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Presentation of results: how to overcome the challenges of Covid-19 situation

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How does Fomento SS fosters Innovation?

- **Donostia/San Sebastián UP!** is the city investment Plan which aims to foster its economic development in an integrated and sustainable way.
- With this purpose, several measures are designed each year with the main target of **creating new jobs, new projects, new companies, the design of new public policies, fostering synergies** among the city agents always with the focus that **Innovation has to be the engine**, the socio-economic model of the city.
- In summary, it is the city operational tool to strenghten and impulse the city´s economic development.
- Due to Covid-19, Donosti UPs 2020 and 2021 turned into **PREKs I to III: Economic Recovery Programs I, II and III.**

Fomento SS Action Plan

Within its Ecoris 3 Action Plan, Fomento de San Sebastián (FSS) identified a series of measures which formed part of a broader and more ambitious local economic development plan (Donostia UP!), namely the following actions:

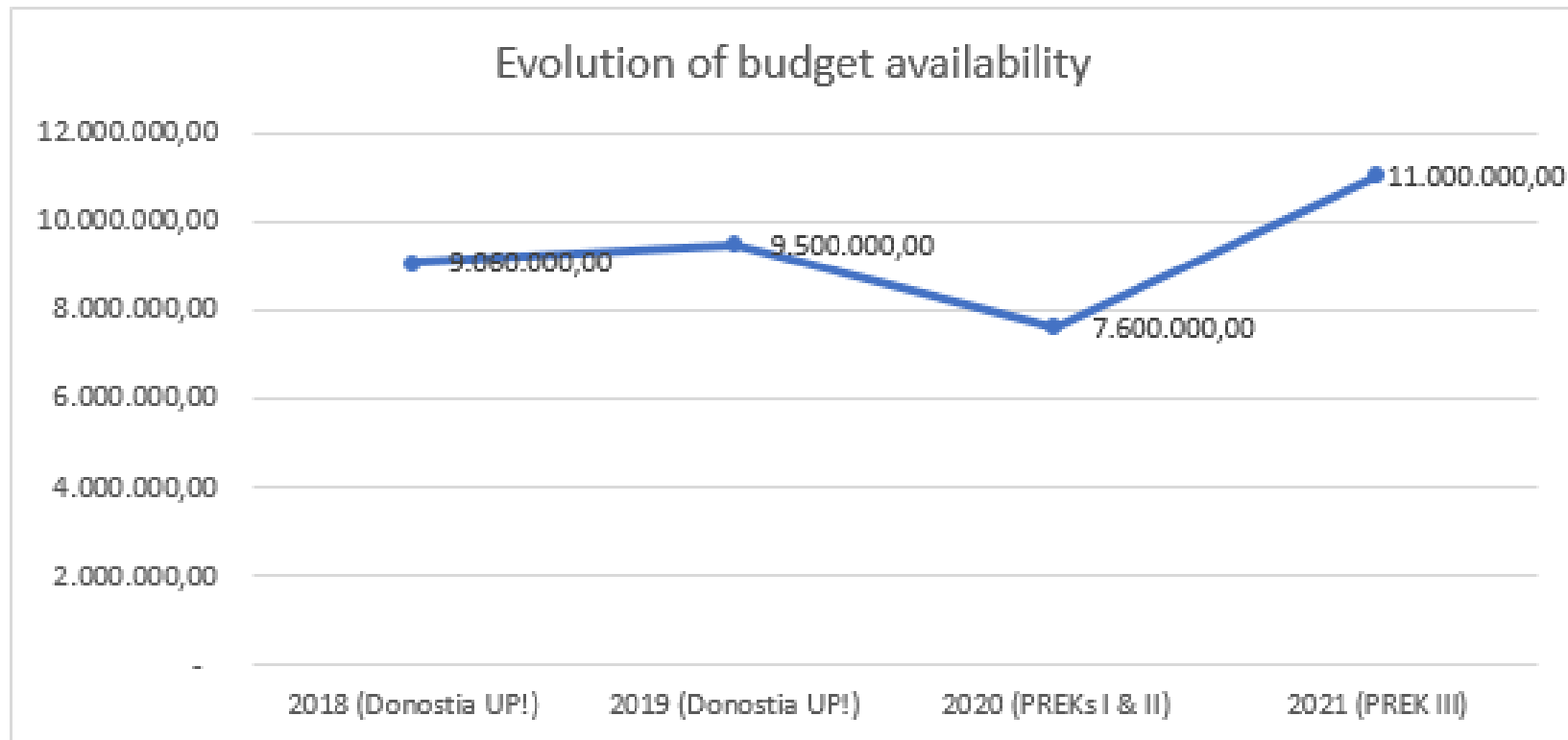
1. Action 1: Acceleration and support programme for the creation of innovative technology-based companies in collaboration with research and technology centres.
2. Action 2: Promotion of entrepreneurship among young students/docs/researchers.
3. Action 3 Increase cooperation within the innovation ecosystem.

According to the Action Plan, such actions were initially drafted to be implemented between 2019 and 2020.

DONOSTI Ups vs PREKs

Table 2: Yearly evolution of budget available for the Plans

2018	2019	2020	2021
<u>Donostia UP!</u>	<u>Donostia UP!</u>	PREK I & II	PREK III
€ 9,06 Mio	€ 9,5 Mio	€ 7,6 Mio (2,6 +5)	€ 11 Mio



Graph 9. Evolution of budgetary availability of the Plans

PREKs I and II (2020)

- ❑ The new PREK was launched in two different phases in 2020, with a first launching phase with € 2,6 million orientated to **economic contingency** (to support the continuity of the companies and maintain jobs), followed by a second phase of € 5 million (initially thought for the economic recuperation, to tackle challenges arisen from the pandemic).
- ❑ From a global perspective, the **total budget** available for that first year of pandemic was lower than in the precedent years (**20% less than Donostia Up!, that was of € 9,5 million in 2019**), but considered as reasonable taking into account all fears and the technical/physical difficulties to implement certain activities.

PREK III (2021)

- ❑ FSS managed to launch its **most ambitious Plan ever (PREK III)** from a budgetary perspective, with some 11 Mio euros available.
- ❑ The new Plan managed to combine the pandemic approach while also getting back to Fomento's DNA, including strong measures to:
 - ✓ **Foster Entrepreneurship** (Incentives for the set-up of new start-ups, Digitalization of the service provided to entrepreneurs, Specialized innovative programmes for Biohealth, Artificial Intelligence, Industry 4.0, etc.).
 - ✓ **Help SMEs competitiveness and innovation** (Technology transfer vouchers with R&D to promote collaboration with local research centers, financial support for innovative business projects, etc.).
 - ✓ **Keep the pace on City Challenges** (Donostia Innovation Campus project, Donostia Innovation Week, Support for social transformation projects, circular economy projects and a commitment to making the role of women in science and innovation more visible).
 - ✓ **Keep specific and transversal Programs for Youth** (International mobility program, Youth Talent Fair to connect with companies, etc.).

FSS Action Plan Execution

DATA	Planned (from Action Plan)	Implemented/Executed/Reached (2019-2020 data)
Actions/Activities	- Action 1: Acceleration and support programme to create technology based innovative companies in cooperation with the research and technology centres (Innovation and R&D Ecosystem)	- Through Technological Vouchers to foster the transfer of knowledge
	- Action 2: Sparking entrepreneurship among young students/PHD/Researchers	- Through Ekin+ general programme to foster new innovative tech-based business projects, incubator service and since 2020 Ekin+Health
	- Action 3 Increase cooperation within the innovation ecosystem	- Through Donostia Innovation Week (WEEKINN)
Financial execution (€)	<u>Innovation and R&D Ecosystem:</u> a) Technological vouchers 480.000 euros	<u>Innovation and R&D Ecosystem:</u> a) Technological vouchers 982.000 euros (average 491.000 euros/year)
	<u>Entrepreneurship:</u> b) Strengthen EKIN+ accelerator programme and EKIN + award: 150.000 euros/year	<u>Entrepreneurship:</u> b) EKIN+ and accelerator programme: 320.000 euros (average 160.00 euros/year)
	<u>Cooperation</u> c) WEEKINN: Young and Consolidated Innovative companies: 5.000 euros	<u>Cooperation</u> c) WEEKINN: Young and Consolidated Innovative companies: N/A
Duration	2019 - 2020	2019-2020 (and ahead)
Nr. of beneficiaries	a) EKIN+ & Incubator: X SMEs b) Vouchers: X SMEs c) Weekinn : X participants	d) EKIN+ & Incubator: 41 SMEs e) Vouchers: 90 SMEs f) Weekinn : 9.300 participants
<i>New figure/activity 1 (2020)</i>		Ekin+Health : 1 SME
<i>New figure/activity 2 (2020)</i>		Tutorials through Webinars (2021): 81
<i>New figure/activity 3 (2020)</i>		Support to Social Innovation companies: 10 SMEs

San Sebastian post-Covid-19 SWOT

Weaknesses

(original weaknesses that remain accurate)

- Small and peripheral city without global scientific leaders
- Lack of connectivity between research centres, and between those and the enterprises
- Lack of information about ecosystem capabilities
- Difficulties to translate innovation to market
- Governance complexity
- Limited diversity and occasional deficits of highly qualified human capital
- Barriers to the growth of innovative companies

New Weaknesses derived from the pandemic

- Lack of capacity of attraction of foreign scientific leaders during the pandemic
- Reduction of incomes, and thus of financial capacity to invest in innovation processes
- Existence of a certain fear to new uncertainties

Threats

(original threats that remain accurate)

- Dependency on public support
- Complacency
- Ageing
- Talent drain
- Fear of change and lack of motivation of human capital
- R&D culture, not sufficiently consolidated among enterprises
- New global business models
- Polarisation of research activities
- Budget constraints of the RTO
- Stiffness of structures and systems
- Duplicities, inefficiencies and lack of policy coordination

New Threats derived from the pandemic

- Due to the economic crisis (reduction of incomes), the dependence on the public sector to invest in Innovation could increase
- A too generous public aid system further to the pandemic may distort the structure of the innovation ecosystem, fostering non-sustainable growths
- Risk that Research Centres and stakeholders could generate projects exclusively responding to the calls, especially taking into account the Resilience and Recovery Facility, instead of tackling the strategic interests of the companies

San Sebastian post-Covid-19 SWOT

Strengths

(original strengths that remain accurate)

- Solid innovation support policies, endowed with relevant resources
- Potent technological foundation
- Solid industrial fabric, open to innovation
- Relational density
- Base of qualified human capital
- Attractive destination for entrepreneurs and investigators

New Strengths derived from the pandemic

- Institutions have reinforced their role and reactivity capacity
- Companies have strengthened their capacity of self-analysis and reflection around new lines of interest for the future
- Increase of the digitisation processes in all members of the ecosystem, and in particular in their remote work capacity

Opportunities

(original opportunities that remain accurate)

- Alignment of local strengths with RIS3 priorities
- Promotion of transfer processes to the market
- Growth of innovative and technology-based companies
- Increase of the strategic capacity and the innovative leadership of companies
- Increase cooperation within the innovation ecosystem
- Strengthening of the local innovation environment
- Improvement in the articulation of supporting measures of innovation
- Generation of human capital ready to cope with current social challenges
- Circulation of human capital
- More openness and increase international mobility

New Opportunities derived from the pandemic

- The crisis has increased the relevance of biosciences, biotechnologies, e-health and digital technologies in general, which were already identified as key sectors in San Sebastian local ecosystem of innovation
- Opportunity to enhance the competitiveness of a local ecosystem formed mostly by micro-SMEs.

Thank you !

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