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PROJECT DESCRIPTION

Scope and Objectives
MedLab draws on the emerging model of « Living Labs » (LL) for integrated innovation in the area of ICT, in which ICT R&D actors bring infrastructures into real-life contexts such as rural areas or residential neighbourhoods, to enable a « co-design » process ensuring greater relevance and faster time to market of new products and services, while bringing benefits to the communities involved.

The objective of MedLab is to develop a trans-national Mediterranean Living Lab based on the deep integration of the Living Lab approach into regional policy, within a trans-national framework of ICT product and service R&D on the one hand and governance of territorial innovation on the other. The MedLab governance is articulated as a multi-player, multi-level partnership between public authorities, local development agencies, R&D centres, economic development actors etc. that:

a) uses ICT to elicit and support territorial innovation;
b) provides a framework for the co-design of innovative ICT services; and
c) generates new model of development processes and policies based on technological, social, organisational and institutional innovation.

Main Activities

Policy Development:
• Collection and analysis of Living Labs and similar initiatives in the participating regions
• Collection and analysis of relevant R&D, Innovation and IS policies in the participating regions
• Collection and analysis of initiatives with Living Lab potential in the participating regions
• Living Lab policy integration

Pilot Implementation:
• Defining the thematic framework of MedLab pilot initiatives and coordinating their execution
• Setting-up transnational partnerships for MedLab pilot initiatives:
• Specification and development of ICT platforms and services in MedLab pilot initiatives
• Co-ordination of R&D objectives of MedLab pilot initiatives

Strategic Governance:
• Investigating models of governance and proposing guidelines for Living Lab partnerships
• Forming partnerships of MedLab pilots in a formal way through Memoranda of Understanding (MoU)
• Establishing a permanent network across the MED spaces as an integrated, multi-level Mediterranean Living Lab
PARTNERS ROLE

Region of Central Macedonia (RCM)
- Lead partner, responsible for technical and financial coordination and management of the project and coordinator of the Inno-SME Networks pilot.

Sicilian Region, Planning Department (DRU-ARTA)
- Responsible for policy development activities, in collaboration with I2BC and TRAGSA, responsible for strategic governance activities, in collaboration with IM, responsible for the thematic framework of the MedLab pilot and coordinator of the Participatory Strategic Planning pilot.

Lazio Region, Territory Department, Environment and People Cooperation Directorate (Lazio Region)
- Responsible for the development and maintenance of the MedLab website and coordinator of the Coastal Zone Management pilot.

Larnaca District Development Agency (LDA)
- Coordinator of the Tourism pilot.

Mediterranean Institute (IM)
- In charge of transversal tasks mainly related to living lab policy integration and strategic governance.

Institute of Innovation for Human Wellbeing (I2BC)
- Responsible for policy development activities, in collaboration with TRAGSA and DRU-ARTA, responsible for the activity on ICT platforms and services, and coordinator of the Rural Development pilot.

Epresa de Transformacion Agararia S.A. (TRAGSA)
- Responsible for policy development activities on Research, Innovation and IS policies and coordination of R&D&I objectives.

University Development Centre and University Incubator of Primorska (UIP)
- Responsible for coordinating the partnerships and MoUs in MedLab pilots.

MAIN OUTPUTS

Policy Development

Databases, published on the project web site:
- Living Labs and similar initiatives in the participating regions (coordinated by I2BC)
- Relevant R&D, Innovation and IS policies in the participating regions (coordinated by TRAGSA)
- Initiatives with Living Lab potential in the participating regions (coordinated by DRU-ARTA)

Publication and dissemination of policy briefing documents and related articles:
- Living Labs and similar initiatives (coordinated by I2BC)
- Innovation Priorities for the Living Labs in the Mediterranean Zone (coordinated by TRAGSA)
- Development initiatives with Living Lab potential (coordinated by DRU-ARTA)
- Policy Issues for a Mediterranean Living Lab (coordinated by IM)

Pilot Implementation

Databases, published on the project web site:
- Contact details and brief profile of all individuals and organizations involved in the MedLab pilot initiatives (coordinated by UIP)
- ICT components and services in the platforms of the MedLab pilot initiatives (coordinated by I2BC)

R&D&I roadmap addressing the five pilot domains (coordinated by TRAGSA):
- Researching the working areas of interest and priorities
- May be used to encourage the Smart Regions initiative in both national and European levels

Publication and dissemination of policy briefing documents:
- Thematic areas for a Mediterranean Living Lab (coordinated by DRU-ARTA)
- Partnerships for a Mediterranean Living Lab (coordinated by UIP)
- ICT Platform Issues for a Mediterranean Living Lab (coordinated by I2BC)
- ICT R&D issues for a Mediterranean Living Lab (coordinated by TRAGSA)

Strategic Governance

Governance guidelines for setting up a Living Lab partnership, published on the project web site (coordinated by IM)

Publication and dissemination of a policy briefing document on “Governance of open innovation processes” (coordinated by IM)

Memoranda of Understanding (MoU) of MedLab pilots (coordinated by UIP)

MedLab Network Charter: a formal agreement establishing the permanent MedLab network (coordinated by DRU-ARTA)
PILOT INITIATIVES

Inno-SME Networks

Coordinated by the Managing Authority of the Central Macedonia Region (RCM), the initiative is focused on developing an application for promoting Smart Cities and Green Building in the Mediterranean, including two separate layers:

1. A virtual marketplace for Green Buildings in the MED region, offering green property and quality real estate (www.intelspace.eu/greenmed/)

2. A Living Lab for “Smart Cities and Green Buildings”, based on a network of innovative companies and experts developing and offering products and services for the Green Building industry, extended to applications, planning and business models for Smart Cities (www.intelspace.eu/greenmed/livinglab/)

Through the virtual market place three types of property are being promoted: quality leisure property, smart buildings and green buildings. The foreseeable members of the living lab include SMEs in the sector, mainly construction companies and real estate agents, professional experts from academia and consultants, end-users and customers from the MED region. The members of the Living Lab have the opportunity to learn from each other about technologies, standards, solutions, products and services in the sector of Green Building, and develop further their expertise, know-how and solutions in green construction, renewable energy, and sustainable development, extended to planning, models and applications for Smart Cities.

Rural Development

The initiative is hosted by the Institute of Innovation for Human Wellbeing (I2BC) in the living lab of Abla – Rio Nacimiento (RioNLL), which is a member of ENoLL and located in the Spanish province of Almería (www.rioNLivinglab.es, www.esdiAbla.es). The I2BC is responsible for monitoring and evaluating, as well as developing and making tools available for collaborative work amongst all stakeholders involved in the rural development pilot. The I2BC promoted the territorial extension of Living Labs in the Andalusian region, by signing Memoranda of Understanding (MoU) with 3 additional living labs, apart from the initial MoU signed with RioNLL, hosting the pilot.

The goal is to achieve social innovation and development in rural areas by focusing on wellbeing, reduction of migratory flows from rural areas to large urban areas, employment and SME development through the use of ICT. The living lab partnerships include Regional Government, local public authorities, local and provincial health services, citizens, formal and informal caregivers, local entrepreneurs, inter-disciplinary human-centered innovation experts.

The ICT platforms and services developed include:

- Supl@e: (Support platform to open innovation) a 2.0 tool where by logging in people can add needs, ideas and link them to ongoing projects fulfilling a specific need, or ad-hoc projects developed as a consequence of needs and ideas introduced. This tool was implemented in the living lab to cover a need expressed by citizens to facilitate their participation in the open innovation process. http://abla.i2bc.es
- Red PLI: This network makes it possible to coordinate and bring together people who work in the field of open innovation and social innovation in Andalusia, involving various groups of people as well as public and private agents interested in this subject. https://redpli.i2bc.es
Coastal Zone Management
Hosted by Lazio Region, the initiative initially intended to develop technologies to share on-demand services for the territorial analysis of coastal zones using the existing regional platform G.I.S. (www.cmgiicz.info) and the computational potential of the MEGALAB system. Then, the contents and objectives changed, and incorporated the concept of Living Lab and the bottom-up approach more closely. In the second and final phase, the pilot aimed to create a reporting web form and a new application for the online analysis of the Lazoi Region’s coastlines. The pilot project involves Coastal administrations, seaside or business operators, trade associations, Environmental associations, Harbour offices/ harbour authorities, Land-reclamation syndicates, Citizens (as users of the beach), private companies (identified according to their interest on/use of the coastal zone), Universities, and Research institutes.

The two applications created – the reporting web form and the online analysis of the coastline – are both available on the project web site, in the section dedicated to the Lazio Region’s pilot project – www.medlivinglabs.eu, and on www.cmgiicz.info, the Lazio Region’s website dedicated to the monitoring centre of Integrated Coastal Zone Management.

Participatory Strategic Planning
Hosted by the Department of Planning of the Sicilian Region, the initiative is based on the activities of the TLL-Sicily Living Lab. TLL Sicily is the first instance of a concept they have called “Territorial Living Lab”, that integrally applies the living lab approach to a territory and its citizens, its model of governance and its strategic plans for the future (tll-sicily.ning.com, tll-sicily.ning.com/group/mediallabpitsicily). The objective of a Territorial Living Lab (TLL) is thus to use ICT to develop innovative means of participatory strategic co-planning and territorial self-governance. TLL Sicily aims to be the first instance of the model while in parallel extending it to other regions.

Pilot activities focus on a set of “case instances” that vary from real planning processes to active networking with a series of citizen-driven initiatives in Sicily that participate in the Italian Kublai Territorial Plan of Ragusa; the evaluation and implementation of the Strategic Plan of Favara; participation in the policy definition and strategic plan of different work programmes.

Tourism
Hosted by LDA – the Larnaca District Development Agency – the initiative has been registered in ENoLL with the name TLL Kypros. The initial configuration of TLL Kypros has been designed as a function of the MedLab tourism pilot project but with the view of being generalised and extended to other sectors such as health, textiles and water management. The architecture follows a layered model where the foundation consists of the local communities built up by LDA in the region. Specific TLL Kypros initiatives are then built on top of the ForumLarnaca (forumlarnaca.ning.com), a social network built on the Ning platform, and information and services website as exploration of concrete services, hosted on a bespoke CMS system. First activities under development are e.g. solicitations to tourists to submit ideas of new ICT-based services, the best ones being rewarded; a just-in-time tourism service; a cross-border transfer of a service called “Angels for Travelers”; developed within the Italian Kublai project.

Capitalisation
The strategy and the activities implemented to capitalize the results of the MedLab project, coordinated by TRAGSA, have provided different types of short and medium term results and outcomes.

Creation of a critical mass to encourage open and social innovation to promote the territorial competitiveness
The first activities for launching the capitalization activities were the organization of 7 local conferences in parallel with the MEDLAB steering committee meetings to engage local stakeholders in the participation and promotion of specific initiatives promoting social innovation initiatives to take advantage of the territorial capital.

The creation of Italian and Spanish networks of Living Labs as well as the participation of more than 15 meetings and events involving decision makers at policy level contributed to identify potential Living Labs in the MED zone. As consequence, there are 43 Mediterranean Living Labs recognized by the European Network of Living Labs (ENoLL) after the 5th Wave request for consideration done in 2011.

The activities for disseminating the open and people led innovation principles promoted by MEDLAB also enabled the creation of an agreement with FAO to link social innovation initiatives in rural areas with the activities of the ENoLL territorial innovation group identifying specific initiatives in areas such as sustainable rural development, social inclusion and eco-innovation.

Participation in the policy definition and strategic plan of different work programmes
The critical mass obtained as consequence of the involvement of relevant stakeholders for territorial innovation in the MED space, it was possible to have a relevant participation in the definition of several initiatives, such as public private partnerships promoting the research in Future Internet technologies public-private partnership.

Moreover, the creation of the territorial innovation group in the ENoLL is facilitating the consideration of MED Living Labs interests and needs in the CIP and FP7 work programs, as well as, the promotion of a new public-private partnership focused on social and participative innovation.

Preparation and development of new projects and initiatives applying the principles and approaches defined in MedLab
The creation of an important critical mass and the inclusion of different needs and interests of MED Living Labs have produced the launch of 5 new projects and the preparation of more than 7 proposals submitted to different European and National call for proposals. These are different among themselves but complementary because they develop a Smart Region concept of demand driven, coordinated and purposeful use of ICT for policy goals that leverages a) the potential of ICTs to overcome marginality in rural and remote areas by offering access to services,
knowledge and opportunities through a process of "virtual urbanization"; b) the capacity of ICTs to radically transform the way governments; c) interact with their constituencies enabling the creation of communities that substantially innovate service co-production with and by the citizens; and e) the Living Lab approach to people-driven co-design of ICT solutions maximizing territorial capital, bringing policy coherence to ICT expenditure and deployment.

GOVERNANCE GUIDELINES

This report summarizes the MedLab guidelines for the strategic governance of Living Labs with a transnational approach, coordinated by IM.

Governance models in open systems

Self-organizing networks have emerged thanks to the Information and Communication Technologies revolution, and in particular Internet, which has permitted a complete shift in the way different entities can cooperate together. These networks – born notably from the Open Source movement, the hacker ethic and the Web 2.0 - are characterized by the spontaneous association of different actors who do not know each other and manage to organize themselves through the ICT use to reach a common goal. Living labs are not such self-organizing networks, at least for the moment, as they are mostly created with a top-down approach and follow a more traditional model of governance often based on agreements between known entities. Nevertheless, users’ participation to living labs and the possibility of including them in the governance brings a new dimension which permits to establish parallels between living labs and self-organizing networks, notably in terms of openness, actors’ involvement and cooperation. Theories have conceptualized these networks, but as an ex-post analysis, so that they do not provide some guidelines on how to initiate these dynamics. Living labs should nevertheless certainly inspire themselves for their governance from some relevant aspect of these theories

Horizontal cooperation

A first tenet standing out from these theories is that in a network system – be it software engineering co-development, Web 2.0 or society as a whole in the networked information economy – governance should be non hierarchical, allowing for horizontal collaboration between numerous individuals.

Openness and free access

This kind of horizontal cooperation is made possible by the openness of the system. Openness implies to have free and facilitated access to the information, enabling participants to share and use it. Free and open source software is a descendant in fact of the hacker ethics, as this allows hackers to have access to the code they use to create, improve or reuse the software. In the new hacker ethics, where hackers have evolved thanks to new technologies appearance like the Internet, sharing, openness and free access are still at the core of the philosophy, where the hacker lets free access to his production in order for other hackers to use, test and develop it. To a certain extent, these examples may differ from living labs, as open source software are completely open, whereas living labs sometimes try to involve targeted users’ communities. But in reality, in both cases, only those interested participate, being pre-targeted or not.

The new role of users in cooperation

Users, whose participation is allowed by openness and horizontal cooperation, have a central position in these Internet-based open systems. By what users are motivated to dedicate time and energy to something from which they won’t gain money? According to the money ethic of the hacker, hackers cannot hope to benefit from financial profits, as hackers have initiated
open-source software, which makes impossible to appropriate software engineering. Now, what motivates the hacker is passion, creativity and desire of recognition from other hackers, who can access his work and further develop it. The cost to speak is almost eliminated on the Internet, which enables individuals to become active participants to the public space. Nevertheless, users have to be encouraged to participate: they can be stimulated by the perspective to take part to action and rewarded by seeing often improvements their work has permitted.

**Exploitation of results**

Intellectual property rights (IPR), which are supposed to grant rights to the authors of a work or idea, are considered by these theories as a way of limiting re-use and preventing experimentation, and then creativity, as individuals cannot act freely on the product. Anyway, the difficulty to attribute the intellectual responsibility of a collective work, be it made by institutions, or even worse by numerous individuals, forces to eliminate or at least limit IPR. Then, in replacement of copyrights and other patents, more flexible frameworks should protect intellectual works when collective action has fomented it. Creative Commons, which created the formula “some rights reserved”, replacing “all rights reserved”, are one of the solutions advanced.

**A concrete application: Wikipedia**

Wikipedia can be considered as an application of these theories, and one of the most advanced and innovative egalitarian examples of horizontal auto-organization. Wikipedia is indeed governed by contributors themselves, who decide not only on articles edition issues, but on the production and evolution of the norms which regulate Wikipedia as well.

As organizations involving several actors, including users, living labs can be similar in some aspects to these systems, and most of these principles can be applied to living labs, at least partly. By the way, they are present in some living labs that have been identified as best practices in terms of governance for the purpose of this study. By best practice, we mean that either partly. By the way, they are present in some living labs that have been identified as best practices in terms of governance for the purpose of this study. By best practice, we mean that either the living lab benefits from a successful governance model, which has proven its efficiency in management, or the living lab has enough maturity and experience to draw conclusions on topics of governance, possibly by recognizing some defaults it may have.

**Best practices**

Investigations led on best practice cases show that living lab label designates systems which can be very different in their nature and which sometimes already existed before the formula “living lab”. They are generally in line with the principles related to openness enounced above, but to a lesser extent. Now, all of them display successes and prove that there is no one good model to follow to lead successful user-centered activities.

**Multidisciplinary partnerships**

Partnerships are the first element to take into consideration in living labs governance. All the partnerships studied are multidisciplinary, including organizations from academic, public and entrepreneurial sectors. Some are coordinated by enterprises or associations of enterprises. Other living labs have been initiated by public authorities. Living labs can also be managed by the academic sector. Some organizations, as clusters or foundations, have their own managing structures which lead living lab activities. These partnerships are quite flexible: they are often based on a core partnership, to which additional organizations join according to the projects realized. Public authorities are not necessarily at the origin of the living lab. Nevertheless, their support is essential to the smooth functioning of the living lab. Big enterprises role can also be very important: key actors of the sectors concerned bring legitimacy and can help raise interest of external actors – users for example – for the project.

**Governance and decision-making process**

Living labs often present strong similarities in their model of organization, which basically include a high strategic level, either the board of the legal entity which runs the living lab or core partners and a technical and operational group at project level.

**Users’ involvement**

Users in living labs can be of various sorts: citizens as individuals, or professionals representing companies or administrations. Depending on whether they are individual citizens or professional entities, their role in governance is very different, as professionals are involved as formal partners, whereas individuals never participate to the decision-making process. A solution advanced to facilitate users’ participation would be to involve them from the beginning in the governance: maybe to involve someone into a process, it is better to ask them how they want to get involved in order to be sure tehy will. Users could be represented for example through neighbourhood associations, and could have only an advisory opinion. It would probably be very difficult to manage, but it could solve this problem of participation.

**Intellectual Property Rights (IPR)**

Intellectual property rights are not always clearly established, maybe because of the complexity of the subject in collaborative projects. Nevertheless, there is a general bias for openness. In general, rules on IPR depend on projects. Nevertheless, when it comes to collaborative projects, including several companies, or users, the question is not so simple. Users issue is relevant especially when they participate before the test and validation phases, i.e. to the generation idea or development product. If one picks an idea to turn it into a product which is going to be commercialized, there should be a deal with the originator of the idea. Even though it would state that there is no monetary benefit for the users (and most people do not look for it), an agreement is thus necessary.

**Transnational cooperation**

Participating to international projects is quite usual for living labs, which cooperate with other entities, possibly involved in living labs. Nevertheless, the issue of a transnational living lab raises several difficulties. Transnational cooperation between living labs or entities belonging to different living labs is possible and desirable, as it permits to design innovations which are not limited locally anymore, but which correspond to needs reproducible at the international scale – at the Mediterranean scale in MedLab case. Transnational cooperation between users would be more complex, as it is difficult to make users from different regions cooperate together. Nevertheless, it is possible to lead experimentations with users in different regions, and then compare the results, i.e. how people react to a certain product or service created by another region. Probably in most cases making them cooperate directly across borders would not work.
A specific case analysis: the European Network of Living Labs - ENoLL

The case of ENoLL is interesting to analyse, as being a network of living labs in different fields, it has some aspects related to what MedLab aspires to be. ENoLL is the one which has created officially the living lab label, with the Finnish presidency of the EU giving birth to a first living labs “wave” in November 2006. Since then, there have been five waves (the last is on-going), to reach a number of 212 « benchmarked » living labs, including 24 « affiliated » living labs from non-European countries (from North America, South America, Africa and Asia).

An increasing formalization and a renewed political support

When it was launched, ENoLL had essential support from the project CoreLabs, complemented by CLOCK, Open Futures and the Integrated Projects. The CO-LABS Thematic Network under CIP-PSP has also been central in extending the network. Nevertheless, ENoLL had no legal entity. Since January 2010, the network has been represented by a status of international non-profit association (AISBL) under Belgian Law, which has its headquarters in Brussels. Political support is renewed by the recurring “waves” of living labs selection under EU presidencies, and ENoLL is self-sufficient thanks to its membership fees. Thus, ENoLL is currently run by a Council, which provides strategic guidance and is responsible for the annual ENoLL work programme and budget, and has five operational work groups under its authority.

Different status of members

ENoLL members can be adherent, effective or associated. Adherent members are ENoLL-labelled living labs which do not pay membership fees: they have access to the General Assembly twice a year (with only observer rights), to the working and thematic groups as well as to information activities and events. Adherent members can choose to become effective members by paying an annual membership fee (5000€ for 2010) and therefore have a vote in the strategic directions of ENoLL, notably the General Assembly. Associated members are organizations not ENoLL-labelled, but which are interested in ENoLL object and activities. They are often enterprises, universities, local authorities. They pay the annual membership fee but do not have voting rights in the General Assembly. Effective and associated members, contrary to adherent, have also broader access to ENoLL services such as “catalyzing opportunities”; best practices or policy linking. More generally, for all its members, ENoLL offers a real opportunity of networking, communication, experience sharing, and living lab support (through pilot practices or policy linking). More generally, for all its members, ENoLL offers a real opportunity of networking, communication, experience sharing, and living lab support (through pilot practices or policy linking). Living labs in ENoLL are very diverse and are on different maturity levels, which is very important. By promoting harmonisation – and not standardization – ENoLL can help them find their own way of doing things, but does not aim to indicate them how they should do: ENoLL does not have to become a network of copies.

Probably Medlab trans-mediterranean living lab should not have a governance model as structured as ENoLL. For instance, the question of membership fee does not seem relevant to a nascent structure. Nevertheless, ENoLL shows that exchanges between living labs, including from different fields of activities when they deal with methodology sharing for example, can be fruitful. What seems especially important is to have clear strategic orientations and objectives. In order to help identify them, the next session presents MedLab pilot projects which will form the trans-mediterranean living lab.

Pilot projects

Five pilot projects are developed in the framework of MedLab in five key areas: inno-SME networks, rural development, coastal zone management, participatory strategic planning and sustainable tourism. Mainly regional at the beginning of their implementation, pilots can extend in two directions: on the one hand, they may expand to all the Mediterranean partner regions, on the other hand, they can create transversal links between them with a final goal of constructing a trans-Mediterranean living lab articulated as a multi-player, multi-level governance network for territorial innovation. The objective here is to asset the different governance models of each pilot, the way to increase collaboration between them and their expectations of a trans-Mediterranean living lab.

Multidisciplinary partnerships

Pilot projects are all based on a multidisciplinary partnership, more or less structured and formalized, where common trends stand out:

- **Regional authorities and public bodies** play a crucial role, as they are at the origin of the pilots and act as the catalyst for organizing the partnership and coordinating the activities. The participation of public actors provides legitimacy and competences to develop the pilots. They can also put at disposal infrastructure and mechanisms to facilitate people’s participation.
- **Enterprises** often participate to the technical activities of the pilots, providing their products or helping to develop new products, especially in ICT, which enable to involve users and get their feedback.
- **Academic sector** is represented in some of the partnerships
- **Citizens**, who have a role of users, stand for the fourth group.

Governance and Memorandum of Understanding

Pilots have achieved different levels of structuring in their governance models.

- **Pilots foundations** differ in maturity. Those which are based on structures which already existed could benefit from networks, infrastructures and experience already acquired.
- The more mature pilots are already governed by a Memorandum of Understanding (MoU) or an agreement, even though all pilots are supposed to sign a MoU at the end of MedLab.
- All the pilot partnerships are in principle open to any organisation, provided that it agrees with the MoU scope, objectives and actors role. Regarding financing, it seems that for the moment, pilots did not cope with funding distribution between members, as coordinators are the only ones providing money (mainly coming from MedLab)

Decision-making process

In the decision-making process, the coordinators of pilots are generally those who take the initiative.

Users’ involvement

Users’ participation is the main innovation and added-value brought by living labs in the co-creation process of products or services. Users can be either citizens, enterprises or both, even though their involvement is weak at this stage. Besides the organization of workshops for regional propagation, all the pilots are designing Web 2.0 ICT tools in order to involve users: these can be online social networks or specific ICT tools.
Intellectual Property Rights (IPR)

IPR are not much regulated in pilots. Conceptions differ widely from a pilot to another, but it has to be noted that formal agreements have not been taken concerning IPR for most pilots. It is then still time to reach convergence views on the subject, which will be needed in case of projects between them. IPR regulation can also be taken on a case-by-case basis.

Transnational cooperation and trans-mediterranean living lab

The final goal of MedLab is to create a trans-mediterranean living lab, with pilots extending to various regions and cooperating together. This section aims to determine the stage pilots have reached and identify their expectations from this trans-regional living lab:

- Regional partnerships at this stage: For the moment, pilots are mainly regional, but all aim to expand to other regions and countries.
- Mediterranean specificities: MedLab trans-mediterranean cooperation is envisaged by pilots as possibly bringing added value due to their related Mediterranean, but not exclusive, content.
- Sectoral trans-mediterranean cooperation: When it comes with collaborating in their own field of activity, pilots can be quite open on possible cooperation subjects.
- Transectorial trans-mediterranean cooperation: Transectorial cooperation is also possible. Pilots in general mention their desire of exchanging experience and sharing common methodologies and tools developed during the MedLab project, which results can be further used in other living lab activities.
- Share of ICT infrastructures: Pilots are therefore willing to share their ICT infrastructures with others.
- The future MedLab trans-mediterranean living lab: Pilots have all begun their activities on a territorial scale: they are still geographically limited, but aim to extend their scope to other territories. Nevertheless, due to their young age, their expectations in terms of possible collaborations are often quite vague. Next session aims to give some advice and orientations on requirements for living lab transnational cooperation within MedLab.

Guidelines

From the studies on governance of open processes theories, the investigation of best practice cases and the information provided by MedLab pilot projects, guidelines have been taken out for the creation of MedLab trans-mediterranean living lab. These guidelines go into two directions. First, they aim at identifying the elements that require agreement in a transnational partnership in order to build up MedLab trans-mediterranean living lab. Secondly, they intend to give some recommendations, as general orientations or principles that this trans-mediterranean living lab should follow.

This section is supposed to evolve thanks to MedLab partners input. It is conceived as an interactive tool: the online version, that partners can modify directly, is accessible on MedLab website at http://www.medlivinglab.eu/.

MedLab agreement

MedLab project aims at creating a permanent network across the MED space as an integrated, multi-level Mediterranean living lab. It will be governed by an overarching agreement, the MedLab Charter, which will interlink the regional and transnational networks formed by the MedLab MoUs. This agreement should be quite general, as it aims mainly to ensure partners long-term commitment to cooperate. More specific agreements will be probably signed for individual projects. In particular, this overarching agreement should set out at least:

- the name of the grouping – MedLab
- the list of members – the signatories of each MoU – and their willingness to cooperate together
- the areas it covers – the areas of the five pilot projects
- its objectives – they can only be quite general, as more specific ones will be set out in the specific agreements for individual projects. Nevertheless, it is important to define them as much as possible, as clear objectives often have greater impact.
- its duration

General principles for an efficient functioning

Other principles, which do not need to be written in official agreements, should be followed.

- Reactivity and flexibility of the governance and functioning of the project are essential: the partnership should be pragmatic in its decisions and apply the formula “learning by doing”.
- The partnership should be based on horizontal cooperation: all partners are equal; anyone can take initiatives and lead them.
- In order to have all participants actively involved, an important role should be attributed to all. For example, no one should only provide with money.
- A real will of cooperating is essential. Therefore, it is important to try to initiate a strong feeling of belonging to the project to encourage partners’ motivation. As stated above, clearly defined objectives in the MedLab Charter as well as in specific agreements can improve mutual understanding between partners; good action of communication is essential for the public understanding.
- Partners should also know each other. Organization and participation to joint events, workshops, could give them this opportunity. It could also help overcome language barriers and differences in national and corporate cultures.
- It is important to have big enterprises in the partnership besides SMEs, because they can more easily give the impulse to the project. Nevertheless, be careful not to give a big enterprise a dominant role, as it could be a problem in terms of balance and neutrality in governance.

General principles concerning users

- Users’ community: in each territory involved, a users’ database should be created or enlarged, trying to involve as many users as possible. Users’ communities should not be necessarily targeted, but it depends in fact on the type of project. In any case, participation should be quite open. Users involved once successfully are likely to participate again and they are more easily accessible: the ideal would be to have a permanent broad community of users, that MedLab partners solicit for specific projects by inviting them with a “call for participation” proposed online. Each users’ community could be involved on their own territory, but direct exchanges between them seem difficult.
- Users’ benefits: one of the difficulties for living labs is to motivate individual users to participate. It is very important to show their great added value. Being co-creator and actual end-user is an important factor to motivate users: co-design should be experimented in areas where they have real chances to use the product when finished and on the market. MedLab should also provide users with incentives, which could be financial benefits or competition for a big prize; an indirect reward could be the fact to be among the first to see and use a new product or service.
• Users in governance: another mean to help stimulate individual users’ interest could be to involve them in the governance process. A changing governance could increasingly integrate users as the living lab manages to make them participate to the co-design process. In a first stage, their opinion could be listened at least, even though not necessarily followed: they could have an advisory opinion by the way of chosen representatives of end-users in the governance. These could be associations of civil society for example. As the living lab develops, users could have a more decisive role in its governance.

• Bottom-up approach: most Medlab pilot projects - with the exception of rural development pilot - follow a top-down approach. Including users in the governance process would encourage them to take initiatives and would develop spirit of initiative.

Propriety and collective use

• Intellectual property rights should be stated in clear agreements, but it seems that for the moment it should be done on a case-by-case basis, for each project. Nevertheless, an aware culture of IPR is not much spread out, whereas it is a very important item, especially in collaborative projects: IPR should then be promoted and knowledge on IPR should be diffused between partners.

• Some regulation exists which permits to have a legal framework without putting too much restriction on the product or service developed. For example, concerning copyrights law, an alternative solution to the “all rights reserved” is Creative Commons licenses, which are non exclusive authorizations which allow creators to retain copyright but permit the public to make some uses of their work, with the possibility to impede commercial exploitations. More information is available at: http://creativecommons.org/

• ICT tools and web services should be shared between partners for international cooperation. Beyond technical aspects, platforms used should then be translated at least into English, which is not enough the case for the moment. In case of joint projects between several regions, web platforms should be translated in all the languages of the regions involved, in order to ensure greater and more effective participation of users.

Financing

• Public subsidies should not be the unique source of financing of living labs after the first stages. MedLab partnership should try to attract private investments, which are a key factor of its durability. Big enterprises involvement is a valid option.

POLICY OPTIONS

Introduction

Innovation and living labs

Innovation, according to the European Commission, is “change that speeds up and improves the way we conceive, develop, produce and access new products, industrial processes and services”. Innovation, which encompasses thus products and services as well as commercial processes and new models of organisation in enterprises and collaboration, is an economic growth and competitiveness driver. Now, Southern European regions have an innovation performance lesser than the average of Western Europe, particularly when comparing to Scandinavian countries, United Kingdom and Germany. One of the objectives of these regions in terms of innovation is then to catch up.

Open innovation, that is cooperation with various actors from different disciplines, and more particularly living labs, are identified as one of the options to tackle this lack of innovation. Living labs are indeed “open innovation ecosystems in real-life settings in which user-driven innovation is fully integrated in the co-creative process of new services, products and societal infrastructures”.

End-users play thus an essential role in the co-creative process. Now, by permitting to listen to and satisfy better users’ needs and expectations, living labs tend to increase and improve innovation: they contribute to the creation of tomorrow’s technologies; they struggle against market fragmentation by bringing solutions to fill the gap which sometimes exists between new products and market demand, impeding them to find their market. At last, they can also respond to the increasing social demand, ie citizens’ participation demand. Therefore, living labs, although they are not a revolution but an evolution of the innovation creative process, bring important added-value in economic, social and technological aspects.

Living labs and policies

That is why, even in a context of budgetary restrictions, public support to living labs is important to facilitate change towards more social innovation and compensate for lack of industrial investment. This will be a key factor to increase innovation and competitiveness of territories. Policies and politicians have therefore a real role to play for the promotion of living labs.

Several levels of governance intervene in this emerging sector: European, national and regional policies tend increasingly to support a movement which is not born in institutional spheres, but which can potentially increase thanks to political incentives. However, each governance level weight is not equal: while the European Commission provides strong political support, often relayed by local authorities at the regional level, States give their approval rather in European Councils than on the national stage.

Nevertheless, living labs promotion in policies is quite diffuse. Support living labs policies as such are indeed recent and scarce, but as living labs are closely related to domains such as innovation, ICT – Information and Communication Technologies – and research, the type of
open innovation and user-driven approach they promote is often tackled, even when living labs are not mentioned explicitly.

The paradigm introduced by ICT poses also a new challenge to policies. Living labs have initiated a new form of innovation, which puts users at the core of the innovation process: innovation becomes really open. Policies themselves, then, must innovate in order to manage how to promote this new type of bottom-up innovation.

**MedLab project**

This report forms part of the MedLab project – Mediterranean Living Lab for Territorial Innovation – a project co-funded by the European Regional Development Fund (ERDF) in the framework of the MED programme, and which encompasses seven South-European regions: Region of Central Macedonia in Greece, Cyprus, Slovenia, Andalusia in Spain, Lazio and Sicily in Italy and Provence-Alpes-Côte d’Azur in France.

MedLab aims to create a transmediterranean living lab, which overlaps territorial living lab pilot projects. This transmediterranean living lab will help and diffuse innovation across partner regions, but also into policies. MedLab brings thus a new dimension to policies supporting social and open innovation: the transnational character of living labs.

This report has been realized in the framework of the activity 4.3 – Living lab policy integration – by the Institut de la Méditerranée. Its first objective is to raise questions on living lab policy issues in order to fuel the debate and urge policy-makers to integrate new paradigms concerning open and social innovation in policies. It also intends to deal with the transnational character specific issue of living labs and analyse how to optimize the use of policies in different regions and countries while pursuing a goal of living lab encompassing different countries.

**Methodology**

The study has used different tools, to which MedLab partners have contributed:

- In-depth research on policy tools at various levels: European, national and regional.
- Use of the documents on their national and regional policies produced by partners and synthesized by I2BC in the framework of the activity 3.1 – R&D, Innovation and Information Society policies. UIP provided also a description of Slovenian policy tools.
- Questionnaires for the investigation on links between living labs and policies: questionnaires were prepared by the Institut de la Méditerranée, and addressed to living labs selected as best practices in Europe. One was filled in by TRAGSA for I2Cat living lab, and one by UIP for the Slovenian Automotive living lab. The latter could finally not be used for this study, as the organisation turned out to be too far from a living lab approach, and then could not be considered as a best practice. The other questionnaires were filled in by the host partners for the pilot projects.
- Interviews led by the Institut de la Méditerranée with four living labs selected as best practices: Quartier Numérique (France), Medialand (France), Forum Virium Helsinki (Finland) and Tested Botnia (Sweden).
- Fruitful reflections and discussions brought by experts speaking in the public seminar on “Living Labs and clusters – Which governance in European strategy for 2020?” held in Marseille on the 12th of March 2010 and organized by the Institut de la Méditerranée.

The study presents and analyses in three consecutive sections the various policies related to innovation and living labs at different levels: European, national and regional. They also integrate information on living labs selected as best practices in Europe in order to analyse if there is a correlation between innovation policies and successful living labs or if these living labs are more based on internal resources. Similar information is provided on MedLab pilot projects to give an example of how living labs can emerge and what they expect from policies. These three sections bring thus avenues of reflection in order to think the policy influence level on actual living labs and the way to improve policies. They are compiled in a last section which proposes recommendations for better policies in support of living labs.

**The European level: an increasing overarching support to social innovation**

At the European level, several kinds of measures have been taken in order to promote living labs development, which range from the networking of living labs with official blessing from the EU to effective political frameworks, and including funding tools and programmes. What is striking is the gradual shift from an exclusive technology-push approach in policies, focusing on the development of technological and scientific infrastructures, clusters and offer-oriented production, to an innovation more open, which operates in collaboration with various market participants – companies, including Small and Medium-sized Enterprises (SMEs), research centres, but also public authorities and civil society.

**Europe 2020 Strategy – The Innovation Union**

Open innovation including user participation is increasingly tackled in the EU policies recently adopted. Although several Directorate-Generals of the European Commission already promoted it at least indirectly, the new Innovation Union developed may give a real impetus to the movement.

**Open innovation, a transversal sector in the European Commission**

The European Commission tries to promote open innovation by mentioning more and more living labs in its policy papers and recommendations. Four or five Directorate-Generals at least are in some way related to living labs, underlining their strong potential involvement in living labs development: DG Enterprise and Industry are sources of increasing competitiveness for enterprises and more particularly for SMEs; DG Regional Policy, which cohesion policy aims at reducing economic and social disparities between regions and promoting competitiveness, notably through innovation and structural funds-financed projects; DG Research which has also been involved in research projects applying co-design methodologies funded by the 7th Framework Programme; even the DG Agriculture and Rural development is concerned, as the
first living labs were rural and projects such as C@R - Collaboration at Rural - contributed to develop living lab approaches in rural environments. DG Information Society and Media (Infso) nevertheless is the “leading” DG and most involved in the subject, as living labs have emerged as a model for co-design of innovative ICT services. However, information technologies are likely to become more a tool than an end for living labs, which are to be a transversal model of co-creation for a wide range of innovative products and services.

The Innovation Union, or how social innovation is recognized in new EU strategic orientations

Living labs integrate into innovation policies, and as such are in good place in the new Europe 2020 Strategy, which replaces the Lisbon Agenda and has been adopted by the European Council on the 17th of June 2010. This strategy, which wants to make Europe a “smart, sustainable and inclusive economy”, puts innovation – and green growth – at its forefront, and intends to promote the Innovation Union as one of its seven flagship initiatives – which also include the Digital agenda for Europe. This Innovation Union reveals a new way of thinking innovation: traditionally, innovation process is described as following threes phases – conception in laboratories, implementation and marketing – while policies promote supply-side innovation, leading to products which do not always find their market; now, the new Innovation Union tends to question the efficiency and utility of this model, and underlines the necessity to associate to the technology-driven approach a social and demand-driven approach while combining supply-side and demand-side measures, which provide market opportunities. Therefore, policies must support all forms of innovation, including driven-users ones, and not only technological innovation. Living labs are an integral part of this new thinking, with the notions that it involves: user-driven innovation, design thinking, transversal, social and non-technical innovation.

These notions are tackled by the Innovation Union, which sees in “social innovation” the mean to meet social needs, tackle societal challenges like climate change, and innovate in itself by involving unusual actors such as citizens. The Commission will promote social innovation through the European Social Fund (ESF), complemented by the European Platform against Poverty, and will launch a European pilot project in social innovation. All actors are to be involved in social innovation: besides citizens, major companies, but also SMEs, public sector and the social economy. More generally, the Commission promotes collaborative platforms through the European Innovation Partnerships which will gather all relevant actors at EU, national and regional levels, in order to respond to challenges such as energy security, transport or health and ageing. Although they are not at the core of the initiative, living labs methodologies are included in these European Innovation Partnerships, as they will foresee “platforms for open innovation and citizen engagement”.

The Commission will also put the stress on public sector innovation development, by supporting from 2011 a “research programme on public sector and social innovation” and managing a “European Public Sector Innovation Scoreboard”. Design is seen as a key discipline in social innovation. In that matter, a European Design Leadership Board will be set up in 2011, in order to make proposals “to enhance the role of design in innovation policy”.

The Digital Agenda, an other potential tool for user-driven innovation

Another flagship initiative of the Europe 2020 Strategy is the Europe’s Digital Agenda, which aims to make the EU a « flourishing digital economy by 2020 », and replaces the i2010 strategy, which has come to an end. Through its priority to innovation and investment in ICT research, i2010 strategy has promoted user-driven open innovation methodologies, notably with DG Infso communication entitled “A strategy for ICT R&D and innovation in Europe: Raising the Game”. i2010 strategy is now pursued by the newly adopted Digital Agenda, which will “put greater focus on demand- and user-driven partnerships in EU support to ICT research and innovation”.

Design as a driver of user-centred innovation

The European Commission has not waited for Europe 2020 Strategy to emphasize the increasing potential role of design in innovation. Design indeed is at the core of policy papers, albeit recent.

Design, an added value underestimated in policies for a long time

Before Europe 2020 Strategy, several initiatives, for example a framework that allows States to give aid to support design as an innovative activity under certain conditions, or the promotion of living labs through ENoLL (see below), had been put in place. Nevertheless, design-driven innovation was not included explicitly in the 2006 European innovation strategy, despite the economic advantage design brings: at the enterprise scale as well as at the macro-economic level, there is a correlation between design, innovation and growth.

The recent recognition of design in European policies

In April 2009, the European Commission released a staff working document on design, which aimed to contribute to the future innovation plan foreseen in Europe 2020 Strategy. There, design is considered in its broad definition – not restricted to the aesthetic – which can be expressed as “the art of giving shape to objects on purpose”, where an object or a service is conceived as part of a system by the designer, who gives a meaning, a goal (which can be either economic or social…) to its realization. The staff working document from the Commission focuses on “user needs, aspirations and abilities [which] are the starting point and focus of design activities”. With this definition, design completely fits with living lab methodology: The document puts forward the notions of “user-centred problem solving”, user at the centre, co-creation, multidisciplinary activity, design-driven versus technology-driven innovation. As users are increasingly involved in design process of co-creation, design and living labs are closely related: the recognition of design as a major factor of innovation and competitiveness necessarily reflects on living labs, and policies supporting design also promote living labs development. This is the reason why after being mentioned explicitly in the staff working document of the Commission, living labs are also one the credible tools for innovation developed by the Innovation Union.
**The European Network of Living Labs – ENoLL**

Beyond policy frameworks in favour of living labs, the most visible and maybe efficient measure to promote them at European level is the networking of similar organisations, through the creation of a real community of living labs.

**An enlarging network supported by EU politicians**

The most important measure in favour of living labs at European level is, through the creation in November 2006 by the Finnish presidency of the EU of the European Network of Living Labs (ENoLL). This network, which benefits from a strong political support, renewed each year by the EU presidency by the launch of new “waves” of living labs becoming ENoLL members, includes today 212 such organizations, which will increase again with the 5th wave, launched in December 2010. Born from initiatives like Corelabs, a Coordination Action of the 6th Framework Programme, which aimed to develop a common methodological framework for living labs, ENoLL has been represented since January 2010 by a legal entity, an international non-profit association under Belgian Law, having its headquarters in Brussels. Basically, ENoLL is run by a Council which provides strategic guidance and has five operational work groups under its authority. Depending on whether they are ENoLL-labelled and whether they pay fees (5000 € for 2010), members can be adherent, effective or associated, status which gives them different rights in terms of voting in the General Assembly and access to ENoLL services.

**A wide range of services proposed to its members**

Generally, ENoLL aims to contribute to the creation of a new European innovation system, by allowing its members to share and experiment new methodologies for open innovation, research and development through co-design and end-users involvement. Political recognition and visibility on the European stage that ENoLL benefits participate to the achievement of this goal, along with services it brings to its members. These services range from “classical” networking services for all members, such as experience exchanges or participation to events, to paying services including more specific activities like support to the living lab through pilot projects, identification of funding opportunities, organisational support notably in terms of governance or sharing of best practices. In April 2010, by associating the 4th wave launch of living labs and the Future Internet initiative events, ENoLL capitalized on the obvious link between living labs and ICT, sector from which living labs emerged, and emphasized the funding opportunity they could find in the CIP ICT PSP call on Open innovation for Future Internet-enabled services in Smart Cities launched in January 2010, and for the Future Internet Public-Private-Partnership (FI PPP). Among the services ENoLL proposes to its members, it can also intervene by lobbying at European, national and regional level. A “Living Lab Policy Group” within ENoLL is indeed in charge of thinking policy issues at global, European, national and regional level. Actually, ENoLL plays an important role in lobbying towards the European Commission. Thanks to the network, calls for proposals launched by the Commission have included lines on living labs, for example in the Competitiveness and Innovation Programme (CIP). It has also pushed in that direction the Europe 2020 Strategy (see below).

**A real potential driver for innovation still to be developed**

The five living labs identified as best practices and investigated for this study are all members of ENoLL. They recognize the great potential role the network can play: as noticed by Medialand, ENoLL could encourage living labs from different European countries to work together and help SMEs to have a role on the European market by: promoting cross-border development projects; pushing local SMEs to work on several territories; enlarging capacities in different domains; and giving rise to best practices, so that successful developed products are developed also by other countries. The fact that MedLab pilot projects have already asked for – and obtained – their adhesion to ENoLL shows the great attraction it has on territorial gatherings which can sell this international brand at local level by emphasizing that they have a partnership around the world with similar organizations to theirs. ENoLL may therefore become an important driver of innovation and competitiveness through the internationalization of living labs in the future.

**Funding tools or how to finance living labs projects**

In conjunction with ENoLL and policy measures, the Commission has included financial incentives related to user-driven open innovation in European funds. These funds can push local authorities, companies and labs to take the risk to engage into a movement that is still emerging and not well known, and this in collaboration with international partners.

**The Competitiveness and Innovation Programme, the leader for digital development projects**

The ICT Policy Support Programme of the Competitiveness and Innovation Programme (CIP-PSP) is one of the main tools, implemented by DG Infso, which aims to accelerate the uptake of innovative digital technologies. It provides financial support to the Digital Agenda for Europe, and previously to the i2010 strategy. In the communication “A strategy for ICT R&D and innovation in Europe: Raising the Game”, the Commission underlines that “the CIP will also support SMEs piloting highly innovative technologies and services, and the development of open platforms for user-driven innovation”. As such, the ICT CIP-PSP has financed several projects applying living labs methodologies. For example, CO-LLABS Thematic Network, started in April 2008 for a 24-months duration, aimed at achieving “a European-wide adoption of ICT-based living labs services and practices to allow SMEs to improve their innovation capabilities and processes”, notably by bringing together a selection of most advanced living labs and innovation-oriented SMEs and sharing best practices. The Commission plans to keep on financing living labs related pilots, as in the next work programmes of the ICT CIP-PSP, it will promote user-driven methodologies by supporting pilot projects in order to develop Internet-based services in networked smart cities.
The Research Framework Programme, an important tool to include living labs methodologies in research projects

The European Commission has also contributed to finance living labs application methodologies through the ICT Research Cooperation Programme of the Seventh Framework Programme (FP7), running from 2007-2013, as well as through its predecessor. For example, the Collaboration at Rural project – CeR – funded by the previous 6th Framework Programme under the Information Society Technologies priority, aimed to better integrate citizens of rural areas in the information society through the development of ICT services. The current ICT Programme of the FP7 underlines the necessity to include user-centric innovation in the research projects. Several of our “best practice” living labs also finance some of their projects thanks to European funds: while the European project Apollon - Advanced pilots of Living Labs Operating in Networks - of which Medialand is a partner, is funded by the CIP PSP, Forum Virium Helsinki finances its projects notably through FP7, CIR, ALL (Ambient Assisted living) and ITEA (Information Technology for European Advancement).

The Future Internet Public Private Partnership (FI PPP) initiated by the Commission in 2009, particularly, which aims to improve key ICT infrastructure for a reliable future Internet, wants to fill the gap between research and innovation and to combine the demand and the supply sides notably by integrating driven-user open innovation platforms early in the research lifecycle. Three FI PPP calls are planned, under Work Programmes 2011/12 and 2013 for a total amount of €300 million: the first call has closed in December 2010, the next ones will be launched in May 2012 and late 2013. The FI PPP is part of the Digital Agenda for Europe and fits into the EU2020 Strategy. According to the Commission, the next FP8 will have to better integrate these innovation aspects.

The structural funds, for a transregional cooperation on innovation

Other living lab-related projects can also benefit from EU financial support thanks to cooperation programmes financed by the European Regional Development Fund (ERDF). Actions financed by structural funds, notably the ERDF, have to follow the Community Strategic Guidelines on cohesion for the period 2007-2013. These guidelines set overarching priorities, among them the improvement of knowledge and innovation for growth. Even though the detail of this priority does not mention any user-centred process of innovation, it does not prevent from financing actions implementing this approach. Thus the three main cooperation programmes of cohesion and neighbourhood policies which encompass the Mediterranean region include an innovation axis, be it the strengthening of innovation capacities (MED), innovation and knowledge economy (INTERREG IVC) or economic promotion and support to innovation (ENPI). As living labs are considered as able to promote research, technological development and innovation in regions, MedLab project fits in the MED space programme, which is its financing tool.

The European Agricultural Fund for Rural Development, a relevant tool for living labs in rural areas

The European Agricultural Fund for Rural Development (EAFRD), also, can finance innovative projects: its first axis deals with competitiveness and innovation, and a Leader axis is based on Local Action Groups (LAGs) and the interaction between local actors from different economy sectors. The EAFRD is for example used by Spanish RRN policy to provide support to living labs in Andalusia. In that matter, a document from the Commission on “Better access for rural areas to modern ICT” mentioned as examples of good ICT practices the Rural Living Lab in Hungary (for the benefits to the farming sector) and Turku Archipelago Living Lab in Finland (for the benefits to the rural economy, environment and population). As already said, rural policy and instruments, and all the sectors seeking for innovative technologies as development tools, can thus also be of big interest for living labs implementation.

National policies: an often missing link in living labs promotion

Southern European countries display innovation performance below Northern States. According to the European Innovation Scoreboard for 2009, whereas the leader group in innovation consists of Denmark, Finland, Germany, Sweden and the UK, all Northerners, the “innovation followers” include Cyprus, France and Slovenia, with Cyprus and Slovenia benefiting from the largest improvement, which has allowed them to catch up with the average innovation performance of the EU-27. Greece, Italy and Spain belong to the “moderate innovators”, the two latter displaying strong disparities at regional level.

National policies, strongly influenced by European policies

National innovation performance is partly the consequence of innovation policies led at national level, which can result from European recommendations.

National Strategic Reference Frameworks, reflecting the Community Strategic Guidelines

Each State has to transform Community Strategic Guidelines for 2007-2013, which set the framework in which projects benefiting from ERDF are financed, into national priorities, within a National Strategic Reference Framework (NSRF). According to this NSRF, regional operational programmes (OP) will be then drawn up. The priority of our interest in the Community Strategic Guidelines consists in promoting knowledge economy and innovation through RTD, including in SMEs, entrepreneurship and ICT. The NSRF of MedLab partners are consistent with these guidelines, as they all include innovation as a national priority, often linked with R&D, technological development and ICT. The NSRF – as well as the OP – have to be agreed by the European Commission. Nevertheless, as the Community Guidelines do not mention the role users can play in the innovation process and are mainly technology-focused, so do the NSRF.
The Innovation Union, a strong incentive for States to deal with social innovation?
Contrary to the Community Strategic Guidelines, or even to the Lisbon Strategy, which it replaces, the Europe 2020 Strategy and its Innovation Union flagship make obvious the shift operating in the way innovation is increasingly thought as an open and collaborative process including citizens. Therefore, even though none of European texts prevents States from going further and promoting user-centred methods, only very recently adopted texts explicitly push States in that direction. The Europe 2020 Strategy can thus be a first step, and all the more so, because it proposes tighter monitoring of national implementation, which was one of the weaknesses of the Lisbon Strategy. States have thus to submit national targets and reform programmes by April 2011, and adapt their operational programmes co-financed by the Structural Funds to priorities set in Europe 2020 Strategy. However, contrary to the previous Commission proposal to link reporting reform plans and Stability and Growth Pact, both will remain legally separate, putting less pressure on States regarding their national reform plan implementation.

Strong disparities between States on open innovation
European States have the possibility to initiate national innovation policies on their own initiative. Now, Mediterranean countries are often still reluctant to implement open innovation and user-centred measures.

Northern European countries as innovation leaders
1. In Greece, innovation measures have been taken since 2000 but are still limited, and the issue of open innovation is bypassed, although this model would be particularly relevant for a country which lacks large production companies carrying out business activities in international markets. Regarding design support in Greece, there is no particular incentive provided by policy measures, but the private sector has led several initiatives on the subject. As for Cyprus, policies related to innovation are mainly industry-based and very open to international collaboration, but do not mention the term open innovation, neither user-driven innovation or design.

The particular case of Spain, more advanced on open innovation policies
Spain marks an exception among MedLab countries in its living lab policies. Thus, as in other countries, efforts have been made to raise awareness on open innovation, notably through the organization of international conferences on the subject, but the country still encounters difficulties to turn them into effective policy measures. Nevertheless, Spain includes specifically living labs as well as Social Spaces for Research and Innovation in a national plan, the “Plan Avanza”, a sub-programme of R&D dedicated to developing the Spanish information and knowledge society. Also, unlike most other MedLab countries, Spain makes the connection between innovation and design at the implementation level, through the Spanish Agency for the Development of Design and Innovation (DDI), which has developed the Programme for Design Support (2007-2013).

Networks of living labs, a fashionable measure at national level
Some initiatives of national networks of living labs are taking place at the moment in countries like France, Spain or Italy. The necessity to federate similar initiatives including at national level is thus widely considered. It can be a mean for such gatherings to make their voices heard in broader organizations like ENoLL: at regional level at least, the five living labs from Ile-de-France Region in France are represented by Cap Digital cluster – which has labelled Quartier Numérique living lab project. But networks are not necessarily useful, as the Helsinki network of living labs, launched in November 2007, shows: Forum Virium Helsinki is one of its members but underlines that due to lack of financing for coordination activity, the network is not very active. Establishing national – or regional - networks of living labs can therefore help create synergies at national level, provided that they have clear strategy and objectives as well as dedicated financing.

Therefore, in MedLab Mediterranean countries – except in Spain to a certain extent - States are not very active in open innovation policies, particularly concerning users involvement and living lab methods. Nevertheless, the institutional level at which countries take open innovation measures can mislead on the involvement of public powers in the subject. For example, Italy has been implementing measures for years, but particularly at regional level. In France also regional and local authorities are more active, even though both countries start to pay attention at national level. In fact, contrary to the European Commission, States often refuse the role they could play in promoting open innovation and living labs, that they delegate to Regions, which find themselves promoting innovation because they want to develop capacity and competitiveness of their territories, in order to improve people’s lives conditions.

Regions: the most relevant level to support living labs?
Regions have competencies and specificities to local territories: competences in economic development (at various levels according to countries), knowledge of, and sometimes relationship with, economic actors present on their territories, in particular SMEs, geographical proximity. Now, all this gives regions the capability of supporting territorial living labs. But it also raises questions on how to articulate support measures with other policies and how to implement them in the most effective way. MedLab Mediterranean regions’ role is anyway not often so clear in promoting new forms of innovation and differs from one to another. But they have all paved the way for a more social innovation.
The question of territoriality

Speaking about regions and regional policies implies first to tackle the concept of territory, as it can have consequences on the policy framework.

The paradox of the territory concept in living labs

Our society is increasingly a networked society, composed of flows and based on fluidity. This networked society is not set on a territory – or this territory would be virtual. Now, there is a paradox in living labs: on the one hand, they try to benefit from this network – because of the creativity it can release and citizens’ participation, based mainly on ICT tools – and on the other hand, most of them are set in an institutional territory – a region or a city for example.

Several meanings of the territory

There, the territory comprises several dimensions. First, it can be a local authority, which has a role to play in living labs, as it can act as a catalyst for an innovation ecosystem, with a role of mediation in order to involve users and create a local ecosystem. That is what PACA Labs programme intends to do, as projects selected by the programme have compulsorily to include a local authority in their partnership. In this case, projects are necessarily territorialized – above the fact that regional funding is addressed to the region actors.

Another dimension of the territory is the space. SMEs networks, citizens, labs, are established in a limited territory. In some regions, territorialized places exist in order to allow all these actors to meet and work together. Then one can consider that all the stakeholders have to live in the same space to be able to collaborate together – this principle of geographic proximity is the one implemented with clusters. TLL Sicily has pushed the concept of territory applied to a living lab to its paroxysm, as it aims to integrally apply the living lab approach to the whole Sicily, one implemented with clusters. TLL Sicily has pushed the concept of territory applied to a living lab to its paroxysm, as it aims to integrally apply the living lab approach to the whole Sicily, including citizens, model of governance and strategic plans for the future, implementing the first instance of “territorial living lab” as a new model for regional development. The example of Slovenia emphasizes the importance of the living labs attached to a limited territory: as a small-size country, it names itself a living lab, even though in practice, other more-focused initiatives of living labs take place within the country.

The scale of the territory, questioned by international networks

The question of the territory level is also of importance, as issues are tackled in a different way and authorities roles are different according to the seize and type of the territory. Thus, regional and local levels are very complementary. A territory of proximity in a city or a rural area plays an important role, as for example, it can propose physical collaborative places to generate unexpected meetings. The regional level, on the contrary, has an approach of a greater scope, including coordination between communities and fields, animation and maybe realization of experience feedback. Then local authorities role will not be the same in a living lab either. The kind of territory and the issues arising can also differ, as the question of services will not be tackled in the same way if the area is rural, in mountain, or built-up.

Above the non territorialized social networks already mentioned, the concept of territoriality attached to living labs is nevertheless questioned by the international networks – the main one being ENoLL – which try to make it possible to extend an innovation to the whole European territory. What is at stake is to help SMEs to develop and commercialize innovation in other European countries. It is also the objective of the Mediterranean transregional living lab aimed by MedLab. The conclusion of this is although living labs are territorialized, they can become “trans-territorial” by putting in common methodologies and experiences. The different scales of the territory can therefore be mobilized and useful in living labs.

Transversality in living labs

An important issue for regions to take into consideration in order to promote efficiently living labs is the necessary transversal character of policies dealing with them as well as of the living labs themselves.

A necessary transversality of regional policies related to living labs

Innovation has to cross all activity sectors: health, energy, transport, etc. are concerned equally by the necessity to innovate. Now, in current regional policy documents, policies are sectoral, and innovation is considered as a sector in itself, which complicates the possibility for each sector to appropriate innovation strategies. The issue is the same regarding the more specific topic of living labs: they are mainly supported through innovation, research and ICT policies.

But ICT are mainly a tool for living labs, allowing collaboration and especially users’ involvement, but covering sectors as diverse as the five sectors tackled by the MedLab pilots. Therefore living labs, and more generally innovation policies, should be promoted through transversal policies, which would be the better way to effectively support them. Spain for instance has already integrated living labs promotion in other sectoral policies, as it has supported them through its Spanish RRN policy and the European Agricultural Fund for Rural Development (EAFRD), in order to introduce technological innovation measures in the rural programme LEADER.

A necessary transversality of living labs

It is important to underline that living labs should not be organized in sectoral organisations either: on the one hand, this kind of innovation method concerns many sectors of activities, and on the other hand users do not have to segment their demands according to industrial fields. With cross-sectoral activities, the users database of the living lab, which should be as broad and permanent as possible, could be used for multiple usages in different areas. I2Cat Foundation is a good example of living lab projects diversity a same organization can have, as it leads activities in various sectors where high-speed Internet usage is particularly relevant. The foundation operates indeed media, health, but also industry related activities.
**Policy measures implemented by regions**

Having said that, regional policies in MedLab regions actually do not promote living labs very strongly, even though some initiatives start to emerge.

**Operational programmes, reflecting the National Strategic Reference Frameworks**

Regions set their own regional priorities for European funding in operational programmes, which have to be consistent with State’s National Strategic Reference Framework (NSRF), and thus with Community Strategic Guidelines. In addition, operational programmes (OPs) foresee the adoption in each region of a Regional Innovation Strategy (RIS). As seen previously, the NSRF considered in Mediterranean countries contain an axis on innovation. Now, all MedLab regions put also the emphasis on fostering innovation in both their OPs and RIS, which put them in line with the NSRF. But considering forms of open innovation, at first sight none of them mentions user-centred innovation and they all focus on technological development. For example, in Greece, the “Macedonia-Thrace” operational programme aims at providing growth by strengthening the competitiveness of the productive fabric, using the region’s location in South East Europe and favouring economic and social development: emphasis is put on growth and competitiveness, as in the “Competitiveness and entrepreneurship” sectorial OP, which considers the traditional innovation policy sectors with a strong focus on the technology research domain.

**But some first steps in direction of social innovation in operational programmes**

However, even though these policy papers do not promote open innovation, they do not hamper it either, and this for several reasons. First, living labs methods can easily fit in the framework of these policies, as shown by living labs projects co-financed by ERDF (such as MedLab). Secondly, they often promote collaboration between economic actors (businesses, research centres…), without going as far as involving users. In Sicily for example, although innovation policy is mainly oriented toward technological innovation, productivity and industry competitiveness, the OP objectives include demand-driven innovation and a bottom-up approach based on cooperation between socio-economic and institutional actors. The issue of social innovation in itself is sometimes addressed indirectly and lays the groundwork for more ambitious measures in the future. It is the case in Greece, where a sectorial operational programme on “Digital Convergence” has a strong focus on citizens, as it aims at improving their well-being and making them participate in public digital services. In Lazio region as well, with the NSRF. But considering forms of open innovation, at first sight none of them mentions user-centred innovation and they all focus on technological development. For example, in Greece, the “Macedonia-Thrace” operational programme aims at providing growth by strengthening the competitiveness of the productive fabric, using the Region’s location in South East Europe and favouring economic and social development: emphasis is put on growth and competitiveness, as in the “Competitiveness and entrepreneurship” sectorial OP, which considers the traditional innovation policy sectors with a strong focus on the technology research domain.

**The particular case of PACA region and its PACA Labs programme, strongly involved in social innovation**

At last, regions can also initiate other incentives for user-centred innovation. That is what Provence-Alpes-Côte d’Azur region (PACA) has done, but unlike other MedLab regions, it was facilitated by the whole philosophy of its policy framework: even though its OP promotes collaborative innovation without mentioning users’ involvement, the policy of PRIDES – the regional version of competitiveness clusters – and the creation of a “Regional Network of Innovation” opened the way to more social innovation. Thus, its Regional Innovation Strategy adopted in October 2009 recognizes explicitly the necessity to integrate usage analysis and users’ needs in new products development phases and support tools for projects. Now, more than one year before the adoption of this RIS, PACA already developed a user-oriented programme, PACA Labs, which plans to select, among others, projects of “numerical ecosystem”, with all the stakeholders including citizens participating in the innovation cycle. This programme is co-financed by the Region and ERDF. Furthermore, PACA launched in November 2010 a programme called “Designers en Résidence”, which aims at strengthening the link between innovation, creativity and design, and bringing to regional enterprises a driven-design vision of innovation. Therefore, the whole policy framework in PACA is coherent and oriented toward social innovation, which is considered as complementary to technological innovation.

**Local institutional support to living labs**

Beyond support policy measures, public authorities can also provide their institutional support to living labs. We establish the following difference between both: contrary to policies, which can be orientations associated with public funding through calls for projects given to the economic and social actors of a territory, institutional support consists in participating and even coordinating a living lab partnership, or providing money to a particular organisation or project.

**A strong institutional support from regions to living labs**

Even though all MedLab regions do not have specific living lab policies, some of them indeed have demonstrated their support by actions, like Slovenian Government, which proposed in 2007 to create an “Innovation for Quality of Life - Slovenia living lab”. But overall, they all have living labs on their territories, which have often been founded by local authorities or which creation has been pushed by them. The best example is in Andalusia, where although explicit policy measures in favour of living labs do not exist, there is a proactive support from local government in this policy area, in addition to various demand-side programmes. This is shown by the living lab Salud Andalucía, which has been founded by the regional Ministry of Health and the regional Ministry of Economy, Innovation and Science. Also, in Greece, the Thessaloniki living lab is established as a co-operation between three organizations including the Regional Authority of Central Macedonia, which is the local government. In PACA, TPMedLab living lab has been founded by PACA Regional Council and Toulon Provence Méditerranée (the administrative metropolitan area). All these examples show the active involvement of local authorities in living labs creation. One can notice that the PACA Labs programme has not led to the creation of such living labs. One of the reasons can be that it aims more at promoting the implementation of end-users methods than creating living labs as institutions. Nevertheless, it can be used as a financing tool for specific projects led by living labs, such as TPMed Lab.

All MedLab pilot projects are on the same line as these living labs, which creation has been strongly supported by local authorities. Thus, pilot projects have even been initiated by them.
since local authorities or public bodies are partners of MedLab. The living lab Abla RioNLL, which hosts the rural development pilot in Andalusia, coordinated by I2BC, includes among its members Abía City Hall. In Cyprus, the Territorial Living Lab Kypros (TLL Kypros), which includes tourism pilot, is hosted and coordinated by the Larnaca District Development Agency (ANETEL), which shareholders are mainly Larnaca district municipalities and community councils, showing the active involvement of local authorities in the development of the project. As for the Territorial Living Lab for the Sicilian Region (TLL Sicily), it is an open network which territorial governance is organised by the Regional Department of Planning, with local authorities and agencies also actively involved. Inno-SME networks and coastal pilots are also respectively hosted by the Region of Central Macedonia and Lazio Region.

**The necessity of public authorities support for living labs**

One can wonder about the level of innovation of local authorities implementing an approach which is still top-down, whereas living labs boast about their capacity to include users following a bottom-up approach. Nevertheless, when reviewing best practice living labs, they also all receive the active support of local authorities and underline this necessity. For example, Forum Virium Helsinki benefits from a strong political support from the City of Helsinki, which they consider by the way sufficient, as in Finland, the municipality level is quite strong and takes care of most basic services (education, health care, traffic…). The cluster underlines how important this support is for the cluster, which otherwise would not work. Swedish regional authorities have similarly supported Tested Botnia living lab since the start, through different development projects. It is also a mean to look into how it fits the overall strategy and strategic development of the region for example: testing activities have been set as a prioritized strategic growth sector in the Regional growth agreement for 2004-2007. Public regional authorities have funded the living lab when it started for more than two years; now they fund R&D projects where the living lab is part of the work. At national level, Tested Botnia is supported by Vinnova, the Swedish governmental Agency for Innovation Systems.

**Regional and local funding, an important source of revenue for living labs**

Public authorities support is therefore necessary if only because they provide financing to the living lab, which is essential, at least at the beginning. When they are not core members of the living lab, it is indeed the main type of support they provide. Quartier Numérique is thus financed at 45% by Regional Council and City (only for first contributors and SMEs); some initiatives are also financed in part by OSEO, the national public agency which aims to finance innovation and SMEs growth. Medialand is financed by public funds, mainly from the municipality, as well as Forum Virium Helsinki. Nevertheless, these living labs also benefit from private sector contribution: enterprises bring their own funds to the projects to which they participate. Some initiatives in Quartier Numérique have been financed only by funds brought by enterprises (the RATP for example). I2Cat Foundation, being a public private partnership, mixes both sources of financing. Tested Botnia receives some basic fees from industrial partners. It is the difficulty and challenge these living labs, which funding is mainly project-based, have to take up: managing to find long-term investment, which can serve for matchmaking and coordination activities.

**MedLab pilot projects, funded by a mix of public financing**

Pilot projects are mainly financed by MedLab project, that is ERDF, sometimes in combination with funds allocated by local authorities in the framework of regional policy programmes.

That is the case for the planning pilot hosted by Sicily, where activities take place within planning policy instruments, for example with funding associated with the planning exercise and initiatives (national park, industrial park, etc.) in Ragusa, or with the ERDF Regional OP Action 6 Sustainable Urban Growth, as well as the funding for the Strategic Plan in Favara.

In addition to regional funds, other European programmes can bring funds. Thus, the funding for the activities carried out in the living labs/Social Spaces of Research and Innovation (SSRIs) of the rural development pilot comes mainly from public funding at a regional, national and European level. The I2BC has also contributed its own resources in the development of specific activities. Concerning tourism pilot, it is funded by the MedLab project, but also by the other European project Parterre, in the framework of the Competitiveness and Innovation ICT Policy Support Programme.

Other pilots are financed exclusively by MedLab: in coastal pilot, even though the GIS platform is partly funded by Lazio Region’s multiyear plans and programmes (ensuring the continuity of the activity) and partly by European projects as regards the implementation, the specific development of the system application is completely funded by the MedLab project.

Also, the inno-SME pilot is financed only by the MedLab project at the moment, but it is expected that funding for the operation of the living lab pilot will come from the users (the enterprises) and also from participation to R&D and innovation projects, funded by relevant regional, national or EU programmes. Relevant programmes may include the “Digital convergence and entrepreneurship in Central Macedonia”, which is the main priority axis of the Central Macedonia, Operational Programme 2007-2013, and also horizontal actions under FP7-ICT (ICT Programme of the 7th Framework Programme) and the Competitiveness and Innovation ICT Policy Support Programme (ICT PSP of the CIP).

MedLab pilots rely therefore for the moment on public funding. Nevertheless, although public funds are necessary for incipient living labs, it is important to open their source of financing: public funds cannot be a unique long-term source of funding and private investment is a criterion for living labs sustainability. Public money aims to generate a dynamic which has to continue with private financing contribution. So, even if the living lab is project-based and counts on the renewal of funds through regular calls for proposals launched by public authorities, effort has to be made to engage industrials in the financial maintenance of living labs, if only for activities coordination of the living lab, which cannot be financed by projects. It would be also a mean to make up for the lack of funding for projects themselves underlined by some pilots.
**Living labs and clusters**

Despite the necessity to organize living labs following a transversal model, clusters, which are sectoral organisations, can be a good starting point to help create transversal living labs.

**Clusters and living labs as complementary tools**

Clusters and living labs are indeed complementary in the sense that the former aim technological innovation whereas the latter pursue innovation which meets social needs. They also follow a different model: clusters start from enterprises to reach users (people at large, but also companies), whereas living labs are based on an innovation process which starts from users, who are intended to express needs, possibly with the help of local authorities.

Now, clusters can be interested in innovation by usage, and then in living lab approach, for example in domains for which the application on a territory is an important challenge, like green technologies. Living labs can permit to prepare the ground and guarantee the appropriation by users before implementing the new technology. As a consequence, living labs and clusters can use each other in a complementary way.

**An association between clusters and living labs already done in practice in various countries**

The association between clusters and living labs is quite common especially in France, even though it does exist also in other countries. For clusters, having their own living lab or their living lab projects inside the pole is a mean to offer a service to their members. Thus, Quartier Numérique was labelled by the « pole of competitiveness » Cap Digital in March 2007, before being implemented. Medialand is also linked to Cap Digital, even though it does not receive financial support from it, contrary to Quartier Numérique. In PACA region, ICT-Usage Lab – a living lab based in Sophia-Antipolis – is close to several clusters: SCS, specialized in ICT in the broad sense, PEGASE, in aeronautics, and Capenergies, in renewable energy. Even though it is less common, this cooperation also operates in other countries. Thus, I2Cat Foundation, in Barcelona, is based on an association between a transversal generic platform of innovation which uses ICT and several vertical clusters in ICT, media, health, education and industry. In Sweden, Tested Botnia is a partner of the IT cluster of Internet Bay. Forum Virium Helsinki is even a cluster in itself, which leads living lab activities.

A living lab is an attractivity tool for the territory, but a too high number would confuse the message delivered by local authorities. Also, as previously underlined, living labs should not be sectoral. Therefore, it is important that each cluster has not its own living lab. It should be better that several poles of competitiveness get together to make transectorial activities: it would be richer in terms of return.

**Policy role to increase clusters and living labs relationship**

Also, clusters could help promote living labs thanks to policies supporting them, by using funds allocated to clusters for cooperation projects with living labs or implementation of living lab methodologies by clusters – it is what Forum Virium Helsinki cluster does. Policies in themselves could also promote such cooperation between living labs and clusters by providing funds through calls for proposals for example specifically to this end.

Policies recently have taken into account the new change of paradigm in innovation, in order to better integrate social needs. Even though it happens in different degrees according to institutional levels and regions, the movement is launched. Regions particularly have the tools at their disposal to encourage open innovation and related methods of innovation, as they benefit from European funds and can also create their own programmes and financial tools, to give incentives and help to do the right intermediations and networks. Regions can thus act as a catalyst and enrich the environment and ecosystem, in order to favour innovation. Now, starting from the reflections set in previous sections, a series of recommendations can be made in order to improve policies in support of living labs, with special focus on regional level.

**Recommendations and policy options**

Policy-makers should strive for cross-sectoral, cross-territory and cross-technology policies in support of living labs. The following recommendations aim to enlighten some specific points on how they should manage this.

**Recommendation 1: A better harmonization between European, national and regional policies**

Policies still present too many disparities between European, national and regional levels. On the one hand, that shows that some policies are not really engaged in open and social innovation development. On the other hand, that hinders transnational cooperation, as organizations involved in cross-boarder projects will not be supported equally by public authorities in the different countries or regions. In order to align policies between the different levels and reach more harmonization between European countries, the following actions should be taken:

- At European level, the future Community Strategic Guidelines for 2014-2020 for the next programming of the regional policy, which will succeed to the current 2007-2013, should be aligned with the Europe 2020 Strategy and its Innovation Union. In particular, priorities in terms of social innovation should be repeated and funds allocated for projects with special focus on user-centred innovation. The integration of open innovation within the Community Strategic Guidelines will make the whole European policy framework and recommendations to member States more coherent.

- Following this coherent framework, States and regions should make a real effort to transpose in their policies recommendations and policies on open innovation, design and demand-driven innovation taken at European level. States notably lag behind concerning the inclusion of the concept of open innovation in their national debates and policies. The implementation of such policies starting from a same model – EU policies – will harmonize national and regional policies of the member States – notably through their NSRF and regional OPs.

- ENoLL should continue to receive blessing of the highest political level in the body of each successive EU presidency through new waves of labelization, which permit to enlarge the
network. ENoLL presents a strong potential interest for its members in terms of cross-boarder collaboration opportunities, but this potential still needs to be further developed in order to become a reality for ENoLL members: policy lobbying notably appears as a fundamental aspect of ENoLL real added value. Best practices database development could also be a tool for living labs towards further harmonisation between living labs.

- More dialogue should be promoted between policy levels for a better coordination between policies, programmes and tools in support of living labs. Directions given by the European Commission are only a first step.

**Recommendation 2: The inclusion of living lab approach in the whole policy framework of each institutional level**

The emergence of the living lab concept reveals the recognition by sociological, political and entrepreneurial instances of an evolution in innovation process and methodologies. Now, by putting a name on this tendency – living lab – the risk is to consider it in itself as a sector that policy-makers have to tackle separately from others: currently, living labs tend to be considered too much on the one hand as a policy sector in itself, on the other hand as institutionalized organizations. In order to prevent this, living lab approach should be integrated in the whole policy framework, and the following principles should be adopted:

- Living labs should not be tackled by policy-makers in a too stringent and institutionalized way but instead be considered as an ideal model which permits to enrich their vision of innovation. Thus, living labs are first a research methodology, before being possibly a formal partnership between several organisations. Then, policies should first promote living labs as methodological tools before than formal partnerships. This would let more flexibility to participants on how to organize; and they would be free to link themselves by a more binding agreement. That is by the way the approach adopted by PACA region with its PACA Labs programme, or by ENoLL, which accepts among its members living labs whose participants are not necessarily bound together but implement projects using living lab tools.

- Following this approach, public authorities, especially on regional level, should include living lab “philosophy” in the whole policy framework in order to achieve consistency and promote effectively living labs. PACA Region, by including “usage” and “design” approaches in its Regional Innovation Strategy, in coherence with specific programmes integrating social innovation concept, is a good example of this. If all regional authorities would set coherent policy frameworks including social innovation, this would also favour policy harmonization between regions.

- Living labs, which can be implemented as a tool in numerous sectors – as diverse as caring, transport, energy, rural areas or tourism – should not be considered as a policy sector in themselves but on the contrary as a transversal tool which goes far beyond the innovation or ICT policies. Recognizing the transversal character of living labs in policies would permit them to be taken in consideration by policy-makers not necessarily aware of their existence and relevance, and would actually really encourage their development.

- In conformity with these principles, links between clusters and living labs, which are complementary, could be increased. Policies could promote cooperation by including a criterion on demand-driven and user-centred innovation in calls for projects of clusters for example. Depending on the policy level to which cluster policies are fomented, it could be implemented by regional or national authorities.

**Recommendation 3: Public support associated with self-sustainability conditions**

Public support to living labs is not necessarily a guarantee of their success and sustainability on a long term. Public authorities should therefore take precaution in order to increase living labs chance to really lead activities in social innovation and to become autonomous. These measures could be the following:

- Public authorities should pay particular attention to the objectives and strategy of the living labs or networks of living labs they support financially or in which they are involved. Having objectives and strategies clearly set increases living labs chances of success. Now, there are experiences of hollow and empty shells. Particularly, networks of living labs tend to multiply, but sometimes, either the scale is not relevant or is redundant with other collaboration relationships at the same level, or non sufficient dedicated means do not permit their effective functioning. That is true that public support does notably aim to prevent this mistake, nevertheless public authorities should pay attention to the strategies adopted by the living labs that they accept to support.

- Public authorities should provide financing to living labs especially in the initial phase of their activities, but guarding as a final aim that they improve their self-sustainability on the long run. Political support from public sector to living labs is important and necessary, but on the specific question of funding, living labs should aim to become autonomous and viable by diversifying their sources of financing and particularly by attracting industrial investment. On the long term, financial public support, be it European, national or regional, should be mainly project-based.

- Public authorities could help promote living labs cross-boarder cooperation, which should be a mean to achieve one of the main objectives of living labs. One of the usual objectives enounced for living labs indeed is to fill the gap between needs and market, but at the time of common European market and globalisation, it is obvious this has to be done with a transnational market scale in view – this is the aim of MedLab project. Therefore, enterprises should be able to use some regional funds/programmes on a cross-boarder scale. Regional policies should not develop programmes specifically in favour of transnational cooperation – that is INTERREG or other European programmes job – but should foresee in calls for projects the possibility for beneficiary enterprises to cooperate in the framework of the programme with enterprises abroad, which would find their own sources of financing. Regions’ interest would be to help their enterprises to have access to an international market.
Conclusions
Policy-makers’ task is therefore a hard one: trying to foster innovation, preferably going beyond regional or national boarders, by trying to enrich the environment which can favour initiatives, collaboration, users’ participation. This paper has intended to bring its contribution to the improvement of such policies in the complex issue of user-centred innovation.

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- Tourism Pilot social networking website: http://forumlarnaca.ning.com
- TLL-Sicily social networking website: http://tll-sicily.ning.com/
- Coastal pilot application for the online analysis of the coastlines: http://www.medlivinglab.eu/coste/index.php
Interviews and meetings

- Phone interview with Julien Valero, from Quartier Numérique, on the 23/12/10
- Phone interview with Jarmo Eskelinen, from ForumVirium Helsinki, on the 24/01/11
- Phone interview with Sébastien Levy, from Medialand, on the 28/01/11
- Phone interview with Anika Sällström, from Tested Botnia, on the 7/02/11
- Public seminar on “Living Labs and clusters - Which governance in European strategy for 2020?”, on the 12/03/2010, Speakers:
  - Thierry Fellman, Stéphane Martayan and Marie-Christine Bouillet, Direction of Regional Economy of innovation and higher education, PACA Regional Council
  - Jesse March, Living Lab TLL-Sicily, Mariano Navarro, TRAGSA, Jon Matthew Switters, I2BC, MedLab partners
  - Pascal Peuchot, Living Lab TPMed Lab, Brigitte Trousse, INRIA, Living Lab ICT-Usage Lab, living labs in PACA region
  - Olivier Chavrier, Pôle de compétitivité SCS
  - Laura Draetta, TELECOM ParisTech
  - Marc Pallot, ESoCE-NET
  - Xavier Comtesse, Avenir Suisse
  - Bernard Corbineau, Université de Paris-Est Marne-la-Vallée
  - Jean Schneider, Agence pour la Promotion de la Création Industrielle
  - Artur Serra, I2Cat

CONCLUSIONS

MedLab improves the competitiveness of the MED space by applying the user-centric Living Lab open innovation paradigm to build on the specific qualities of its territorial capital to deliver unique ICT R&D opportunities but also to generate territorial innovation leading to sustainable growth and employment opportunities for the next generation. By unleashing creative energies and structuring diffused innovation systems involving citizens, businesses and local authorities, the mid to long term multiplier effects can significantly increase the attractiveness of the MED space.

The project promotes inward ICT R&D investments through its innovative approach for the development of ICT tools and services in “real-life” contacts and the “innovation demand” approach in regional policies for ICT. Regional knowledge economies are further developed by drawing local businesses, primary SMEs with specific emphasis on research and innovation, into trans-national innovation partnerships within a territorial development approach.

The end result of MedLab is the creation of a permanent trans-Mediterranean structure through which regional development authorities apply the Living Lab model in an increasing array of fields. The ICT industry will thus be made aware of the value of investing in co-design processes and their use in the definition of concrete local and regional development initiatives. Consequently, more and more user oriented solutions will be developed, increasing the competitiveness of the Mediterranean area in a range of policy areas.

The MedLab project showed a great interest of stakeholders involved in open innovation, at policy level as well as enterprises level – notably through clusters. There is indeed a real deep movement of reflexion and action on users’ participation in co-innovation processes, even though it is important to remind that living labs are not a revolution but the evolution of user-centred methodologies which existed before.

The MedLab project has been a great success in making the first steps towards the creation of a transnational living lab, highlighting both barriers to the concept, as well as the strengths which currently exist and need to be built upon in the future. From a policy point of view, the project has addressed the importance of the role of regions in the shift towards a broader innovation policy, 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.

Furthermore, the project has also highlighted the need for interregional cooperation at the macro regional and European levels. The findings from the Medlab projects are very interesting, for the first time addressing user led innovation environments at a macro regional level. Although actions related to living labs take place at local level and EU has been promoting open innovation involving users in recent policy documents, coordination between these actions on a transnational scale is still challenging. A broad diffusion of the reports on policy options and governance – and the policy briefings – can help in that direction. Therefore, the next step would be to work on the different recommendations made in the numerous policy briefings.
that have been developed and to continue communicating the results of our project to as wide an audience as possible in an attempt to further influence regional decision makers.

The results of the different activities carried out in Medlab project indicate that the ICT innovation demands and needs by Mediterranean Living Labs are focused on the following strategic lines: governance, tourism, energy, health, education, territorial development and economy. It is recommendable to establish European and National-level roadmaps - that address the previously mentioned needs - for the Social Innovation initiative in the Mediterranean regions. Nevertheless, it is important to consider that the implementation of this kind of initiatives would require the development of cross-border networks of connected smart regions combining technological and social innovation.

The demand-driven uptake of open smart region platforms for ICT services would address the transversal needs of a range of stakeholders, including civil society organizations, private sector actors, and administration and public organizations. This challenge requires bringing the competence of the application sectors and the ICT sector together to develop common solutions from an end-to-end perspective. It will require cross-functional and cross-sector projects that cannot be created by the current sector-driven structure of calls for proposals.

Each initiative to be supported under a Social Innovation Initiative funded by the European Commission would combine all three of the following dimensions: 1) people-led open innovation, 2) Knowledge database for sharing effective approaches, and 3) alignment of technology research.

**PEOPLE LEAD OPEN INNOVATION**
The process of Open Innovation, which is at the heart of the Living Labs methodological framework, is an essential component of the development process. In fact, it is the driver of development, which guarantees that development can lead to equitable and sustained livelihoods, employment and wellbeing.

**KNOWLEDGE DATABASE FOR SHARING EFFECTIVE APPROACHES**
This type of enabling infrastructure should be managed by the European Commission. The latter should provide the operational infrastructure for sharing experiences and best practices leading to the full-scale development of innovation infrastructures and open platforms for new internet-based services.

**ALIGNMENT OF TECHNOLOGY RESEARCH**
The social innovation initiatives have to contribute to the definition, design and experimentation of information and communication technologies, especially those related to collective intelligence and crowd sourcing, semantic web, advanced cloud services, ambient intelligence, context aware computing, accessibility, context-aware computing, smart objects, trustworthiness, security, identity and privacy.
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