

E-cluster – Science-business cooperation in Malopolska

The principle aim of the project is to enhance the regional potential in the innovation and IT area by setting up a cooperation between the R+D sector (universities) and business area (IT companies). The realization of the tasks provided by the project supported the creation of regional innovation systems. Clusters, which act as a network of connections between different units acting in the same geographical area and in the same branch with the aim of raising competitiveness and maximising the benefits, will form the basis of supporting innovative attitudes in the region.

The project is complex in nature and involves the following tasks:

- ▶ Creation and development of a cooperation network in the field of innovation ; Cycle of regional conferences concerning the IT market including the publication and diffusion of conference materials
- ▶ Creation and development of a communication and exchange of information system – research into IT market in Malopolska region – accumulation and analysis of data, building a web-site concerning IT branch
- ▶ Practical training in regional enterprises implementing innovations

Ultimate Beneficiary: partnership of IT entrepreneurs (especially SME), higher education institutions, scientific research units; higher institutions graduates not registered as unemployed, who take part in in the internships in the enterprises

Financing: 75% ESF; 25% national co-financing (the State budget)

Duration: August 2005 – February 2007 (19 months)

Member State: Poland

Programme: Integrated Regional Operational Program

Total budget: EUR 415,635.00

Structural Fund (ERDF) co-financing: EUR 311,726.25

National public co-financing: EUR 103,908.75

National private co-financing: –

Context and Reason why the programme was set up

According to well-known analyses Poland lags behind Europe in producing and/or implementing new ideas. The lack of business sector participation in financing of R+D activity and the establishment of effective mutual connections with the science world are considered the main reasons. Exchanging channels of know-how is under-developed or simply does not exist.

The regional self-government of Malopolska recognises this disadvantage on the level of regional development and therefore makes an effort to increase the level of innovation and competitiveness of companies by stimulating the cooperation of companies with a wide range of institutions in the field of science, research & development and transfer of technologies (see strategic documents: Regional Development Strategy and Regional Innovation Strategy for the Malopolska Region for 2005 – 2013). The “E-cluster” project fully responds to that goal. This is also the general objective of measure 2.6 “Regional Innovation Strategies and Transfer of Knowledge” which was inscribed into IROP – one of the operational programmes prepared for the implementation of the structural funds in Poland.

Objectives of the programme

The principal objective is to establish an effective cooperation between actors who belong to the business sector and R+D sector in the form of a regional cluster.

The project is prepared and conducted by the partnership which was formed before applying for structural fund support.

The toughest challenge was to encourage companies from the highly competitive IT branch to cooperate. However the "e-cluster" sees its chance in creating synergy effects in terms of the regional economy and external markets. Moreover the common concern for every player is a lack of highly-qualified employees which provides a field for cooperation. As a critical success factor of the project the lack of previous experience concerning mutual cooperation between all institutions forming e-cluster should be pointed out. The difficulties might appear in the taking of common decisions or solving problems.

The project is still in progress and is developing accordingly to the schedule.

Description of the major activities and project management

The major actions undertaken in the project:

- ▶ Creating a web-site as communication tool between actors (1) – in progress
- ▶ Organising a cycle of conferences (2 events) – accomplished
- ▶ Building the data bases (8) – in progress
- ▶ Organising internships for graduates of higher education institutions (14 persons) – in progress
- ▶ Analyses, research regarding the Malopolska IT market (1 accomplished, 2 in progress)

All the actions are undertaken by partners (from the business sector: Multimedia Communication Ltd.- as the project leader, Ericpol Telecom Ltd., Aktywni.pl Ltd. and from R+D sector: The Polish Open University, The School of Banking and Management in Krakow) according to mutual agreement, which includes all tasks and indicates the responsible institution:

Analysis of the outcome, results and (potential) effects of the programme

As the project is in progress at that moment only a mid-term evaluation can be provided. There are no delays in realisation so far.

- ▶ Ultimate beneficiaries involved 64 units, at least 16 more are to come
- ▶ web-site www.eklster.org (1)
- ▶ conferences (2 events, 2 more are to come)
- ▶ data bases (6 at present: data base of IT enterprises including over 300 items)
- ▶ 6-month internships for graduates of higher education institutions (14 persons, 2 more to come; they are expected to become employed)
- ▶ Analyses, research of Malopolska IT market (1 accomplished, 2 in progress)

Generally the project is unique regarding both its management structure and objectives. Planned activities, at their core are designed first to break barriers in communication between IT enterprises, R+D units and higher education institutions, second to build an effective cooperation. The main obstacle is a lack of trust shown by small and medium IT enterprises towards these kinds of actions. They have difficulties in detecting the benefits because these actions have long-term payoffs in the form of added value rather than cash. If continued the project will fill the gap in the transfer of innovations in the Malopolska Region and will provide a view of the IT market in the region. Malopolska seeks its chance for the future as a region of advanced technologies and competitive companies. It is likely that the project will be continued as in the latest call for proposals the project titled "Network of Acceleration IT enterprises in Malopolska" has been accepted to get structural fund support from measure 2.6 "Regional Innovation Strategies and Transfer of Knowledge" inscribed into IROP.

The very idea of forming cluster is still a new trend in the Polish economy. That is the fact which emphasizes the novelty of the project. Moreover the action is undertaken by a commercial unit what is an exception among other projects claiming structural fund support in Malopolska. This hopefully sets an example which will be followed by many, especially as the region seeks its chance as an innovation centre.

As a good sign for the future, it is worth mentioning that the self-government of Malopolska, the most respectable higher education institution in Malopolska and some IT enterprises have recently signed an understanding regarding a high tech cluster in Malopolska.

Any difficulties experienced during implementation and how they were overcome

It seems that the main source of difficulties lies in the system/institutions of implementation of the European structural funds. The implementation was delayed and started at the end of 2004. Guidelines were not set firmly at the beginning by the Polish government and furthermore they have still been changing. Therefore every actor concerned has been facing obstacles in becoming accustomed to the rules, in particular regarding eligibility of costs and fulfilling financial terms. In addition, financial flows take long time because of verification procedures.

Undeniably the lack of knowledge of the final beneficiaries regarding the Polish legal system, especially concerning public procurement and public financing causes considerable difficulties as well.

However, we gain precious experience and hopefully the next EU programming period will be more fruitful and we enhance our efficiency.

Difference made by support from the Structural Funds

Poland belongs mostly to the public sector. Only reasonably large companies can afford to run R+D departments. Therefore the crucial barrier is the lack of funds for research activities. The situation makes public scientific research units apply for grants. Thanks to the European structural funds that becomes easier. European funding provides an opportunity to promote cooperation between science and business. However the meaning of that cooperation is still underestimated. Polish business is focused on gaining short-term benefits paid in currency rather than synergic long-term values. That is the reason for the necessity to support undertakings concerning the transfer of innovation.

Perspectives for the future: sustainability and follow up

According to the project leader, the “e-cluster” scheme will be continued. In the near future the cooperation should be strengthened and take the consolidated form of a full cluster. It needs consideration whether the network should be limited only to the most active actors at the moment with an option for future members in the long term.

In future the cluster approach should be promoted in other branches of the economy in Malopolska.

Contribution of the project to the fulfilment of the revised strategic orientations of the Lisbon strategy

Measure 2.6 IROP should be seen as taking fully into account and reflecting the guidelines of the Lisbon strategy. Actions initiating cooperation, networking, transfer of innovation between science and business need enormous support. It is a question of being competitive in an open market economy. Strategic documents like the Regional Innovation Strategies which are to set necessary guidelines for all actors concerned have a considerable role to play. Limited resources demand programmed actions aimed at specific goals.

Relation of the project to the aspects of sustainable development

The project is co-financed by the ESF and supports the development of human resources.

“e-cluster” follows the requirements of horizontal European policies such as information society and the equal treatment of women and men.

The project is neutral in terms of environmental protection.

Reason why the project was a success and should be considered as a best practice project

As the project is not yet completed we cannot describe its success in detail. However, this is the one of the most complex projects and one of the few projects which is realised by a partnership formed by representatives of the business sector (IT companies), the R+D sector (university, technology park). It is likely to be a good practice example for other institutions interested in establishing a network (cluster) in different branches.

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