

Innovation, in the broad sense, may be broken down into business innovation and social innovation:

- **Business innovation** relates to businesses and focuses on financing, production processes, products and delivery.
- **Social innovation** responds to different types of social needs (working conditions, apprenticeships, healthcare, civil society, etc.) and relates to the functioning of territorial administrations.

Social innovation is difficult to identify and quantify, which makes it even more complicated to ascertain good cross-border practices. Cross-border exchanges of intercultural and interpersonal knowledge is nonetheless an important way of learning about good practices in the neighbouring territory and therefore a potential means of innovation in administration and various areas that come within the competence of territorial authorities (vocational training, apprenticeship support programmes, healthcare and social practices, etc.).

Business innovation is much simpler to identify because it is easier to quantify its immediate economic results (sales turnover, etc.). At the cross-border level, this type of innovation may be reflected in the creation (with or without public assistance) of cross-border innovation systems. These systems bring together different types of cooperation in the area of research and development, competitiveness clusters (or groupings of businesses). Business innovation may stem from fundamental research as long as the conditions are in place for technology transfer to occur, which is the only way of transferring knowledge acquired from fundamental research to innovation via production and marketing.

Research and innovation are therefore the central focus of a large number of cross-border economic cooperation projects, with two priorities:

- federate genuine cross-border circuits of knowledge and innovation
- further integrate companies into these circuits.

In other words, high value is placed on cross-border collaboration between groupings of businesses (“interclustering”) and technology transfer, with the aim of securing direct economic benefits for the territories concerned.

The approach consists in identifying the economic sectors or segments common to both sides of the border and locating the players involved in these sectors at the strategic and scientific levels (universities, research centres), support level (chambers of commerce and industry, development agencies) and operational level (business fabric). The aim is also to ascertain the players’ cross-border cooperation wishes and needs in order to implement the operational and exchange tools to jointly develop innovation in the areas of financing, processes, product and delivery for businesses (possibly resulting from joint research leading to technology transfer).

