REGIONAL IMPLEMENTATION PLAN
Incompass project is supported by the INTERREG IVC Programme. The overall objective of the programme is to improve the effectiveness of regional policies and instruments. INTERREG IVC provides funding for interregional cooperation across Europe. It is implemented under the European Community’s territorial co-operation objective and financed through the European Regional Development Fund (ERDF).
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Executive Summary

The InCompass project aims to support the self-sustainability of creative incubator units and enable them to develop and share innovative methods to move away from a general dependence on public funding. It aims to support and inform the collaborative development of local, regional, national and EU policy and thereby increase the capacity to create more spaces for experimentation, innovation and entrepreneurship in the creative industries, and to enable them to provide a driver for sustainable growth and job creation as stated in the Lisbon Agenda.

Through the development of a number live case studies from incubator units across the EU, horizontal themes run across the project on three levels: Micro, Miso and Macro.

CIMBAL was a core partner of the project.

Due to InCompass, all participating regions developed a Regional Implementation Plan. The main purpose of Baixo Alentejo Regional Implementation Plan is to identify the actions needed to start the implementation of good practices from other regions in Europe in order to improve own policies for the financing of incubation units for business start-ups.

InCompass has resulted in more than one hundred and seventy good practices. The region chose to future implement, the following practices, adapted to its local reality:

- Promoting the utilization of spaces to companies that are not incubated;
- Participation in EU projects;
- Promoting the relationship with the neighbourhood, namely in what regards companies and academia;
- Creation of support funds for start-ups;
- Development of pre-incubation programs;
- Mix start-ups and mature companies;
- Promote the implementation of clusters.
Introduction

The town of Beja is the capital of the district of Beja, the region Alentejo and the sub-region Baixo Alentejo (NUTS 2). Further, it is the largest town and administrative seat of CIMBAL (Comunidade Intermunicipal do Baixo Alentejo), the association of the 13 municipalities of Baixo Alentejo that is in full operation since 1 April 2011. Together, these municipalities count, in round figures, 126,000 inhabitants (14.7/sq km).

The primary sector (mining, agriculture, forestry, viniculture and cattle breeding) continues to occupy a significant portion of the working population and an important role in the economy of Baixo Alentejo. Noteworthy is the cork-industry: Portugal south of the river Tejo (Alentejo) is a major cork-producing area, both quantitatively and qualitatively. Besides, the sub-region is strongly marked by cultural and natural heritage. This is reflected in archaeological sites, castles, churches, old mines, museums, and small towns and villages with traditional buildings styles, as well as natural protection zones. Rural tourism and cultural history tours have spread all over the region.

The town of Beja is first and foremost a service centre for the wider area of the municipality and beyond. In the field of culture it provides services that cover the various areas of creation, training and dissemination of culture, including the municipal library, theatre, and historic and arts museums.

CIMBAL is concerned with developing multi-municipal public policies for economic, social and environmental development of Baixo Alentejo. It is a public body financed by regional and local authorities and subject to management supervision by these authorities. It has an administrative and managerial Board in which more than half of the members are appointed by local authorities.

The InCompass project aims to support the self-sustainability of creative incubator units and enable them to develop and share innovative methods to move away from a general dependence on public funding.

Co-financed by the EU’s European Regional Development fund through the INTERREG IVC Programme, the project objective is to inform on and stimulate collaborative development of local, regional, national and EU policy and thereby increase the capacity to create more spaces for experiment, innovation and entrepreneurship in the creative industries, and to enable them to provide a driver for sustainable growth and job creation as stated in the Lisbon Agenda.

InCompass Project involved a programme of Study Visits and Reports on good practice; Thematic Seminars to share the findings within the consortium; and Regional Implementation Groups (RIGs) of stakeholders to assess the transferability of good practice and make regional policy recommendations.

For this purpose, three workgroups has been set up to analyse 3 different aspects of the financial sustainability of creative incubator units:

WG 1 – Commercial contextualisation: the role that commercial activities can play in seeding, developing and supporting examples of successful cluster operation.

Within creative incubators, the commercial contextualisation of their financing is mainly about finding the optimal balance between keeping fees and rents as low as possible to new incubatees in a very infant stage and gradually
increasing fees and rents with their increasing financial capacity with survival and growth. In addition, it is also about renting out services, facilities and spaces to external companies and institutions at commercial fees.

**WG 2 – Social contextualization: the role of social activity in supporting successful and financially resilient specialist clusters.**

The contribution of social activities to financial sustainability of creative incubators is mostly founded on forms of informal learning by interchange of information, ideas and knowledge. It is mainly mediation activities that connect incubatees to each other and to stakeholders in the outside world that facilitate informal learning.

**WG 3 – Tiers of support, networks and partnerships**

The topics of interest for WG3 include all sorts of more or less organized and planned forms of networks and partnerships both within the incubators and with external partners that have favourable effects on the profitability of either individual incubatees or the incubator itself.
Beja’s Region

Baixo Alentejo was a former Portuguese province, formally established by an administrative reform in 1936. Bounded on the north side by the province of Alto Alentejo, in the Northwest by Extremadura, in the west by the Atlantic Ocean, south to the Algarve and east to Spain (province of Badajoz in Extremadura, and Huelva in Andalusia) being composed by 18 municipalities, integrating the entire district of Beja and also the southern half of the district of Setúbal.

Today, the Baixo Alentejo is part of the extensive Region Alentejo that includes 13 Counties: Aljustrel, Almodovar, Alvito, Barrancos, Beja, Castro Verde, Cuba, Ferreira do Alentejo, Mértola, Moura, Ourique, Serpa and Vidigueira, and having the city of Beja as capital.

Alentejo is strongly marked by a cultural heritage which is reflected in archaeological sites, castles, churches, old mines, museums, and small towns and villages that with their traditional buildings reflect the cultural diversity and influences to which this region was subject, also includes the discovery of historical and cultural tours and the charms of the rural tourism spread in all its counties.

The Alentejo region has a dynamic business community in expansion and it also shown to have an economic base that can renew and adapt to the opportunities of the global economy. Proved to have initiative in different areas: from the modernization of infrastructures to local political science and innovation in order to respond to economical challenges.

Business, administration and local public policies innovation is a key factor of success. Portugal, in general, and Alentejo, is facing an unprecedented challenge. Portuguese companies have the opportunity for affirmation and growth.
Infrastructures

Beja airport – location for the emerging Beja´s regional aviation cluster

Beja´s airport presents a number of competitive characteristics: runway length, space for businesses, location, skilled labour, openness to receive international companies and professionals, weather, investment security, support packages, high quality of life, potential for around the clock operations, integration within EU and Eurozone, and moderate costs.

Beja International Airport is a recently developed infrastructure. Formerly a military airbase, the Airport was open to international passengers and cargo in 2011, offering a prime location for aviation services and industries as a main purpose of its development.

Beja International Airport is 130 km south-east of Lisbon, 194 km west of Seville, 118 km north of Faro and 51km South of Évora. The runway is 3.450m long and 60m wide. In this initial phase, it is available a cargo terminal with capacity up to 50,000 tons / year, together with a 2000m² passenger terminal.

The Airport is located in a region likely to bloom in the coming years. A unique combination of new regional assets enables a lively business environment. Appealing entrepreneurial opportunities may emerge from a changing economic landscape – new airport, new dam, the largest artificial lake in Europe, connection to the Atlantic Ocean port and industrial areas of Sines, new irrigation areas, new research facilities, higher education institutions and new trendy tourism offerings.

Some of the products, services and competences associated to this region are the optimal business environment for aviation industries and services, the recently opened airport with significant space availability for entrepreneurial location, attractive investment and entrepreneurship support packages, prime location underneath the fast growing of Euro/Atlantic routes, ideal operation, weather and skilled labour force availability conditions.
Alqueva dam – the biggest artificial lake of Europe

The business environment will probably bloom next years. Alqueva changed the economical landscape: more greener energy, more cleaner water, more sophisticated tourism, more sustainable agriculture, more creative innovation, more and better jobs, more opportunities for a healthier life style. Boosted by Alqueva, the region’s economical environment is set to bloom.

This growing started years ago: the largest artificial lake in Europe was built, new R&D facilities were built, a new irrigation system was developed, the energy production was reinforced, the agriculture was renewed, the environment and biodiversity assets were protected, and the administrative environment was simplified. Ambitious territories may benefit from the Alqueva integrated development model.
Sines port and industrial zone

The ZILS - Sines Industrial and Logistics Zone is the largest area for the location of industrial and logistics units in the Iberian Peninsula. It offers over 2,000 hectares of space dedicated to industrial, logistics and service activities, which currently includes some of the largest national and international companies. In the centre of the great maritime global routes, Sines is the Atlantic gate for Europe.
Implementation process

Current Situation

The analysis of the current reality of Baixo Alentejo reveals quite some specific aspects in what regards socio economic environment.

Various studies for characterization and diagnostics available on the region emphasize the lack of critical mass in what regards some industrial and touristic activities and a low competitive ability of the region’s business community, mainly characterized by their introversion.

Small and medium-sized enterprises (SMEs), which form the backbone of Europe's economy, are increasingly hit by the current economic and financial crisis as demand falls off, investment diminishes and liquidity dries up with, as a consequence, of less credits being granted to SMEs.

SMEs are the most important part of the Portuguese economy all the businesses in Alentejo. These companies often rely on loans to stay afloat; the recent economic recession has created a reduction in available credit for small businesses, making it difficult for many of them to operate.

Reducing unemployment and promoting sustainable development of European regions in line with the European 2020 Strategy is achieved by promoting entrepreneurship and SME development in the territories.
Region SWOT Analysis

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weakness</th>
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<tbody>
<tr>
<td>▪ strong regional identity</td>
<td>▪ lack of demographic and economic critical mass</td>
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<tr>
<td>▪ demographic attraction of major urban centers</td>
<td>▪ number of residents and population aging</td>
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<tr>
<td>▪ potential for external connectivity enabled by the existence of an airport infrastructure</td>
<td>▪ persistence of gaps (still) relevant in the provision of infrastructure, equipment and environmental, social, economic services</td>
</tr>
<tr>
<td>▪ economic relevance of the stock of mineral resources (copper, zinc and silver)</td>
<td>▪ dependence of the population on social support</td>
</tr>
<tr>
<td>▪ dynamics of agricultural modernization due to the utilization of new irrigation methods</td>
<td>▪ structural weakness of businesses</td>
</tr>
<tr>
<td>▪ investment attraction (foreign and domestic) in agriculture, energy and mining sectors</td>
<td>▪ introversion regional economic base and weak expression of activities related to tradeable goods</td>
</tr>
<tr>
<td>▪ touristic opportunities related to environmental and cultural resources</td>
<td>▪ lack of organizational capacity of hosting, encouraging and supporting business development</td>
</tr>
<tr>
<td>▪ some (mainly public) institutional density associated to the main urban centers (institutions of higher education and applied research, professional training schools)</td>
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<th>Opportunities</th>
<th>Threats</th>
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<tr>
<td>▪ proximity and complementarity with touristical centers (Algarve, Alentejo Litoral e Évora)</td>
<td>▪ polarization of activities and flows in major metropolitan and urban logistics centers</td>
</tr>
<tr>
<td>▪ obtaining visibility and critical dimension by integrating networks (cultural, scientific, economic, etc.) national, Iberian, European, Mediterranean and South American</td>
<td>▪ polarization dynamics of consolidation / economic and demographic growth in the axis Lisbon-Évora-Badajoz</td>
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<tr>
<td>▪ receptivity of the market to quality products</td>
<td>▪ tourism in surrounding tourist centers (Algarve, Alentejo Litoral and Évora)</td>
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<tr>
<td>▪ availability of community resources for co-financing projects of regional development, urban and rural under 2014-2020 framework programmes</td>
<td>▪ persistence of the current policy of economic retraction</td>
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Implementation

1 Cultural and Creative Industries

There is no formal definition of cultural and creative industries in Portugal. Nevertheless, the study on ‘The Cultural and Creative Sector in Portugal’ (2009) commissioned by the Ministry of Culture states the three-fold distinction between core cultural activities, cultural industries and creative activities sectors. Referring to 2006 data, it states that the cultural and creative sector in Portugal is equivalent to 2.8% of GNP added value and 2.6% of employment.

Although it was already acknowledged in Portugal that the cultural and creative sector plays an increasingly important role in creating jobs and wealth and in promoting quality of life, especially in cities, the 2009 study brought a new public awareness to this subject. Creative Industries are indeed growing in importance in the country, but still face many obstacles. Public finance of development and organisation training in the cultural and creative industries, in particular fashion and design, and plans to articulate policies to support and promote cultural and creative industries in the audio-visual sector, tourism and vocational training were not fully implemented.

In 2003 a new system of financial assistance for professional activities in the domains of performing arts and contemporary arts was established. However, the support for certain areas (namely theatre) faces growing demands and the need for a more precise definition of funding criteria. In 2007, the Ministry of Culture set up, through the Directorate-General of Arts and the Science Programme “Ciência Viva”, a common research and work platform for artists and scientists, thus implementing the Residencies Network Programme: Art & Science Experimentation. This is a network of scientific host entities that has been set up for artists to carry out experimental artistic projects using resources and processes from scientific research laboratories. It involves artistic residencies at various scientific host institutions. The Programme is submitted in the areas of architecture, visual arts, dance, design, music, theatre and also includes cross-disciplinary activities. The objective is to enable artists and scientists to explore artistic and aesthetic fields using the tools from both domains. In the first edition of this programme (2007) 33 projects were submitted, of which 8 were selected. In 2009 a second edition of this programme was launched again.

The Inov-Art programme, organised by the Directorate-General of Arts, should also be mentioned. It aims at providing 200 training internships annually in established international institutions to those aged between 18 and 35 who have proven qualifications or skills in the cultural or artistic field. The programme was implemented for the first time in 2009.
Regional Context

The region developed a plan which identifies the region major strategic objectives. These strategic objectives to support implementation are:

**Investment friendly Friend** - The first Strategic Objective aims to establish reference conditions for the assertion of the region as an area where it is easy to invest and where there is an environment to support economic activity and effective capacity to respond to needs and demands of businesses. Realising this goal mainly involves ensuring that potential investors and companies already based in the area have a diverse and complementary set of conditions and that high quality level of services are ensured. Also reducing costs of context either material and immaterial conditions to support entrepreneurship (access to sources of production and dissemination of strategic knowledge, spaces host business, tax benefits, financial support mechanisms, recruitment and qualification of human resources, etc.) is an objective. From this point of view, the structuring of a consistent and integrated territorial offer and their communication / promotion to markets and relevant audiences is vital, capitalizing the opportunities made available by endogenous potential of the region.

**Territory and Productive Entrepreneurship**

The second Strategic Objective aims at stimulating the internalization of a culture of entrepreneurship in the region.

The structural actions that are considered to be critical to the implementation of a strategic development for the Baixo Alentejo region, at the entrepreneurship level and at the timeframe of 2020 in order to leverage a new cycle of public policies that will allow bringing a sustainable development to the region are:

**Qualification of environment business**

This Action aims to strengthen the capacity of attracting and retaining investment to Baixo Alentejo by structuring and providing an integrated portfolio of infrastructures, skills and mobilized support for the business community already installed in the region. This Action will be achieved through interventions on (i) the infrastructure of host business, (ii) services to support business activity and (iii) the fiscal and financial instruments to support the creation and development of enterprises.

The first dimension is made operational through the realization of targeted investments to create expansion and/or qualification of infrastructures to host businesses, combining the basic overcoming gaps and bottlenecks with the focus on development of new formats offer (for example incubators and business incubators).

The second dimension is made operational by reinforcing the provision of support for economic and business development services, combining the training effort of various agents (Municipalities, institutions of higher education and R&D, development agencies and associations, business associations, etc.) with the deepening of logical models of partnership and networking.

Finally, the third dimension will be made operational through the structuring and provision of an integrated system of municipal instruments (or municipal participation) tax and financial support to private investment enabling the region with a comparative advantage over competing territories. Without claiming to be exhaustive, this dimension should focus on
issues such as taxes, fees, and prices associated with the licensing and the provision of municipal services, the terms of acquisition or leasing of land and municipal buildings made
available for the installation of business activities and contracting credit lines and other financial instruments to SMEs.

Promotion and economic valuation of potential endogenous

This Action aims to broaden the capacity to generate value from the resources and distinctive territorial assets of Baixo Alentejo through integrated initiatives, built upon the mobilization the capacity of business and non-business actors in the region. This action will be implemented through targeted interventions to promote economic recovery and regional endogenous potential, especially those that are articulated directly with the Smart Specialisation Strategy that is being designed for Alentejo. The format to assemble these interventions should be based on a new generation of strategies of collective efficiency. Addressing structural weaknesses that characterize the regional business (reduced size of companies, weak guidance for foreign markets, insufficient incorporation of advanced factors of competitiveness, etc.), it is intended to encourage the emergence of integrated strategies, supported by partnerships to enhance gains in size and critical mass, the innovation of products and processes and the creation in distribution and marketing channels to countries outside the region (national and foreign markets).

In this context, the priorities underlying the design and implementation of concrete projects to promote economic valorisation and regional endogenous potential intervention should include:

- production, dissemination and/or transfer of scientific and technical knowledge with direct economic value to the business activity (preferably via Regional Transfer System Technology);
- the appreciation and innovation in products and processes (new agricultural and livestock production, certification of food products, reengineering of tourism products, etc.);
- the design, structuring and integrated offerings (for example recovery and/or recycling of territorial resources within projects of tourist exploitation, development of tourist packages in segments such as nature tourism and cultural and scenic touring, etc.);
- the creation or strengthening of its presence in the channels distribution and marketing of products and services (for example placement of food in supermarkets or in foreign markets, integration of supply of food and wine in tour packages, etc.);
- developing initiatives that promote the visibility of activities and the economic and tourism potential of the region along the internal and external public area (conducting trade missions, participation in trade fairs and exhibitions, creation of platforms, etc.).

Territorial pact for entrepreneurship and employability

This action aims to contribute to the enhancement of human capital resident in Baixo Alentejo by strengthening their employability and promoting their integration into the labour market as well as the dissemination of values and skills in entrepreneurship and encourage the creation new business initiatives.

This action will be implemented through the creation of a central rationale of regional and inter-array base with capacity to intervene in the dimensions of (i) the adequacy of provision
of education/training needs and opportunities of the labor market, (ii) territorialisation of active employment policies and (iii) promoting capacity development and creation of new business initiatives.

The first dimension is made operational through the construction and systematic application of tools for prospective analysis of needs and opportunities of the regional labor market and the respective matching with the profile of human resources, should be reflected in the form of guidelines for designing and structuring/organizing offers education and training (initial and continuing) in charge of regional institutions with activity in this area. Given their relevance from the perspective of promoting employability, it is fundamental to associate this dimension a more specific job needs assessment of qualification of human capital in the region, especially the most vulnerable groups in situations of unemployment and social exclusion.

The second dimension is made operational through improved processes support the inclusion of professionals in the labor market, covering both situations for your first job as a re-entry into the labor market. For this purpose, it is considered essential:

- strengthen the linkage of employment services (public and private) and holders of agents of educational and training opportunities with regional employers tissue, thus enabling a more effective performance of the function of placement;
- systematize, disseminate and operationalize the implementation of measures to support work placements and employment of human resources available within the active employment policies at the national level.

Finally, the third dimension will be made operational through the implementation of programs and actions that contribute to dissemination and incorporation along different segments residing in the region of values and skills in capacity development of new business initiatives population. In this matter, and beyond the institutional capacity building at the level of detection and technical support to such initiatives (including mentoring/coaching services), also aims to facilitate access to financial support instruments and incubation infrastructure/physical host that enable the start up of new business projects, especially (but not exclusively) to those comprised in sectors of high and medium-high technology and/or more knowledge intensive. In parallel, it is considered also fundamental to extend the effort to internalize a culture of entrepreneurship to schools, expressly providing a solid schedule of activities directed at the various levels and educational institutions in the region.

The ‘intervention axis’ of CIMBAL, meaning the domains in which it intervenes, is defined by the recently approved Strategic Development Plan of Baixo Alentejo.

CIMBAL is the regional coordinator of four broad policy fields: transport and mobility; culture, arts and creativity; urban commerce and quality of life; and territorial innovation. The priorities in these policy fields are expansion and improvement of ICT use by governments, companies and citizens, and promotion of the knowledge economy and innovation enabling factors. Currently, innovation in the important productive areas of agroforestry, food production and environment is supported by the private non-profit research institute CEBAL, located on the campus of the Polytechnic Institute in the town of Beja (IPBeja).

Baixo Alentejo seeks to create mechanisms to attract new companies to establish in the sub-region. Therefore, CIMBAL focuses on the development of creative industries that ensure infrastructure required for business location, provision of support services and attractive conditions. Incubators should foster the emergence of new businesses in the area, providing them technical and physical conditions for a sustained development and growth envisioning the creation of jobs. CIMBAL
is also involved in developing the BOGA network, a European non-profit association that brings together entities and local creative and cultural operators.

3 Methodology and tools

In preparing to this Implementation Plan it has determine a structured methodology in several phases:

- Information collection:
  o Reports on study visits conducted under the InCompass project.
  o Overview of good practices identified within the InCompass project.
  o Best Practices Toolkit: interactive document made within the InCompas project.
  o Studies related to cultural and creative industries.
  o Companies engaged in artistic and cultural production directories,
  o Similar initiatives implemented in other European cities.

Alongside this data analysis its necessary to analyze the local situation and therefore have information from entities that are more directly involved in the activities that are related to the support and incubation of entrepreneurial initiatives, mainly members of the Regional Implantation Group.

In addition, contact with industry provides information regarding their needs and interests, and identify possible courses of action that contribute to satisfy and encourage the development of creative industries in the region.

This primary information has been generated through group meetings and has enabled the production of strategic diagnosis.

From the analysis undertaken, the diagnosis reflects the local situation and helps defining strategic objectives. Strategic planning is a creative process that allows:

  o Providing an overview of the organizations.
  o Identifying trends and anticipating opportunities.
  o Identifying priorities and critical issues.
  o Stimulating dialogue.
  o Promoting coordination and collaboration with other institutions and agents.
**4 Good Practices**

InCompass has resulted in more than 170 Good Practices. The region chose to future implement, the following practices measures adapted to is local reality:

**WG 1 – Commercial contextualisation**
- Promotion of the utilization of incubation spaces to companies that are not incubated;
- Creation of support funds for start-ups
- Pre-incubation programs

**WG 2 – Social contextualization**
- Participation in EU projects
- Promote the relationship with the neighborhood, namely in what regards companies and academia
- Promote the implementation of clusters

**WG 3 – Tiers of support, networks and partnerships**
- Mix start-ups and mature companies
- Promote the implementation of clusters
5 Geographical scope

The geographical scope is regional.

7 Expected outcomes

Potentiate the opening of the region taking advantage of its privileged geographic position, enhancing network infrastructures competitiveness and promoting the establishment of a Business Regional System, in order to provide the region with conditions to attract companies that will be established in the region.

As part of Beja’s strategy for the investment, entrepreneurship and development, the following results must be achieved:

Access to innovation by facilitating access to qualification, knowledge, mobility, technology transfer, financing/funding and access to networks, joint ventures, co-investment and public initiatives.

Economic efficiency: by scaling-up entrepreneurial projects, qualifying local market and local offer, aligning interests, improving entrepreneurial environment, reduce entrepreneurial risk and organise local clusters, namely under micro public-private partnership and a regional innovation platform;

Attractiveness: to value local brands and territorial marketing, presence in key-networks to attract capabilities, knowledge, technology innovation and creativity.