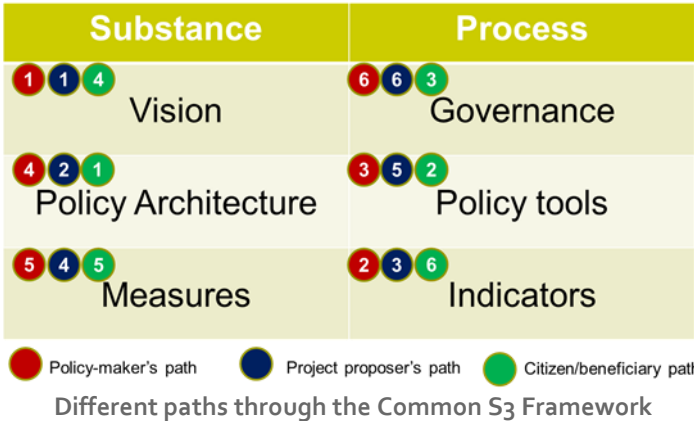
Substance	Process
Vision	Governance
Policy Architecture	Policy tools
Measures	Indicators

The CreativeMED Common S3 Framework

The purpose of this CreativeMED exercise is to reinforce and strengthen a given Region’s Smart Specialisation strategy, building on the groundwork already done and accompanying the implementation process through to 2020. Mapping a Mediterranean Region’s strategy baseline onto this framework allows CreativeMED to make concrete and tangible contributions by capitalizing on the successful results of projects in Territorial Cooperation, both within the region and across the MED space. In so doing, it aims to accompany each step with a gradual reinforcement of awareness, consensus and buy-in of regional stakeholders, identifying possible paths to facilitate the integration between bottom-up ideas/activities and top-down S3 planning. Above all, it promotes the integration of social innovation and new creativity-based approaches with regional development, as expressed in the Collective Creativity vision of the previous section, with territorial strategies and investments in innovation policy.

While the elements of the CreativeMED Common S3 Framework can be taken in sequence, ie as a process model, it is more useful to interpret the framework as an ecosystem model, ie a set of elements in constant, dynamic interaction over time. Indeed, different stakeholder groups are likely to interpret the path through these elements in different ways, as shown in the following diagram:

- A *policy maker* will typically start by defining a regional vision and then the indicators to measure programme implementation. The available policy tools are then assessed and integrated into a coherent strategy through a policy architecture. From there, specific measures are defined together with the governance mechanisms for implementation.
- A *project proposer* will also tend to start with a strategic vision, though specific to the stakeholder he or she represents, and see how this is represented in the policy architecture. Indicators are then explored to identify the best area and approach for intervention, which are then compared to the available measures in a specific call for proposals from the programme. The proposed action and workplan are defined in coherence with the policy tools (at this point, the regulations governing the call) and a governance structure proposed for the project.
- A *citizen or beneficiary* might start with the policy architecture to see if any strategy represents their idea of what should be done in their region. According to the policy tools adopted, civic governance is constructed to express their views, working together to define an achievable vision. The available measures are then critically analysed to see whether they are adequate to achieve the desired goals, and the indicators to see whether they actually reflect those goals.



The point in this exercise is not so much to propose personalised step-by-step methods to define an S3 strategy (the DG Regio Guidebook already does that, see the following chapter), but rather to underscore the complexity of viewpoints onto each of these elements during the lifecycle of policy implementation. Indicators, for instance, are of particular concern during the early stages of policy definition, but they also come into play in different ways and for different purposes as implementation progresses. The approach proposed by CreativeMED is therefore to consider these standpoints at an early stage in order to anticipate the needs of different user groups and thus facilitate policy uptake.

With this in mind, let us examine the individual elements of the Common S3 Framework, highlighting the options open to Regions for interaction with CreativeMED and the rich heritage of experiences represented there.

Vision

A lesson learned through the CreativeMED background projects is that policy visions have two dimensions. On the one hand, it is necessary to work together with local and hopefully cross-local governance actors to develop a specific vision of innovation for the MED space, drawing on a common heritage of culture and creativity, to define a new approach to implementation that is very much in line with emerging concepts for place-based social innovation. The second aspect is related to the place-based idea, namely that the conception of Smart Specialisation is different in every territorial context, being affected by peculiar territorial, social, economic and cultural assets.

Thus, to be effective Smart Specialisation measures should not be transposed from the traditional view of what innovation is (leading to the typical list of R&D sectors to support), but result from a careful examination of a region's weaknesses and potential strengths that is free from preconceived ideas. In this context, the implementation of each specific framework has to be evaluated on the basis of indicators of desired and actual impact on spatial structures, social and economic systems, rather than (only) of process performance and dynamics.

By now, most Mediterranean Regions will have already made substantial progress towards the definition of their vision for Smart Specialisation. The CreativeMED approach in no way aims to step back and repeat this exercise, but on the contrary aims to reinforce the consolidation of those results, broadening the perspective of how the long-term visions identified by Regions can be realised through a broader view of the innovation stimuli that will be set in place in order to make those visions come true.

Policy Architecture

A Smart Specialisation policy will generally be developed according to some kind of strategic architecture, typically a thematic or sectorial mapping, that aims to provide coherence to sets of individual measures, relating specific objectives to the broader S3 vision and goals. Insights from CreativeMED projects have identified some alternative modalities for designing policy architectures. The proposals below can be explored together with regional stakeholders to bring out information on the hidden potential of specific local assets and the conditions in which the public intervention is carried out and can be improved, perhaps identifying different approaches with which to structure regional strategies.

- *Spatial structures*

Place-based innovation is tightly linked with specific territorial features (an example is the Smart Cities model), so that it will seem natural to imagine specific measures for different spatial contexts: urban, rural, coastal or maritime, insular etc. The MEDLAB project experimented with the formulation of innovation partnerships at the regional level, and found that in order to be effective, the spatially-defined approach needs to be transversal, covering the different sectors of research on health, transport systems, energy, etc. in an integrated fashion for a given context. This approach is fruitfully complemented by a set of sector-specific actions, which in turn are most effective when they explore a given domain such as health in a multi-level

governance perspective, seeing how innovative technologies and methods can be developed and applied through interaction between local, regional, and national levels of administration.

- *Innovation dynamics*

As the definition of innovation broadens to include social and institutional alongside scientific and technological-industrial innovation, Regional policy-makers can also use innovation types as a means of structuring programmes, for instance with a specific axis dedicated to social innovation, design, etc. However, the experience from the CreativeMED background projects (in particular SOSTENUTO and MEDLAB) advises against tackling different kinds of innovation processes in isolation. For instance, following the Living Lab approach, it can be useful to explore how different types of innovation interact with each other, for instance through collaboration between a bio-technology research centre, volunteer organisations assisting the elderly, organic food cooperatives, and fitness app developers in a multi-disciplinary exploration of healthy living. Other dimensions of innovation can be jointly promoted, for instance, exploring the social dynamics of viral uptake of ICTs or institutional innovation processes related to e-Participation and e-Government or policy innovation in general (ex the CHORD project). Addressing institutional innovation within S3 strategies is also a good way to make the link with Digital Agenda policies more explicit and binding.

- *Multi-disciplinary research*

The new structure of Horizon 2020 integrates previously distinct disciplinary fields of research (ie ICT, Social Sciences and Humanities, etc.) in both the LEITs (Leadership in Enabling and Industrial Technologies) and the Societal Challenges (addressing concrete issues such as Health, demographic change and wellbeing, Secure, clean and efficient energy, or Smart, green and integrated transport). There is thus a smooth progression between basic research and social innovation (with different baseline Technology Readiness Levels) that gradually includes issues such as social adoption, business modelling, institutional innovation, etc. In this context, we can say that the baseline projects in CreativeMED have also identified “MED space societal challenges” as broad areas for research with rich prospects for innovation. On the one hand, this includes evolving structures for work and jobs and the nature and dynamics of SMEs, social enterprises, start-ups, co-working etc. (MEDLAB, SMILIES, SOSTENUTO). On the other, this includes exploring highly innovative scenarios for key sectors underpinning Mediterranean economies, such as Culture, Fashion, Tourism, Environmental sustainability, and Maritime transport and activities (MEDLAB, SMILIES, TEXMEDIN, CHORD, and SOSTENUTO). Many Regions have already identified such areas in their Smart Specialisation strategies, and CreativeMED can provide a useful support in accompanying the process of building and implementing multi-disciplinary research agendas in these domains.

Measures

Measures are the concrete actions funded under a policy programme; for innovation policy, traditional measures include: funding research infrastructures and projects, technology audits and technology transfer initiatives, etc. The experience of the CreativeMED background projects suggest looking at new types of measures in support of Smart Specialisation, which we briefly list as follows.

- *Systematize knowledge (TEXMEDIN, SOSTENUTO)*: this type of action can be applied to a range of areas, from a census of regional research facilities to a mapping of social innovation

initiatives or even a library of papers and reports produced by Territorial Cooperation initiatives carried out in the region.

- *Build strategic partnerships (MEDLAB, CHORD)*: following the example of the European Network of Living Labs or the European Innovation Partnerships, strategic, multi-sector partnerships can be built that define shared commitments towards innovation and add a long-term coherence to different projects and actions.
- *Promote collective learning (SMILIES, CHORD)*: this type of action focuses primarily on social and institutional innovation processes driven by networking and stakeholder interaction (especially appropriate for eg Digital Agenda initiatives for Open Government).
- *Broaden participation, scale up (SMILIES, SOSTENUTO)*: this type of action builds on a previous research activity or pilot project and extends its adoption. It may involve building a bridge between research institutes and local authorities or SMEs, in line with the Innovation Actions foreseen in Horizon 2020.
- *Integrate service platforms (TEXMEDIN, SMILIES, MEDLAB)*: in addition to funding regional service networks for, say, technology transfer or internationalization, there is an increasing shift towards on-line platforms that rather than being built from scratch are best composed by the integration of existing support and interaction platforms, especially those with an inter-regional or international scope.
- *Establish interaction facilities (laboratories for co-working, virtual incubators, etc.) (TEXMEDIN, SOSTENUTO)*: in addition to the typical research facilities, there is a growing trend toward the establishment of open, public facilities for exploratory interaction and creativity that may well find room in this new kind of supporting measures.
- *Accompany innovative SME ideas (SMILIES)*: a range of methods and approaches are emerging, complementary to existing SME support actions such as business incubators or the EEN network; this includes innovation hubs, hackatons, start-up weekends, innovation accelerators, etc.

Governance

Governance is traditionally interpreted by regional policy makers as the set of mechanisms through which measures are implemented and their impact monitored, generally through some sort of governing board with key stakeholders represented. In this context, the involvement of all relevant departments of regional governments is essential for determining the success of any S₃; furthermore, there is a strong need to engage local economic actors in promising sectors in which to invest (including those representing mature businesses, provided they reveal positive tensions to self-rediscovery) as well as social innovation communities.

While this is an important aspect of policy implementation, the governance of innovation processes is a far broader issue, which is also itself the subject of research and innovation. Social innovation in fact relies on open network partnerships that often follow self-organising principles, making it hard to reconcile with administrative requirements for reliability and accountability. Nonetheless, partnership building is a necessary element for the implementation of an S₃ strategy.

Partnerships are, in essence, based on a shared vision and shared responsibility for decision-making and implementation. To seize the potential of innovation of a given area the concept of partnership has to be broad, from forums to binding contracts, as it has to engage from the outset all local social

and economic groups that “own” the knowledge embedded in local capital. The CreativeMED background projects in fact provide concrete evidence of the importance of local communities to identify innovation potentials often unknown to policy makers (SMILIES): they store small ideas and niche activities, based on individual creativity, isolated “knowledge excellence” that, if assessed in the wider social/economical context (SOSTENUTO) and integrated into territorial policy (MEDLAB), can actually represent a source of economic growth and/or social improvement (CHORD; TEXMEDIN, SOSTENUTO).

CreativeMED has also identified the role of mutual learning within innovation-based partnerships; through participation in trans-national co-operation networks, in the search for common solutions, regional and local policy-makers can take profit from each other’s experience and practice, providing advice on S3 strategies, planning methods and techniques for improving governance. Experimentation in partnership and open governance models therefore appears to be a significant pre-condition for fully developing the S3 potential of regions. In this context, some of the key issues and emerging trends identified to date in the CreativeMED baseline projects provide a useful starting point.

- *Governance principles*: many new governance approaches are based on ethical principles more than rules. These generally include: shared objectives and ownership among participating stakeholders; clarity of roles for cooperation; trust, engagement, and commitment; and transparency, openness and participation.
- *Governance approaches*: of the structural solutions being experimented some common elements are: flexible partnerships (fluid structures, variable geometries); the concept of the public commons (“res publica”); and fast prototyping and experimental structure-as-you-do methods.
- *Open issues*: aspects that often cause problems requiring a level of awareness include: different levels of formalization (when to adopt a formal legal structure and how); different scales of governance (how to link local to inter-regional communities) and their interactions; and how to link bottom-up governance structures with top-down structures such as Regional Managing Authorities.

Policy tools

There is a growing consensus on the limits of traditional tender processes as commonly used for the implementation of Structural Funds. This not only for the time and bureaucracy required but above all for the difficulty of producing detailed terms of reference or specifications in a context of uncertainty, open experimentation, and fast-moving innovation processes. This becomes especially true in the context of social innovation, as will become evident with new roles and responsibilities in the 2014-2020 programming period such as the CLLD (Community-Led Local Development).

New approaches are being experimented that combine more open procedures with a shift of the burden of selection and monitoring from the Managing Authority to the stakeholders involved. In particular, Pre-Commercial Procurement bypasses administrative constraints, while establishing a triangulation between the funding authority, the ultimate end beneficiaries (who first articulate their needs), and the innovation ecosystem that satisfies those needs.

Similar considerations arising from the CreativeMED background experiences can be synthesized as follows:

- *New conditionalities for traditional tenders (MEDLAB)*: traditional tenders will still be required, though not necessarily as the only policy instrument, and in these cases specific conditionalities can improve the effectiveness of measures, such as requirements for the engagement of local authorities or end users, conditions for open and transparent governance of intermediary structures, etc.
- *Services and infrastructures (eg consultancy, facilities) (SMILIES, TEXMEDIN)*: as an alternative to directly funding innovation actors, a Region can fund services and infrastructures (using for example voucher schemes) that lower the entry point for innovators; these require however an open and transparent governance by the stakeholders themselves.
- *Training and capacity building (territorial animation) (MEDLAB, CHORD)*: another alternative to direct funding is promoting awareness and “innovation literacy” among end users, particularly in the public administration, helping to create and reinforce the demand for innovation services; here again it can be useful to involve the whole territorial community rather than traditional intermediaries only in such actions.
- *Matching funds (MEDLAB, SMILIES)*: this approach essentially relies on the evaluation and monitoring processes of other procedures (eg a Horizon 2020 or ETC project), releasing additional funding to either enhance foreseen activities (adding for instance an innovation component) or allow regional actors to participate in project consortia extra-contract or to align S3-funded initiatives with other complementary activities.
- *Promotional actions (TEXMEDIN, SMILIES)*: often, innovative activities can be encouraged by promotion, dissemination, and providing visibility to best practice; this can include competition and prizes, for which funding procedures should be clarified and streamlined.
- *Use of social networks (MEDLAB, SOSTENUTO)*: Web 2.0 platforms can be used not only to allow for networking and collaboration among innovation actors in a region, but also to carry out functions traditionally taken on by the Regional Managing Authority: evaluation and selection of proposals to be funded, monitoring the progress and impact of projects, crowdfunding as a policy instrument etc.

Indicators

Indicators, like governance, are an area where much work and experimentation is on-going, as it is clear that those traditionally used for innovation policies (number of patents, knowledge-intensive jobs, high-tech exports, etc.) are inadequate to fully capture the dynamics of innovation systems. The Innovation Union Scoreboard attempts to enhance and broaden the indicator framework, while however still failing to capture aspects of institutional and social innovation (here however the Basque Region’s RESINDEX, available like other references in the CreativeMED library, is a good starting point).

Some specific insights from the CreativeMED projects can be listed as follows:

- MEDLAB: stakeholder-based evaluation based on multiple viewpoints and criteria for success, user-defined indicators enabling to measure shared progress
- SMILIES: indicators for different stages of innovation:

- Diagnosis and analysis of policy need
- Evaluation of potential systemic impacts (ex ante / post)
- Evaluation of innovation capacity of final beneficiaries
- Monitoring of projects' progress (common platform)
- Evaluation of project outcomes and results including:
 - Added-value provided to final beneficiaries and by them
 - All common and project-specific indicators currently used in MED
- Evaluation of capitalisation potential:
 - Indicators of exchange capacity of the project
 - Indicators of transfer capacity of the results
- SOSTENUTO: evaluation of the economic impact of the culture industry and regional creativity

The question of indicators should thus not be taken for granted, but addressed in collaboration with local stakeholders and in relation to the new, broader and more encompassing objectives posed. Such indicators can be used by a Managing Authority to monitor programme implementation, but also by local stakeholders to identify needs and areas for action, by innovation actors to gain feedback, improve network governance, and better focus on-going activities, and by local communities to evaluate the impact of S3 actions on regional well-being and prosperity.

Applying the Common S3 Framework

As the CreativeMED Common S3 Framework is essentially descriptive – the prescriptive aspects derive from the Smart Specialisation guidelines, the MED vision for Collective Creativity, and individual Regional strategies – it is important to see how it can be applied in practice to achieve shared goals. In the following, five non-exhaustive approaches are briefly developed.

Mapping the CreativeMED model onto the S3 development path

While the six elements of the CreativeMED model are not intended as a procedural model, some elements do bear resemblance to the S3 development process indicated by DG Regio. While Regions need to follow synchronized development paths as part of the overall European strategy, it is also important to underline that all elements interact at every step. In the following table, we highlight what regions do and how CreativeMED can support the process.

	What Regional MAs do	What CreativeMED can do
Vision	Define regional vision and R&I priorities.	Help to model the regional vision according to a common framework allowing for place-based Collective Creativity and improved inter-regional communication.
Policy Architecture	Articulate programming objectives that group and coordinate specific actions according to thematic or spatial criteria.	Help ensure the programme structures are coherent with good practice and lessons learnt, drawing on a broad canvas of experiences.
Measures	Define the typologies of activities that will contribute to reaching the defined objectives.	Propose innovative types of measures and actions based on successful experiments from within capitalized projects.
Governance	Define the stakeholder roles and structures that accompany implementation of the S3 strategy.	Help build complementary governance models that ensure effective outreach and co-ownership of objectives and results by the local actors and thus smoother implementation.
Policy tools	Adopt policy instruments coherent with 2014-2020 Structural Fund Regulations.	Promote the experimentation of new policy instruments, eg Pre-Commercial Procurement, Community-Led Local Development, etc. for demand-driven innovation.
Indicators	Identify indicators relevant to measuring policy implementation.	Include indicators to meet the needs of local actors and projects, while broadening the scope to include social, cultural and territorial dynamics.

Building local partnerships for implementation

The long-term impact of regional S3 strategies will very much depend on the stable innovation partnerships that are built over the seven-year programming period. CreativeMED aims to support the partnership formation process by identifying and working with three working groups – policy makers, local and regional actors, and technical experts – in a way that is complementary to the role of regional authorities, for the following reasons:

- The importance of the bottom-up dimension: regional authorities need to dialogue with bottom-up partnerships that have their autonomous rationale for existence independently of the prospect of regional funding.
- The capacity gap for local/regional public administrations in promoting territorial innovation: lack of expertise in EU procedures and practices, difficulties in managing local “political” conflicts, the inability to elicit local potentials and coordinate investment fostering place-based integrated actions and supporting (apparently weak) niche sectors;
- The difficulty of local/regional governments in building participatory governance of integrated strategies: Place-Based emergence of local “champions”; engagement and transparency; commitments and clarity of roles.
- Lack of “network literacy” in participation in transnational partnerships and engaging in mutual learning.

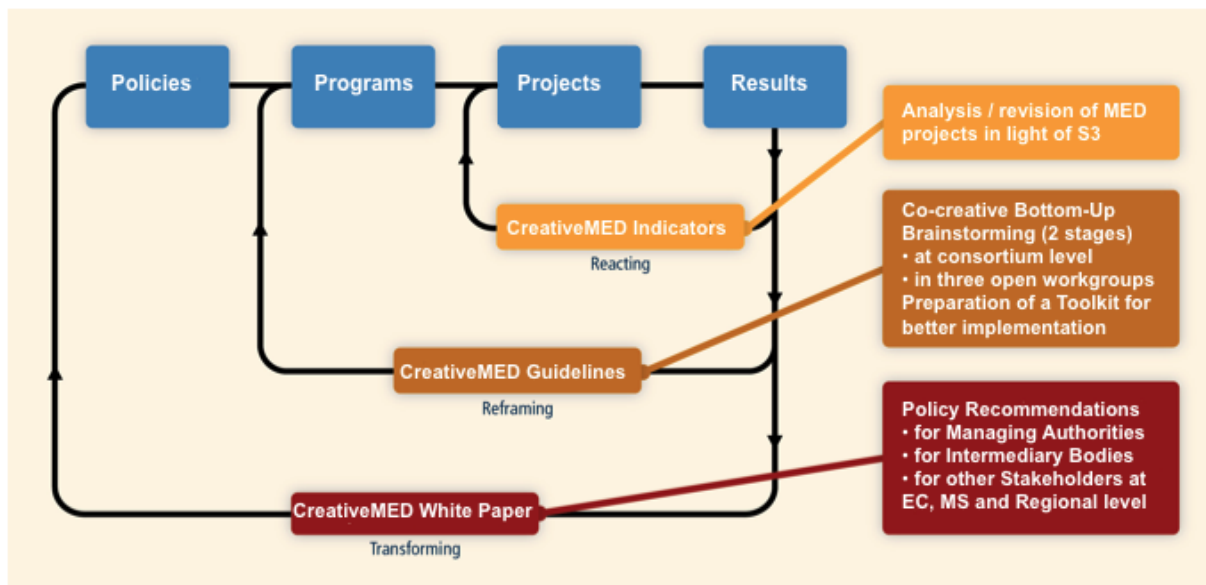
CreativeMED thus aims to supplement regional innovation processes by filling this “capacity gap” and aligning its partnership building activities with regional S3 processes, engaging stakeholders in the three groups with the following objectives structured for each element of the Common S3 model:

	Policy makers	Local actors	Experts
Vision	How can we ensure the vision represents stakeholder needs?	How does the vision fit with my needs and aspirations, what added value does it bring?	How can the vision be translated into concrete terms and validated through practical actions?
Policy Architecture	How to best structure a programme to ensure policy coherence with the overall vision?	How do the different axes and objectives meet with my objectives and needs?	How does the policy architecture fit with my development strategy?
Measures	Are the specific measures contributing to the policy objectives identified?	Which of the foreseen measures is of interest to me?	How are the measures designed in order to make effective projects?
Governance	What governance structure can guarantee effective and sound implementation?	Am I adequately represented in the governance structure and processes?	What governance structure is suited for my projects, and how can it interact with regional governance?
Policy tools	Which policy tools can best promote the desired processes while allowing for accountability and transparency?	Is my structure and my objective coherent with the policy tools envisaged?	Are the policy tools adapted to implementing the actions I need for my project?
Indicators	Which indicators can be used to monitor projects and measure progress towards policy goals?	What indicators can I use to measure progress towards the goals I am interested in?	Which indicators can help focus planned activities towards the most effective areas of intervention?

Policy development as a learning process

CreativeMED applies the “policy learning” concept to its local workgroup activities, based on the “triple-loop” model that builds learning into policy governance at three levels: reacting, reframing,

and transforming. The specific role of the CreativeMED suite of tools and actions is mapped onto each of these learning processes, as show in the following diagram.



The CreativeMED project acknowledges the need for a strong orientation towards policy learning in order to achieve its goals. We adopt the familiar concept of “triple loop learning” as theoretical lens and pragmatic guideline. The most popularly used of Argyris and Schön’s (1978) theories², double-loop learning, emphasizes that reflecting upon the effects of one’s action may result in important behavioral change as a consequence of recognizing, and subsequently correcting, eventual disadvantages or contradictions implied by current actions. Building on double-loop learning is the triple-loop learning concept. This is related to transformational shifts in what individuals, groups and societies view as desirable ways of living and may be characterized as radical innovations or changes in current regimes. Overall, these theories imply that a process of reflection and questioning, rather than the information used or provided as part of that process, lies at the heart of any systemic change.

Therefore, the CreativeMED capitalization efforts consist of three consecutive, and cyclically overlapping, policy learning phases, which are visualized in the preceding diagram:

- The first phase, which lasted until end 2013, reassessed the ETC MED projects being capitalized in light of the emerging / consolidated S₃ of the participating regions. A set of indicators will be made available for further evaluation by regional policy makers and benchmarking purposes between MED space regions and communities;
- The second phase, which comes to an end in June 2014, foresees two stages of brainstorming in three open workgroups and the preparation of a toolkit for better implementation of CreativeMED indicators in the respective S₃ and ROP (Regional Operational Programmes);

² Argyris, C and Schön, D.A., (1978) Organizational Learning: A Theory of Action Perspective, Addison-Wesley, Reading, MA.

- The third phase, which culminates in the CreativeMED White Paper, builds on this document to ignite “triple loop learning” mechanisms through the diffusion and sharing of recommendations to a wide set of MED space policy makers at all levels of the ETC system.

Integrating good practice from ETC

The CreativeMED framework can be used as a filter to map the results of the different baseline projects from the MED Programme according to the six steps of an S₃ design and revision “cycle” according to DG Regio. This can facilitate for instance the identification of specific outcomes that can be capitalized in the future programming period. In the following, we provide as examples:

- A pictorial representation of the “classical” six S₃ steps showing the most frequently discussed topics in the context of the IPTS platform’s peer-review workshops;
- A summary table of one CreativeMED project’s results (CHORD) that we see worth capitalizing in the preparatory process of an S₃ (and ROP) by an “ideal” MED space Region (Andalusia, in this case);
- A provisional summary table of CreativeMED outcomes, particularly relevant for the Priority Setting and Policy Mix determination phases.

We expect to discuss this preliminary evidence in the context of the forthcoming open workgroups as described above.



S₃ preparation steps and most frequent issues emerging in IPTS peer-reviews³

³ Conte, A. (IPTS), “Smart Specialization Strategy as a Tool for Change”, presentation delivered in Bologna, Italy, on January 21st, 2014.

Opportunities for Capitalisation of CHORD Project Results in the Andalusian S3 Process	
Analysis of regional / national context (outward perspective)	CHORD has already identified the project sectors (tourism supplies, territorial themes, interaction facilities, transport, trade fairs, service platforms,...) in a place-based strategy for specific zones of the Seville Province.
Innovation in the system of governance: inclusion and partnership building	To share objectives, responsibilities and build strategic partnerships, local Workshops will be organized during the CreativeMED process: an ad hoc "Policy learning process" as fundamental tool to build up an efficient Governance of the initiatives.
Shared visioning among key stakeholders (again, with an outward profile)	Supporting the creation of cultural macro-regional clusters can be the specific trans-national CreativeMED initiative to capitalize the creative and cultural enterprise/heritage of the partners in an enlarged hub.
Identification of priority actions (priority setting)	Sectorial operations should be selected and prioritized on the basis of their effectiveness and capability to trigger the place-based development process.
Policy Mix (and balance)	As key measure of balance the conception of an integration among operations is required (implementation/management, material/immaterial,...)
Monitoring & Evaluation	The integrated strategy demands the involvement of relevant stakeholders, both in the project cycle and in the management systems.

By intersecting the CreativeMED success factors with the place-based MED vision for Collective Creativity, specific policy features and objectives derived from the experiences of the CreativeMED baseline projects can be identified.

	Community scale partnerships	Territorial innovation	Trans-local socio-economic ecosystems	Collective Creativity
Cultural anchoring	Identity of place	Immaterial Cultural Heritage as basis for innovation	Culturally based business ethics	Med culture as inspiration for new expressions
Open networked people	Resilience of Mediterranean social structures	Open to new forms of innovation	Multi-culturality, racial tolerance	Med empathetic culture for new collaborations
Innovation mixes	Practical and concrete grounding	Generational changes (eg Shepherds with 3G smartphones)	Trans-cultural innovation contamination	Med openness to new influences on multi-cultural baseline
New business models	Social ecosystems based on local transaction patterns	Med territorial innovation needs driving new markets	Interlinking small (eg insular) economic ecosystems	Med tradition of business experimentation (informality)
Shared values	Solidarity and mutual support as civic values	New social service models based on social practice	Emergent community ecosystems	Med values based on historical background

Specific features and objectives of the MED vision

These specific features define the scope for the development of new indicators that can complement existing sets to validate the integration of the CreativeMED model with Regional S3 strategies. A selection of these indicators is presented in the following and final section.

Identifying relevant indicators for creativity and innovation

Reflecting upon the MED programme's general and R&D and innovation specific indicators that are common to all projects capitalized by CreativeMED, we see room for their profitable usage in four S3 preparation and review steps, namely Context Analysis (CA), Innovation in Governance (IG), Shared Visioning (SV), Monitoring & Evaluation (ME). Examples of these indicators include:

- (CA) = Common studies aimed at joint strategies, tools, methodologies or plans
- (CA) = Seminars and forums at transnational level
- (IG) = New networks linked to technology transfer
- (IG) = New structures for transnational support of innovation
- (SV) = Joint strategies and agreements
- (ME) = Number of SMEs directly involved in transnational activities
- (ME) = Number of SMEs indirectly involved in transnational activities

Proposing their introduction and adoption may significantly contribute to enhancing the place-based, social-innovation oriented, and outward looking dimensions of regional development as depicted in S3 drafts. Of course, the above are only examples that should be further reflected upon and extended in number and quality by appropriate means. However, what is striking to note at this stage, is that none of the above indicators, by their construction and inspiration, are able to contribute to the “key” steps of Priority Setting (PS) and Policy Mix (PS). For these, we may probably need to build a new battery of indicators from scratch.

In this endeavor, drawing a distinction between Context Indicators (CI), Transformational (or Target) Indicators (TI), Result Indicators (RI) and Project (or Process) Indicators PI may be useful. Based on the evaluation literature, we can posit that:

- CI = Define the characteristics of the MED space worth adding to an S3
- TI = Measure the desired (%) variation of CI
- RI = Measure the degree of achievement of expected policy results
- PI = Measure the physical/financial/administrative progress of an S3 (or ROP)

The following table locates the proposed four indicator categories at the intersection between the six S3 steps and the five CreativeMED success factors:

	Context Analysis	Innovation in Governance	Shared Visioning	Priority Setting	Policy Mix	Monitoring & Evaluation
Cultural anchoring	CI	CI	CI	TI	TI, RI	RI, PI
Open networked people	CI	CI	CI	TI	TI, RI	RI, PI
Innovation mixes	CI	CI	CI	TI	TI, RI	RI, PI
New business models	CI	CI	CI	TI	TI, RI	RI, PI
Shared values	CI	CI	CI	TI	TI, RI	RI, PI

CreativeMED indicators for regional S3

Unfortunately, most of the above indicators (and especially CI) need to be built from scratch, based on existing analogies. This task will be carried out in the next phase of CreativeMED, until mid-2014. We expect as the final outcome to develop a coherent “measurement for learning” framework that will potentially be useful to regional policy makers and innovation actors alike.

Annex I: The CreativeMED Baseline Projects and Results

SMILIES

Small Mediterranean Insular Light Industries Enhancement and Support

Brief description SMILIES explored the barriers and opportunities for an economic development of the Mediterranean islands through new environment-friendly and knowledge-based activities that exploit technological innovation while systemically linking with existing activities or underexploited local human, cultural and natural resources. SMILIES first identified local potentials and development scenarios and then intervened to network the key stakeholders, building on a set of nearly 100 pilot projects in four insular regions across three MED nations. The insights gained from this experience have been translated into recommendations that will help define sustainable policies and infrastructures able to support industrial innovation and economic development in the MED insular territories.

Tools developed The project web site (www.smilies-project.eu) includes an intranet that allows pilots, partners, experts involved in pilot support, and evaluators to trace, share and coordinate the support provided, outstanding needs and offers of support, implementation progress made in business development, and local impact. A collaborative space (smilies.ning.com) was structured for consultancy provision, thematic networking, and collective promotion as well as for the organization of services for areas of expertise where common needs were identified.

Results Achieved The networked organization adopted allowed to test a new approach of innovation which shows the added value of:

- The use of an Intranet to document files and exchange, with a database to jointly monitor assistance to pilots and to maximize partners' efforts.
- The use of inter-regional cooperation, as best illustrated by PENTECONTER pilot.
- Pilots to identify areas with good development potential in MED islands: areas explored in depth include Drones, Multimedia Kiosks, Wineries, eco-friendly building and building materials, electric cars, waste recycling, renewable energy equipment and production, water and waste management...
- The use of awards to motivate final beneficiaries: 7 awarded best pilots of SMILIES constitute the final set of good practice identified by the project

Evaluation Evaluation tools were integrated since the first steps up to the evaluation of the impact of implementation. The evaluation process of a policy is the best way to really understand the innovation obstacles and the progress made, giving the possibility to easily reorient a policy towards more effective objectives and methods.

Lessons Learnt From SMILIES we learn that the future of MED island economies will be based on their human capital, their specific cultural and natural resources and innovations such as electronic commerce. They allow new products and services to be developed as an unusual blend of technical, non-technical, and social innovation, with references to Mediterranean culture and its creative talent, combining functional usage with a learning dimension and strong emotional component: this is a new MED model of competitiveness for sustainable growth in the face of globalisation.

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The Penteconter Vessel

Context MED cultural heritage is rarely applied with creativity for innovative applications, making it difficult to break out of the dichotomy between tradition and innovation. The Penteconter is an

ancient Greek galley in use since the archaic period, for which available documentation exists on its design and features.

Action The Penteconter pilot in SMILIES proposed to reconstruct the boat, using innovative technologies in terms of motion, energy production, materials used, virtual design and real mock-ups prototyping. The boat is conceived for several uses – cultural and other thematic cruises, technology exhibitions and cultural events, sport activities – serving as a model for a new type of yachts to be built in Mediterranean islands.

Impact SMILIES supported the proposer in transforming the concept to a realistic business proposal, through transnational collaboration with Larnaca Development Agency, University of the Aegean, ICE (another SMILIES pilot), EEN, Clotefi Technical Center (Athens), ARCA Incubator (Sicily), Yam (start-up in Palermo). Currently the promoter is using this background progress for a sponsorship campaign.

Lessons Learnt This pilot illustrates the potential of Mediterranean cultural heritage for innovation and the effectiveness of a well-structured transnational start-up support network in attaining an attractive business proposition.

Taste and Culture – Naxos

Context MED immaterial cultural heritage such as gastronomy based on the Aegean or Cretan diet is a powerful driver for creating added-value.

Action This SMILIES pilot developed a strategy and plan for establishing a “School of gastronomy” based on local recipes, a label for local restaurants using them and a brand for local products recommended for these recipes. SMILIES partners from Crete analysed a similar action in order to derive useful hints and results for the development of this Naxian initiative

Impact This pilot was awarded as one of the two SMILIES Pilots having best contributed to local development. Upon project conclusion, the business plan was presented to the Municipality of Naxos for funding. In March 2013 the operation was launched and all businesses have been invited to participate to the selection of recipes that have been labelled for the touristic season and have been taught in the School.

Lessons Learnt There is a lot of potential in associations like Naxos Filoxenia to develop new activities in the local region and improve the local economy either through the increase of tourism or through the export of local raw materials. The model can easily be transferred to different places.

Women's Handbags from Recycled Felt

Context The promoter of this SMILIES pilot belongs to O2, an international network of environmentally sustainable product designers making an extensive use of web services. The initiative brings together a series of factors: the fact that sheep cuttings (wool) are generally thrown away, the possibility to involve women in a local prison in production, and building a business on shared ethical values.

Action The pilot developed an original business model for the production of felt products from sheep cuttings, and organized a workshop "Filo diritto per la pace" with an exhibition and laboratory with the University of Palermo. The students contributed to the definition and promotion of new objects and materials for museum merchandising, hotels and the agro-food sectors, opening the project to a large set of local actors.

Impact This pilot was awarded as one of the two SMILIES Pilots having best contributed to local development. Links were established with museums for the creation of new objects valorising local cultural heritage.

Lessons Learnt Creativity offers different ways to create value out of recycling materials with creative individuals. To develop and impact on local development international networking is useful, but to create commitments of local actors and stakeholders, business models based on multi-disciplinary collaboration and shared ethical values are decisive.

Converted Electric Vehicles for Islands

Context Small islands depend on imported energy (and cars) and despite good environmental conditions their limited autonomous electricity grids make adoption of alternative energy sources problematic. On the other hand, traditional barriers to the adoption of electric vehicles – limited autonomy, security issues at high speeds, etc. – do not apply to island settings, where on the contrary narrow streets and roads make them more appropriate than traditional vehicles, including their potential role as energy sinks for renewable sources.

Action This SMILIES pilot proposed a system for transforming combustion engines into hybrid or fully electric vehicles, for use in small Greek islands. Technical feasibility, including charging stations, was established in cooperation with providers in Greece and Sicily. The business plan's viability increases with support from local authorities (ie access to town centres and streets), sponsorship of car manufacturers, and engagement of rental operators, while offering interesting prospects for territorial marketing and the tourism sector in general.

Impact Results of the pilot were submitted to the European Insular Chambers Network for a possible policy memorandum to its members as well as the European Commission, in line with insular policies as well as directives 2009/33/EU and 2009/46/EU.

Lessons Learnt Courageous policy experimentation, eg to address certification issues, can be required for actions with a strongly systemic impact and multi-faceted innovation potential.

MEDLAB

Mediterranean Living Lab for Territorial Innovation

Brief description MEDLAB built on the emerging model of Living Labs, whereby research, development and innovation in Information and Communication Technologies (ICT) shifts from the laboratory to the real world. The main hypothesis is that the Living Lab approach can become a tool for regional development policies, building on specific regional qualities and social capital to generate ICT-driven territorial innovation. Eight different institutions in six MED Member States explored the feasibility of building multi-stakeholder Living Lab partnerships to promote ICT-driven innovation coherent with regional policies in areas ranging from rural development to green construction.

Tools developed The five thematic pilots explored the relevance of emergent technologies such as social networking, mobile services, and open data mash-ups for their capacity to contribute to shared objectives of innovation in concrete fields of development. A systematic approach to innovation governance led to a set of Memoranda of Understanding for the sustainability of the partnerships in each of the participating regions. The end result of MEDLAB is the creation of a permanent trans-Mediterranean structure through which regional authorities and agencies continue to apply the Living Lab model for social innovation in an increasing array of fields.

Results Achieved Knowledge and experience have been shared and good practices identified and disseminated in the participating regions, through a regular series of international seminars. Databases have been created and Policy Briefings produced to provide guidelines on thematic areas, partnerships, and ICT platforms and R&D issues. Governance guidelines for setting up living lab partnerships have been developed and an R&D and innovation roadmap defined, addressing priorities for the five MEDLAB domains. MEDLAB policy options have been identified and a formal agreement establishing the permanent MedLivingLab network has been agreed upon by 24 organisations.

Evaluation The Living Lab approach is based on multi-stakeholder evaluation that becomes an integral part of the co-design process itself. The findings from MEDLAB for the first time address the potential of user-led innovation environments at the macro-regional level. Still, the bottom-up coordination of local living lab initiatives at the transnational scale remains a challenge.

Lessons Learnt The ultimate objective of MEDLAB was the integration of the Living Lab approach into regional development strategies across a broad range of policy sectors, emphasising the fact that it is the regions that are closer to the expression of demand that drives the new approaches and their expectations of benefits. MEDLAB demonstrated that this is both possible and beneficial, highlighting barriers as well as the strengths to build on in the future. Although actual take-up in policy documents and instruments was not feasible within the project's lifespan, MEDLAB did achieve high visibility as regards the Living Lab approach and the role of regions in the shift towards a broader innovation policy.

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Andalusian Network of Living Labs

Context In the previous programming period, the Spanish government placed a strong emphasis on innovation in its rural development policy. Izbc, a research centre for citizen-driven innovation based in Malaga, built on this strategy by capitalising on the social capital of rural LEADER partnerships to transform them into Living Labs.

Action In MEDLAB, izbc first focused their efforts on the Abia - Rio Nacimiento Living Lab, with citizens taking the lead in exploring new mechanisms for technology-based social innovation. The Supl@i (Support Platform for Open Innovation) platform was co-designed to allow local

citizens to suggest service ideas and co-design solutions with the local authorities.

Impact The success of the Rio Nacimiento Living Lab brought new actors into the innovation partnership (local health services, local authorities) as well as coordination of relevant on-going projects. This led to network effects and the rapid spread of the model to other LEADER communities in the region, with the constitution of the Andalusian Network of Living Labs. Results have since been incorporated into the Fundacion Fernandez de los Rios (Telecenters in Andalusia) and, at the national level, the SSRI network: Social Spaces for Research and Innovation.

Lessons Learnt Policy coherence among bottom-up initiatives is favoured by a regional policy framework open to social innovation.

Environmental monitoring in Latium

Context The Environmental Department of the Latium Region is responsible for providing mapping information to local authorities for their environmental monitoring and planning needs. In MEDLAB, a high-speed research backbone was planned for deployment in generating real-time historical views of coastline erosion.

Action As the Region engaged with local authorities and stakeholders to explore environmental aspects of planning needs, the potential value of collaborative environmental monitoring emerged. The pilot objective thus shifted to the development of a mobile app through which citizens could signal environmental issues directly to the regional authority, using photos and geo-referencing to support the validation process.

Impact Environmental policy of the Latium Region has shifted towards collaborative monitoring with citizen and local stakeholders for a range of issues.

Lessons Learnt Low-cost, citizen driven mobile apps can have a significant impact on the way public services are managed and delivered (co-design of Smart City services according to the "citizen as sensor" paradigm). Living Lab partnerships can prove to be invaluable means for regions to develop such solutions in concert with local authorities.

Territorial Living Lab – Kypros

- Context** The southern coast of Cyprus is lined with large hotels for sun-and-swim tourism with a primarily northern European clientele. Previous projects (ie Archimed Technet) highlight the potential for heritage-based local development and relational tourism, but this contrasts with the orientations of the main economic operators.
- Action** The Larnaca District Development Agency engaged local stakeholders and cultural associations together with SMEs and larger ICT corporations to build a Territorial Living Lab with the objective of defining innovative scenarios for cultural and relational tourism. A Ning-based social platform was launched allowing different actors to form project groups to develop new services.
- Impact** While uptake of the TLL-Kypros platform has been slow, the initiative has begun to have an impact on policy uptake. TLL-Kypros was admitted to the European Network of Living Labs in 2010, and the potential of Living Labs has been discussed with the Planning Bureau in view of their forthcoming Smart Specialisation strategy.
- Lessons Learnt** Innovation partnerships should start with short-term, doable projects and gradually build up to long-term scenarios. On the other hand, the policy potential of innovation partnerships is visible through the commitment of actors.

Cultural Farm Favara

- Context** Favara is a small, marginalised town in southern Sicily with severe urban decay. The municipal government joined one of a series of local pilot projects set up by the Regional Planning Department's participation in MEDLAB, looking to see how it could enable zero-cost innovation processes to reverse the declining trend.
- Action** The Living Lab partnership created centred around a private individual investor who bought some neighbouring blocks to create an world-class cultural district in the renovated spaces. The City of Favara encouraged this process by streamlining the processes required through policy co-design. Web 2.0 technologies, from Wikipedia to Facebook and Trip Advisor, helped overcome isolation and project the initiative onto the international arts scene.
- Impact** The Farm Cultural Park <http://www.farm-culturalpark.com/> has become an internationally renowned venue for artists-in-residence, happenings, etc., totally reversing the image of the area and its prospects for development.
- Lessons Learnt** Development goals can be reached with the creative intervention of a third party, often with greater effectiveness than policy-driven schemes. The role of the public authority shifts from enactor to orchestrator, and the role of technologies from enabler to amplifier.

TEXMEDIN

Textile and Apparel Euromediterranean Heritage for Innovation

Brief description In the international context of Textile & Apparel design and production, the valorisation of heritage and history as conserved in private and public archives (such as museums, cultural foundations, etc.) plays an increasingly important role for the creation of new collections of fabrics and garments. Textile and fashion archives include important collections of models, patterns, sample books, drawings, photos and magazines that help rebuild the historical capital of style, technique and knowledge and thereby provide valuable inspiration in the contemporary creative production process. In fact, it is by now common for fashion designers and creative directors to consult sources of inspiration from the existing heritage for both fashion and textile collections.

Tools developed The main objective of TEXMEDIN was to merge heritage and inspiration and thereby deliver a “traditional” added-value which is a precious resource for tomorrow's market. The TEXMEDIN Design Challenge allowed new generations of designers to develop and increase their potential and skills in the research and creative contemporary reinterpretation of the T&A heritage of the Mediterranean. The challenge offered high visibility to young talents and encouraged T&A companies to invest in design as a strategic element of competitiveness.

Results Achieved TEXMEDIN partners established five local “inspiration laboratories” located in Prato (IT), Carpi (IT), Terrassa (ES), Athens (GR) and Lyon (FR). To activate these Labs, the TEXMEDIN Design Challenge was implemented, accompanying selected proposals from young aspiring designers through to prototype realisation. Support included access to the TEXMEDIN digital library of T&A historical samples as well as lectures, guided visits to textile companies and fashion ateliers, and meetings with style office directors and industry experts. 54 creations were then presented through a public exhibition travelling through the four TEXMEDIN partner countries.

Evaluation The training methodology proved to be particularly innovative as it allowed participants – through the “simulation” of some real working stages - to face problems, make choices, find solutions, work in teams, and take autonomous decisions: all typical actions in a real working setting.

Lessons Learnt The main lessons learned are: a) innovative clustering strategies based on wider geographical areas, a radical transformation of productive patterns and the modernisation of business models have to be implemented; b) stakeholders need to exploit existing competitive advantages by focusing on quality, creativity, design, innovation and technology, so as to deliver high value-added products; and c) the need to valorise the existing heritage of knowledge, know-how, culture and tradition as a fundamental asset for the Mediterranean / European excellence in the fashion sector. Finally, sustainability of innovative facilities based on models such as TEXMEDIN requires political support as an investment in long-term solutions to the current crisis.

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Industrial Heritage as a Competitive Asset - The TEXMEDIN Digital Library

Context Designers find inspiration in other times and places and reinterpret them following the parameters of their own environment through a contemporary interpretation of the original lines, cuts, patterns and textiles.

Action Numerous collections of antique and exotic textiles, today preserved in museums and industry firms, have come from the private collections of textile entrepreneurs or industrial institutes and schools. The TEXMEDIN Digital Library (http://www.texmedin.eu/digital_library.php) is an on-line database of a first selection of 800 samples (original designs, fabrics, apparel, complements and samplebooks) which is being developed into a unique repository of European textile history.

Impact The TEXMEDIN Digital Library avoids breaking the line of continuity which joins past and future textile production by allowing museums, cultural institutions and textile companies to protect their textile heritage.

Lessons Learnt The distinguishing feature of the quality and prestige of European industry vis-à-vis its international competitors is its cultural value. Technology can bring together thousands and thousands of textile samples housed in museums and public and private collections from all over the continent.

Textile Museums as Centres of Innovation

Context The main mission of the Textile Museums of Prato and Terrassa has been the preservation of the textile heritage and the raising of awareness among companies operating in the textile sector on the importance of conservation and the transmission of historic knowledge.

Action Thanks to the Design Challenge and the Inspiring Lab network, the museums succeeded to involve young designers and stylists and design and deliver new services targeted to young people and fashion schools.

Impact The mission of the Museums has shifted towards innovative services such as the creation of collaborative design and prototyping facilities, transforming them in centres of Innovation.

Lessons Learnt The development of new innovative facilities targeted to young designers and stylists can have an important impact on the preservation and valorisation of cultural heritage.

Inspiring Lab of Athens

- Context** The Hellenic Clothing Industry Association (HCIA) established the Athens Inspiring Lab following the TEXMEDIN model, in collaboration with Peloponnesian Folklore Foundation, a technology centre and a set of education providers specialised in design and fashion.
- Action** The Inspiring Lab of Athens selected a set of young designers after a competition in which they submitted ideas of new items to be produced, inspired from digitised MED Textile and Apparel Museum's collections. These prototypes were presented in a Fashion show within Athens Fashion Week and then started a European trip during which they have been exposed in different museums.
- Impact** The Hellenic Chamber of Commerce and Industry has been convinced so much about the scheme that it lobbied for an initiative of Athens City implementing a permanent Inspiring Lab in Athens. Its efforts have helped include Creative Industries as a priority sector in the Attiki Region's S3.
- Lessons Learnt** Innovative technologies proved to be an interesting tool both at designing but also at prototyping level, and their use and promotion with an attractive cultural background gave them visibility and raised interest to introduce them by several sector actors.

Personalised Support to Young Designers

- Context** Participation in fashion competitions is very common among young designers. They allow for a self-evaluation of their way of working and comparison of talents among participants. Participation in these competitions is made more attractive through awards, often of an economic nature.
- Action** In the designers' words, the Design Challenge was more than a contest. Compared to other competitions, its contribution was more practical, as they had the possibility to participate in training and coaching activities that enhanced their knowledge and skills.
- Impact** The professional training and the personalised assessment and support given to young designers contributed to make more realistic their view about the fashion sector as well as their professional future.
- Lessons Learnt** Young designers require mentoring and personal support to help interpret designs from the past and also to bridge the gap between education and professional life.

CHORD

Cultural Heritage: Exploiting Opportunities for Rural Development

Brief description CHORD aimed to develop and experiment a common strategy to govern and implement innovative cultural services and promote initiatives based on the cultural attractiveness and heritage of the inland zones of the MED area. An appropriate strategy based on the significant cultural heritage and territorial resources that could be exploited for specific sectors of the tourism market would in fact benefit the economic growth of these areas. In CHORD, local communities were made aware of the economic potential of their cultural heritage, if harnessed and incorporated into a strategic system and sponsored by initiatives such as festival promotion, wellness, thematic events or health tourism. The project involved nine partners from four countries in the Mediterranean area.

Tools developed CHORD carried out a specific analysis for each participating region identifying the right services to be provided and information and access guaranteed. This was achieved through a holistic approach integrating planning and management, addressing shortcomings and constraints and exploiting local heritage and local strengths.

Results Achieved Based on a joint analysis of criteria, needs and constraints of cultural heritage poles in the each of the partner territories, CHORD identified innovative cultural heritage poles for cultural partnerships, joint marketing and service-sharing with a protocol agreement for governance to develop a joint promotion scheme. This led to the development of a transferable sustainable model and marketing plans for creative and cultural enterprise hubs. Activities in these cultural hubs were supported by partner level workshops benefiting from horizontal peer experience on Integrated Quality Management for cultural services, the experimentation of pilot promotional activities (outgoing) through road trips in key EU markets, a joint service database of tour operators, marketing services, opinion leaders available to all target beneficiaries, and an integrated database identifying joint cultural networks for pilot cultural partnerships and twinnings for international promotion.

Evaluation Good practices were identified: a) in identifying innovative cultural heritage poles; b) in clustering cultural heritage and bringing together territorial stakeholders which in some cases was a great innovation also benefiting from the partners' experiences; c) In experimenting marketing and promotional strategies through road shows to key markets; and d) In providing support on IQM to cultural stakeholders.

Lessons Learnt The main lessons learned are the importance of peer experience and best practice from study visits, the importance of local cultural partnerships, and the innovative marketing and promotion as a network of rural territories with unique and complementary cultural characteristics through road shows to key opinion-makers and tour operators.

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Cultural and Heritage Promotion in the Rural Areas of the Province of Seville

Context Most of the tourists arriving in the Seville area only visit the city for a few days rarely visiting the rural areas. A plan for valorising cultural and heritage in the rural areas of the Province jointly promoted with the attractiveness of the capital might benefit both the development of rural areas and also the capital, by generating a higher potential number of days per tourist in

the city and the province.

Action In CHORD, the Seville Chamber of Commerce developed, together with local stakeholders, a plan for valorizing cultural heritage in the rural areas of the Province. A promotional event included wine tasting with typical Mediterranean foods, together with tourism information based on the cultural heritage of CHORD partners' regions.

Impact The event was addressed to a targeted audience: tourism specialists, who increased their knowledge of the potentialities of the Mediterranean regions involved in CHORD.

Lessons Learnt Cultural partnerships are more feasible when common or compatible cultural features exist.

Good Practice Exchange with the PRIDES Heritage Industries Cluster

Context The Cultural and Heritage Industries Cluster in Arles (FR) has supported the consolidation of this area as one of the most important cultural and heritage hubs in Europe. Its experience and that of the cultural and creative companies included in the cluster are good examples of the valorization of cultural and heritage, as well as the economic development of a region.

Action CHORD organised a study visit and capacity building session, in which partners learnt about the launching and development of the cluster, as well as examples of successful cultural and creative industries. CHORD partners also jointly organised TECHA 2010, a forum focused on the most excellent innovations and technologies applied to promote culture and heritage.

Impact CHORD partners were transferred a good experience on how to exploit cultural and heritage attractiveness by promoting the development of cultural and creative companies in the territory. A high number of companies were benefitted with knowledge and business opportunities from TECHA event and the collaboration of CHORD partnership, which provided the event with a cross border dimension..

Lessons Learnt A good environment for cultural and creative companies may create wealth as well as valorising regional culture and heritage.

Inspiring the ESF “Culture: A Motor for Employment” Project in Andalusia (ES)

- Context** The experiences obtained from CHORD exchanges with other partners, especially with the Cultural and Heritage Cluster in Arles (FR), inspired the launch of a project in Andalusia (ES) promoting the employment of young people in the cultural and creative sector.
- Action** The project, financed -after CHORD- by the ESF and the Regional Government of Andalusia, was named “Culture: A Motor for Employment” and consisted of a series of in depth visits and exchanges with other Cultural and Heritage Poles in Europe, following the CHORD methodology. The project included internships in other EU countries’ cultural and creative hubs for young unemployed specialised in cultural and creative industries.
- Impact** A better knowledge of the main cultural and creative hubs in Europe and the potentialities that this sector can reach. A number of young professionals were trained and gained experience from specialised cultural and creative companies in other EU regions.
- Lessons Learnt** The cultural and creative sector is an important motor for employment in some regions and it may support other economic sectors, such as tourism.

Promotion of Typical Mediterranean Products in Solopaca (IT)

- Context** In combination with the 34th *Festa dell’Uva*, an annual grape festival held in the wine-growing town of Solopaca (IT) attracting more than 50,000 visitors every year, CHORD partners organised an exhibition of typical Mediterranean products in the *Museo dell’Enogastronomia*.
- Action** A number of promotional corners were set up in the museum’s cellar showcasing tourism, cultural heritage, and food and wine from Benevento, Basilicata (San Severino Lucano and the Parco del Pollino), Greece (Region of East Macedonia-Thrace and the Island of Chios), Spain (Seville, Ribera Alta and Ceutí), and France (Arles). Visitors in Solopaca had the opportunity to enjoy tastings of locally produced food and wines from these regions.
- Impact** Promotion of local products and cultural heritage attractiveness of CHORD partner regions was done among visitors of a thematic event.
- Lessons Learnt** Joint partnerships for the promotion of cultural heritage and gastronomy, which is also immaterial cultural heritage, from different regions with common features is feasible and positive to enrich cultural identity and strength local economies.

SOSTENUTO

Economic and Social Innovations in the Field of Culture and Creation Activities

Brief description SOSTENUTO aimed at reinforcing the competitiveness and capacities of economic and social innovation from the cultural sector in the MED space by accompanying its transformation towards new economic and social models. It focused specifically on testing innovative methods of organisation and management – incubator, cluster, local exchange trading system, new forms of territorial governance – for their potential to increase innovation capacities and economic independence and better valorise cultural activities within the local, regional and national economies.

Tools developed SOSTENUTO tested the application of innovative practices in the cultural sector, defined the conditions for their transfer and promoted their dissemination within the MED space and beyond. The following practices were tested within 4 laboratories: incubator, cluster, local exchange trading system and territorial governance. The work of these laboratories was analysed and modelled, thus favouring the appropriation of these new methods of organization and management throughout the cultural and creative sector, improving the sector's competitiveness and increasing its role in public policies.

Results Achieved Project results were published in two volumes: "Culture, factor of economic and social innovation", an economic analysis of relations between culture, innovation and development in Europe and especially in the Med area, and "Culture and Innovation(s): Europe seen from the South", value systems and new models for development in action.

Evaluation The Med territory is characterised by the predominance of traditional sectors, the persistence of an economy with very low added value and the presence of a very high number of SMEs characterised by a weak territorial organisation. In this context, by maximising the potential of the cultural sector SOSTENUTO aimed to improve the competitiveness and economic potential of the MED zone and diversify its economic sectors. Recommendations for the cultural sector thus focus on management and regional policy design. Findings include macroeconomic relationships between employment in cultural and creative activities and the growth potential of European regions, as well as the role of collective European action within culture.

Lessons Learnt The cultural sector represents a strong economic potential and a sector carrying economic and social innovation. Nevertheless, it remains unevenly present on the territories, globally little structured and still insufficiently integrated within the policies of territorial development in the Med space. Decision-makers, planners and financiers should take the economic potential and innovation capacities of the cultural sector more into account. The specific recommendations here include: a) Function of Production (FOP) of the Cultural and creative organizations and links to innovation processes; b) Connection of the FOP to the Local Cultural System; and c) Macro-economic evidence of the relationship of Cultural and Creative Industries with regional development.

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Cultural and Creative Business Incubator

Context AMI is a Centre for the Development of Contemporary Music in Marseilles, the second largest city in France and European Capital of Culture in 2013.

Action In SOSTENUTO, AMI established an incubator modelled specifically to the need of accompanying the creation of successful enterprises in the music sector. Activities thus

included the selection of candidates, training workshops and field trips, individual counselling on a daily basis, and information and communication actions. These were accompanied by research functions that aimed to identify needs and market trends for the future.

Impact The AMI incubator underlined the economic importance of the music industry, characterised in Europe by micro-firms and whose innovation potential is often underestimated.

Lessons Learnt As set forth in the European report "The Entrepreneurial Dimension of Cultural and Creative Industries" (HKU 2010), there is a vital need to develop specific business skills for the cultural sector, often not covered in formal training programmes. Thus, the creation of areas for professional training and practical experience, particularly in the early stages of activity, is crucial.

The Bunker LETS Experience

Context Bunker is a non-profit founded in 1997, promoting performing arts in Ljubljana (SI) but with a strong role in international networks. Bunker is thus very active in supporting artists' mobility, artistic and disciplinary exchanges, and innovative experiments in the framework of local development and global sustainability.

Action In SOSTENUTO, Bunker experimented a Local Exchange Trading System (LETS) for the non-monetised exchange of goods and services among actors in the cultural sector. This was part of the process of building the Tabor Cultural Quarter, as it reinforced the sense of community and identity among participants in the LETS scheme and promoted performing arts as a neighbourhood resource.

Impact Park Tabor, one of the activities initiated in the programme, is evidence of the success of the approach: at the end of the initiative, Bunker received positive feedback from the local residents and observed evident changes in the short time frame. A total of 48 organisations and individuals produced 455 events in 131 days.

Lessons Learnt The Bunker laboratory in SOSTENUTO proved the territorial impact on the local community of cultural promotion initiatives. The local territory benefited to a great extent from these initiatives and now there is a critical mass of local participants sufficient to extend them. On the basis of the SOSTENUTO experience, Bunker is starting similar projects in Maribor, the second largest city in Slovenia, and is planning further actions of territorial regeneration through culture in Ljubljana.

Cultural Heritage Development Laboratory

Context Korot (or Cattaro) is a coastal town in the south of Montenegro and an important tourist attraction, in part due to its rich natural, cultural and architectural heritage, also shaped under four centuries of domination by the Venetian Republic.

Action The mission of Expeditio is to promote sustainable planning through green architecture, urban planning, landscaping, and cultural heritage through participatory approaches. In SOSTENUTO, Expeditio established a laboratory to define strategies for the cultural development of Kotor, Tivat and Herceg Novi, through a census of cultural stakeholders and a participatory territorial diagnosis.

Impact The mapping of cultural actors, resources, and spaces revealed the significant role of youth culture in defining the potential for the development of sustainable tourism strategies based on an innovative offer of services.

Lessons Learnt Management of cultural strategies, together with effective communication, are key to the success of territorial development.

Artisan Cluster in the Chiana Valley

Context The Chiana Valley, crossing both the Tuscany and Umbria regions in Italy, is rich with local arts and crafts traditions together with the main economic activities of wine-growing and other forms of agriculture. Arts and crafts represent an economic activity that stands out for its contribution to the preservation of cultural and ethnological wealth, contributing strongly to collective identity.

Action CITEMA, a local crafts association, developed a SOSTENUTO laboratory applying the Cluster concept to the field of arts and crafts. A restored farmstead, Borgo Dolciano, was used as a space to mediate between craftworkers and designers, targeting local audiences (neighbours, children, public authorities...), encompassing various territorial levels and dealing with different issues related to culture and economy. Common services provided include training, communication, promotion, and networking.

Impact The CITEMA cluster has the following aims:

- To increase territorial dynamics.
- To develop cooperation among craftworkers and the different actors in the area on topics, events, promotion and dissemination.
- To work on skills and creativity.
- To provide more visibility and promote market development on local, national, and European networks.
- To promote the quality products and services generated in the territory.

Lessons Learnt The Cluster Laboratory demonstrates how models generally applied to industrial policy can, with the appropriate adaptation, be equally applied to smaller-scale cultural networks, attaining a high territorial impact.