

Quotation and Confirmation of Order

ESCA-Peer Review of Cluster-based Regional Economic Development Policies

- Policy conducive to improve regional competitiveness -

for

Regional Development Agency Ostrava,
Czech Republic

ESCA - European Secretariat for Cluster Analysis
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in cooperation with



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ESCA – The European Secretariat for Cluster Analysis

ESCA promotes cluster policy and cluster management excellence since 2009. Having emerged as the result of the European Cluster Excellence Initiative ECEI, ESCA, with its headquarters in Berlin, consists of a network of different partners and experts. Among others, the expert pool for cluster management benchmarking experts consists of more than 100 persons all over Europe. During the past, ESCA experts were active in over 40 countries in Europe, America and Asia. Recent ESCA publications can be found under www.cluster-analysis.org.

A methodology for cluster benchmarking developed in 2009 has been widely acknowledged in Europe and applied more than 1000 times. In 2014, ESCA introduced a structured Peer Review of cluster-based Regional Economic Development Policies (ESCA Peer Review). This methodology has been emerged from the EUROPE INNOVA StressTest-Project¹ and the Peer Review of Model Regions under the European Cluster Observatory². It then has been turned into the current policy learning and benchmarking tool in the frame of the EU-flagship project Poly4Eml by the ESCA partners VDI/VDE-IT (ESCA headquarters) and Anteja ECG (ESCA partner South-Eastern Europe). Since 2014, more than 15 regions have already been involved in such ESCA Peer Review exercises.

¹ Presented during the Copenhagen Cluster Conference in 2012

² More information about the European Cluster Observatory is available at the EU Cluster Portal at: http://ec.europa.eu/growth/smes/cluster/observatory/index_en.htm

Background

In recent years, cluster policy has gained increased importance in improving the competitiveness of local industries and in facilitating industrial transformation processes. The majority of European regions has developed regional smart specialisation strategies (RIS3) to stimulate more strategic and more focused investments in the regions to create more jobs, and economic growth. These growth strategies, based on clusters in the respective regions, demand comprehensive efforts for mobilising resources for accelerating innovation and industrial transformation efforts. Regions are a driving force in this endeavour as favourable place-based business conditions are making a difference to incentivise actors in the real economy, notably small and medium-sized enterprises (SMEs).

Clusters are a powerful concept to reach out to groups of specialised SMEs and related innovation actors and promote their competitiveness. Clusters are not synonymous with cluster initiatives. While the former refers to the concept that describes the real economic phenomenon of concentrations of economic activities, the latter describes an initiative or political effort to create, maintain, or upgrade such an economic stronghold or cluster. Cluster initiatives can help a cluster or region to reach higher levels of performance. In the context of regional specialisation strategies and their implementation, clusters and cluster initiative move onto the centre of attention, since they are excellent tools for the implementation of a region's growth strategy.

Cluster initiatives are one of the main channels through which regional economic policies can become engaged and through which policy measures can be implemented to turn regional specialisation strategies into practice. There is significant emerging evidence that cluster initiatives are much more likely to generate an economic impact if they are managed in a professional manner.

Industrial transformation is a significant challenge for regional policy-makers to adapt existing cluster policies accordingly. Requirements for enterprises, clusters as well as for cluster policy are changing dramatically. Against these trends, regions do play a more important role than in the past in setting suitable framework conditions for related industries. Regional Smart Specialisation Strategies are one answer, provided that they are smoothly implemented in the regions, involving all relevant innovation actors.

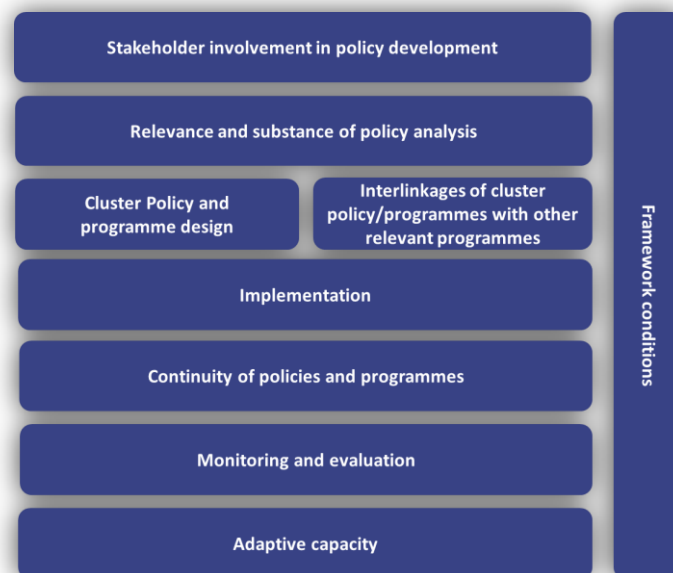
Consequently, there are two current trends gaining more and more attention world-wide. One is that cluster policy is moving from a stand-alone policy to support cluster development towards a cluster-based regional economic development policy that is based on strong clusters (and cluster initiatives) in the respective regions. The second trend is to pay more attention to a regional cluster portfolio. Clusters are an excellent tool to implement RIS3. Thus a well-balanced, well-matured regional cluster portfolio matters to facilitate cross-sectoral cooperation among SMEs and enable new cooperation models initiated by cluster initiatives.

The Rationale

The rationale of the Peer Review of cluster-based regional economic development policies is to simulate the ability or “stress resilience” of a policy development process (incl. related programmes) as well as of an implementation process to respond to changing framework conditions that put the system that is governed by these policies or programmes under stress. The simulation covers the different elements of the policy cycle. For policies and programmes aiming at industrial development, often based on a regional smart specialisation strategy, it refers to their ability to facilitate structural change of an industry by maintaining the competitive edge of a mature industry and promoting the development of new industries. Thus, neither the policies as such nor the regional smart specialisation strategies are evaluated rather than the process of policy making and implementation.

The Peer Review focusses on a certain set of key dimensions as displayed in Fig. 1. Each dimension is covered by a set of indicators for which both quantitative and qualitative data is collected from regional policy makers, cluster managers and other related stakeholders through a structured interview guideline. Further information about the indicators is given in the appendix.

Figure 1: Key dimensions of the Peer Review of cluster-based regional economic development policies



The Approach

The Peer Review of cluster-based regional economic development policies, developed according to the European Cluster Observatory Approach, is an efficient tool to guide regions in their efforts related to the policy discovery process and transnational policy learning. This concept note describes the overall approach, intended for regional implementation organisations, policy-makers and business development entities. Their main interest lies in tackling specific regional challenges or opportunities through better capitalising on the cluster concept for the renewal of their industries and the promotion of entrepreneurship and SME growth. The overall aim is to find new or better ways of designing and implementing modern cluster-based regional economic development policies taking maximum advantage of the regional cluster portfolio towards shaping industrial value chains and sectors.

The ESCA Peer Review of the cluster-based regional economic development policy takes the recent developments of the European Cluster Observatory into account and also pursues the objective of enhancing mutual transnational policy learning among European regions. This approach was developed by the ESCA partners VDI/VDE-IT (Germany) and Anteja ECG (Slovenia) within several EU-funded projects (e. g. European Cluster Observatory and Poly4Eml) and is very much in line with the Model Demonstrator Region approach (European Service Innovation Centre or the European Cluster Observatory³). It emerged for the first time at the occasion of the Europe INNOVA Conference 2012, held in Copenhagen in 2012.⁴ Nowadays, the ESCA Peer Review of Regional Cluster Policies is strongly supported and acknowledged by DG Grow, European Commission, as an important tool to analyse cluster or innovation policies⁵ (e. g. as an integral part of the European Cluster Observatory or the European Service Innovation Centre⁶). The dimensions and indicators applied are the result of several expert consultations and relevant EC-project outcomes.

The ESCA Peer Review approach can be applied to a wide range of regions (for innovation leader until catching up regions) and adopted to specific policy fields.

³ http://ec.europa.eu/enterprise/initiatives/cluster/observatory/cluster-policy/stress-test/index_en.htm

⁴ The approach has been acknowledged by DG Enterprise, European Commission as an important tool to analyse cluster policies.

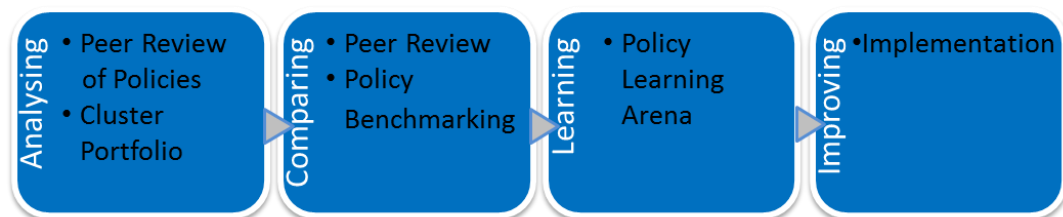
⁵ Izsak, Ketels, Lämmer-Gamp, Meier zu Köcker, Smart Guide to Cluster Policy, European Cluster Observatory, Brussels, 2016, http://ec.europa.eu/enterprise/initiatives/cluster/observatory/cluster-mapping-services/services/index_en.htm

⁶ http://ec.europa.eu/enterprise/initiatives/esic/services/index_en.htm

Figure 2 presents the main elements of the ESCA Peer Review of the cluster-based regional economic development policy:

- The analysis of the policy making, programme development and implementation process against regional economic objectives
- The findings of the analytical phase will be benchmarked and peer reviewed among the participating regions and an existing comparative portfolio of regions having participated in previous Peer Reviews in the recent past. A comparative portfolio has already been set up, based on findings of previous Peer Reviews, and allows benchmarking the participating regions against European peers
- Policy Learning Arena will facilitate mutual policy learning and identify tools, approaches or actions to be taken over by a given region
- Improving: Based on the findings and Policy Learning Arena, proposals / actions plans for improving / further development activities will be provided.

Figure 2: Peer Review approach of cluster-based regional economic policies



Nine partners of the CLUSTERIX 2.0 project intend to conduct an ESCA Peer Review to better understand the policy making and implementation process of all partners and to identify areas for (common) improvements. The steps will be jointly implemented by ESCA and Anteja ECG (ESCA partner for South Eastern Europe).

Step 1: ESCA Peer Review and Cluster Portfolio Analysis

The first step analyses and stress tests each participating region as to whether their policies and programmes are adequate to respond to the challenges associated with the regional development strategies (Peer Review). Regional stakeholders will be interviewed based on a structured interview guideline covering the entire value chain of policy-making, from the analysis of regional demands, programmatic design features and implementation, resilience to evaluation.

A Cluster Portfolio Analysis will be conducted provided that the ESCA cluster benchmarking contains enough entries to provide a representative picture of the maturity of the cluster initiatives in the partner regions. The Cluster Portfolio Analysis focuses, among others, on the structure of the related cluster initiatives, their size and critical mass, the maturity of the cluster organisation, their embedment in the regional

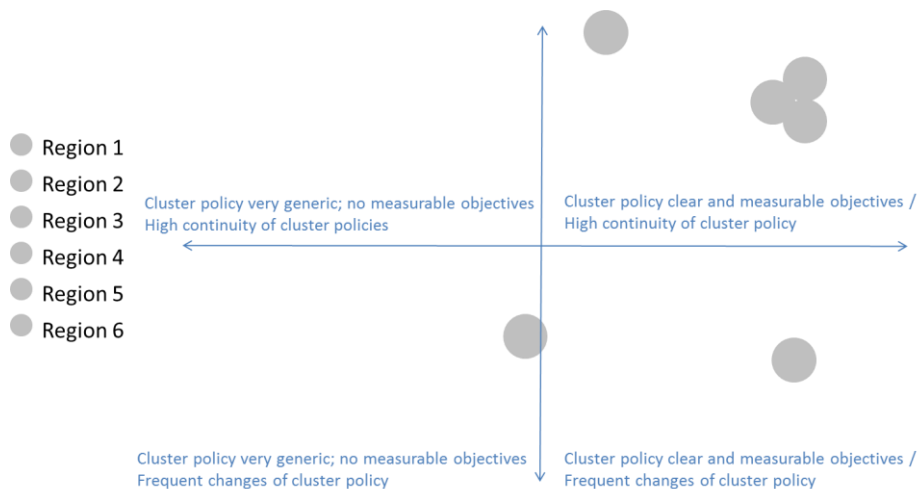
innovation system as well as their impact provided so far. Dedicated attention will be also given to what extent the regional cluster portfolio is able to facilitate cross-sectoral linkages.

Step 2: Policy Benchmarking

In the second step, the data gained from the Peer Review and Cluster Portfolio Analysis will be compared among the participating regions and among the comparative benchmarking portfolio (policies and cluster initiatives). The analyses of the interview results will be complemented through statistical databases as well as through available analysis (e. g. Regional Innovation Scoreboard⁷). Results of the Policy Benchmarking will be presented through figures and brief elaborations of findings in a report that will be shared with the participants prior to the Policy Learning Arena.

The report includes also a benchmark of the participating regions in order to identify potential areas of mutual learning. The Policy Benchmarking will also include a comparison with the most advanced regions and their Cluster Portfolio that have participated in this exercise (Figure 3)⁸.

Figure 3: Objectives of cluster policies vs. continuation and sustainability of cluster policies as one result of the Policy benchmarking of Cluster-based Regional Economic Policies



Step 3: Policy Learning Arena and Peer Review

A one-day Policy Learning Arena with representatives from the participating regions forms the third step. According to the current planning, this Arena will be implemented in October in Ostrava. The purpose of such a Policy Learning Arena is to stimulate and facilitate policy learning, based on the findings and outcomes of the previously

⁷ http://ec.europa.eu/enterprise/policies/innovation/files/ris/ris-2014_en.pdf

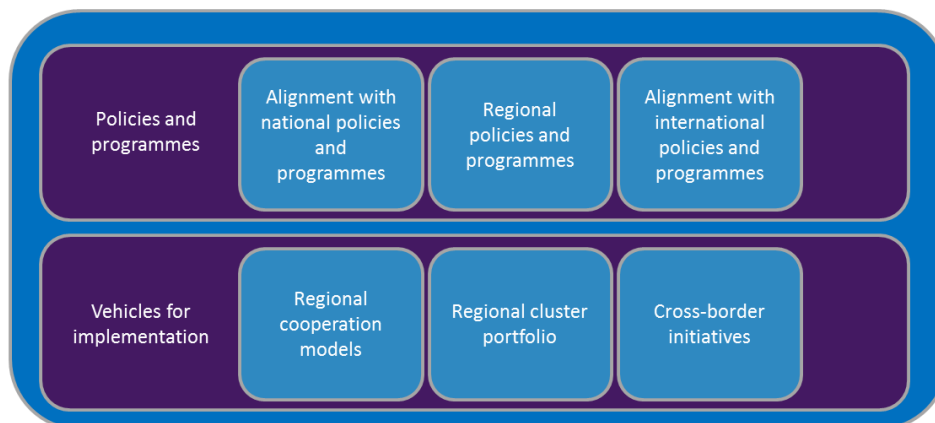
⁸ Strong regions already listed in the comparative portfolio with a matured cluster portfolio are, among others, Baden-Württemberg, Hamburg, Lombardi, Massachusetts, Catalonia etc.

conducted Peer Review and Policy Benchmarking interviews. It also contributes to get acquainted with the respective policy making processes of the CLUSTERIX 2.0 partners. It embeds the ESCA-Peer Review as a structured comparison of the entire cluster policy making and implementation process. It facilitates mutual policy learning, through discussions, comparisons, good practises and coaching among stakeholders. There is no ranking or rating of the policy process or related strategies. Policy learning is a complex endeavour and goes way beyond the mere sharing of best policy practices and instruments underpinned with information, e. g. from evaluation reports. Thus, the Policy Learning Arena is the key for continuous improvement measures.

Step 4: Peer Review Report

The outcome of the Policy Learning Arena is, among others, the Peer Review summary report, which documents the key findings and the policy benchmarking results. The Peer Review report describes also the maturity of key determinants of a systematic approach for regional economic development as well as corresponding good practices from the peer-reviewed regions. Focus will be given, as shown in Figure 4, on six key determinants in the two dimensions of “policies and programmes” and “vehicles for implementation”. The combination of these dimensions reflects the framework for the “perfect strategy of cluster-based regional economy”.

Figure 4: The systematic approach to implement cluster-based regional economic development



Proposed ESCA Staff

The entire ESCA Peer review exercises in the framework of CLUSTERIX 2.0 will be coordinated and implemented by Dr. Gerd Meier zu Köcker (ESCA) and Mateja Dermastia (Anteja ECG).

Short CV:

Dr. Gerd Meier zu Köcker made his PhD in Material Science in 1995 and joined VDI/VDE Innovation + Technik GmbH in 1999, where he currently acts as deputy General Manager. In 2009 he also became Director General of the Institute for Innovation and Technology, Berlin. In addition, he is Executive Director of the ClusterAgentur Baden-Württemberg since October 2014. Since September 2015 he is also teaching at the University for Applied Science in Kehl. Dr. Gerd Meier zu Köcker has led many cluster and innovation policy projects in several parts of the world, mainly in Europe, Africa and Asia. He has widely written about innovation, evaluation, impact measurements and related policy issues. He is a frequent speaker and gave many guest lectures at universities world-wide (e. g. Harvard Kennedy School, National University Singapore, University Budapest, Technical University Tripoli). Among others, he currently is leading the European Cluster Observatory project, which is the new flagship initiative of the EC for growth and competitiveness. He was one of the initiators of the European Cluster Excellence Initiative as well as the founder of the European Secretariat for Cluster Analysis ESCA.

Mateja Dermastia, M.Sc., with over 25 years of professional experience in the area of competitiveness, cluster development and innovation policies and long-term managerial experience in leading public and private institutions. Director of Anteja ECG, since 2005, she possesses substantial scientific and market expertise in the biopolymer area matured as CEO of Center of Excellence for Polymer Science and Technology. She is a leader of the Poly4Eml, EU flagship project to support entrepreneurship and innovation of bio-based industry. She has served in various capacities as including State Undersecretary for Innovation in the Government of Slovenia. She has served on various international expert committees on innovation and cluster. Ms. Dermastia collaborates with Harvard Kennedy School, Cambridge, the US within the Science, Technology, and Globalization Project funded by the Bill and Melinda Gates Foundation focused on innovation in agriculture based on new technologies and entrepreneurship. Originally trained in biochemistry, Ms. Dermastia has a Masters in Economic Sciences and has obtained an executive education at the Harvard Kennedy School in science, innovation, technology policies. She recently published about cluster policies, cluster development, Biopolymers and related new policy approaches.

Tasks and Deliverables

According to the procedure of the ESCA Peer Review, the following tasks are included in the offer

Step 1: ESCA Peer Review and Cluster Portfolio Analysis

- Coordination and communication with Regional Development Agency Ostrava.
- Up to eight interviews (via skype or phone) with selected stakeholders (policy makers, implementation agencies, regional development entities, cluster managers, chamber etc.) to be proposed by Regional Development Agency Ostrava.
- Preparation and analysis of the regional cluster portfolio, provided a sufficient number of cluster initiatives are listed in the ESCA Cluster Portfolio

Step 2: Policy Benchmarking

- Evaluation of the results of Step 1
- Preliminary Policy Benchmarking Report
- Preparation of the Policy Learning Arena

Step 3: Policy Learning Arena and Peer Review

- Moderation and implementation of Policy Learning Arena with all CLUSTERIX 2.0 partners in Ostrava

Step 4: Peer Review Report

- Peer Review Report, incl. recommended actions
- Summary of the Policy Learning Arena, incl. recommendations for CLUSTERIX 2.0 project

The measures proposed will be conducted in the period between beginning July until beginning of October, provided the Confirmation of Order has been signed and the partner to be interviewed are provided by the contractor.

Costs

For conducting the ESCA Peer Review for Regional Development Agency Ostrava, ESCA will charge a fee of

5,000.00 EUR

(In words: five thousand Euros and zero cents).

The total fee is net including the travelling expenses to the venue of the Policy Learning Arena.

For VAT, the supplied services are subject to the reverse charge in the country of receipt, provided that the customer has a valid VAT ID number. Otherwise, the supplied services are subject to German VAT (currently 19 %).

This offer is valid until August 10th, 2016.

Berlin, July 13th, 2016

VDI/VDE

Innovation + Technik GmbH

Dr. Werner Wilke
Managing Director

Dr. Udo Hoppe
Head Corporate Strategy

Confirmation of Order

We hereby order ESCA Peer Review exercise for Regional Development Agency Ostrava. according to the conditions described in the quotation of July 13th, 2016 (5,000.00 EUR):

Name of organisation	
Name of signatory	
Full contact details (Postal address, telephone and e-mail)	
VAT ID number (if available)	
Authorised signature and, if available, stamp	
Place and date	

Please return the signed confirmation of order to the attention of Dr. Gerd Meier zu Köcker by email (mzk@vdivde-it.de) or by mail to the European Secretariat for Cluster Analysis, c/o VDI/VDE Innovation + Technik GmbH, Steinplatz 1, 10623 Berlin, Germany.