Introduction to the Smart Specialisation Process and the S3 Platform

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R&I Strategies for Smart Specialisation (RIS3) = Economic Transformation Agendas

aiming at using inspired R&I for producing competitive economic return and lasting welfare for the society!

NOT ONLY FOR THE BEST! as innovation is multi-dimensional & includes basic inventions or development of applications → at minimum RIS3 transform less-advanced regions into good followers! Regions need to seek the concentration of resources and do it in original and rather unique area of knowledge expertise!

Source: D.Foray 12/2011
RIS3 towards novelties...

Building on the past (RIS)...

- Widespread experience of national/regional innovation strategies in the framework of the EU research & innovation + cohesion policies
- Achieved greater co-operation among private and public stakeholders and better communication between technology providers and clients

but also... **Breaking from the past!**

- Lack of international and trans-regional perspective
- Not in tune with the industrial and economic fabric of the region
- Too narrow vision of innovation
- Picking the winner syndrome
- Just copying the best performing regions
What is Smart Specialisation?

**S3** the policy concept

- Promote **inclusive and sustainable growth**
- **Place-based policy:**
  - Valorise existing assets and local specificities
  - Mobilise local economic players as the main actors of economic change
- Based on transparent **selection of economic activities** with high transformative potential for the economy

**RIS3** the strategy

- National or regional **agenda for economic transformation**
- Coordinate financial and **entrepreneurial resources** to support the selected economic activities
- Define **governance and monitoring mechanisms**
Main Design Principles for RIS3

1. **ANALYSIS:** discovery of the socio-economic and innovation engines of regional growth, competitive advantages & weaknesses

2. **MAKE CHOICES:** identify a limited set of priorities for development where to concentrate investment

3. **STAKEHOLDER INVOLVEMENT:** setting priorities should be an inclusive and interactive process centred on *entrepreneurial discovery*

4. **BROAD VIEW OF INNOVATION:** support technological as well as practice-based and social innovation

5. **MONITORING AND EVALUATION:** feeding back information into the policy cycle and allowing strategy revision

*RIS3 Guide of the European Commission*

With contributions of D. Foray, P. McCann, J. Goddard, K. Morgan, C. Nauwelaers

Available on the [S3 Platform webpage](http://s3platform.jrc.ec.europa.eu)
Centrality of Entrepreneurial Discovery Process

Priority-Identification Process:

1. **Entrepreneurial actors in a broad sense**: all actors potentially holding some type of entrepreneurial knowledge, from businesses to research institutions and the public administration.

2. **Interactive process where different actors can meet**: become aware of potential for synergies and complementarities, or explore experimental ideas.

3. **Shielded environment where actors can disclose information**: both virtual and physical space.

4. **Non-hierarchical process**: stakeholders in this process stand on the same foot as the administration.

Public authority will prioritise those activities that:

(i) Have critical mass of entrepreneurial resources and capabilities

(ii) Show commitment of stakeholders / entrepreneurs

(iii) Are suitable to realize the strategic goals/meet the needs and challenges of the local economy and society.

*from the S3 Platform experience...*
Key steps for developing RIS3

Step 1 – Analysis of regional/national context & potential

Step 2 – Governance

Step 3 – Vision for the future

Step 4 – Identification of priorities

Step 5 – Policy mix

Step 6 – Monitoring & evaluation
RIS3 Design vs. RIS3 Assessment

[Diagram: RIS3 Design vs. RIS3 Assessment]

- Analysis
- Governance
- Policy mix
- Priorities
- Monitoring
- Vision

RIS3

Existence of
- Continuous review process
- Identification of target groups
- List of indicators

Supportive administration and regulatory framework
- Support services financial and non-financial ones including for social innovation and internationalisation
- Roadmap action plan and pilot projects
- Critical mass and emerging potential (financial and human)
- Uniqueness of the advantages
- Robustness of the specialised assets (competitive advantages)

Evidence of
- Documents showing
- Documents about

Regional context
- Governmental assets
- National policies
- Entrepreneurial dynamic
- Management of the process
- Involvement of the institutional ecology
- Public private partnership
- Goal setting
- Scenario
- Communication

Governance
- Availability of

Policy mix
- Identification of priorities

Vision
- Shared vision

Priorities

Monitoring

Analysis

Governance

Policy mix

Vision

Priorities

Monitoring
Smart Specialisation

Participatory process w/ Continuous Stakeholders' Engagement

Quadruple Helix

Business
Manufacturing and services
Primary sectors
Financial sector
Creative industries
Enterprises (large and SMEs)
Clusters and organisations

Research and education
Public and private research bodies
Universities
Education and training
VET centres
Science and technology parks
Technology transfer offices

Public administration
Different government levels
Energy and innovation agencies
Regional development agencies
Business advice offices
Public procurement departments
Public incubators

Civil society/Users
Non-Governmental Organisations
Citizens' initiatives
Societal challenges
Cooperative innovative solutions
Consumers associations
Talents

Entrepreneurial in composition & spirit: risk-taking, broader view beyond boundaries...
Smart Specialisation Platform

Created in 2011 to provide science-based professional advice to EU national and regional policy-makers for the establishment and implementation of their Research & Innovation Strategies for Smart Specialisation (RIS3), make better use of the European Structural and Investment Funds (ESIF) and thus contribute to the Europe 2020 goals.

A privileged perspective to bridge the communities:

Outside the Commission - Support to countries / regions developing and implementing their RIS3 and to their "triple/quadruple helix" partnerships

Inside the Commission - Support to DG REGIO and other policy DGs

In the scientific community - Contribution to the conceptual and methodological debate around smart specialisation
Smart Specialisation Platform

Key Data:

Wide membership: 177 regions + 20 countries
- Open to the Non-EU regions)/countries (8 Non-EU regions and 2 Non-EU countries registered so far!) – **UA invited!**

Strong endorsement by national/regional policy makers: average 4.5/5 satisfaction rankings (86% rankings at least 4/5; 100% at least 3/5)

High “loyalty rate”: > 50% of regions attending workshops come back

Strong political endorsement at EU level:
- **EC** (Hahn, Cretu), **EP** (Winkler, Buzek, Van Nistelrooij), **Council** (Van Rompuy, Tusk), **CoR** (Markkula)
Main activities of the S3 Platform

- Support to lagging regions & Synergies ESIF-H2020 "Stairway to excellence"
- S3 Knowledge Base: Guidance and Analysis, RIS3 Guide, DA Toolbox, S3 publications, S3 Seminar Series on Territorial Development
- Trans-national focus Peer Reviews (in total 75 regions/countries)
- Peer eXchange & Learning Thematic focus on actors, process, common features and priorities
- Support to the EU Macro-Regional Strategies & Alignment of innovation roadmaps
- Focused approach on Value Chains - Thematic S3 Platforms: Energy, Agro-Food, Industrial Modernisation, Digital Growth...
- S3 Website & Newsletters
- S3 Interactive web tools
- RIS3 assessment and support to REGIO desks
S3P support to the Danube Macro-Regional Cooperation

- S3P registration:
  177 regions (23 MS + 4 non-EU)
  18 MS + Serbia & Moldova

- from **Danube:**
  23 regions (6MS+RS)
  9 MS + RS & MD

S3P peer-reviewed:
  60 regions + 15 MS

- from **Danube:**
  8 regions
  7 MS

Source: S3 Platform, September 2016

[http://s3platform.jrc.ec.europa.eu/home](http://s3platform.jrc.ec.europa.eu/home)
Smart Specialisation…

... as an *ex-ante conditionality* for the release of ERDF resources on Thematic Objective 1 (Research and Innovation)
   TO1 directly linked to 40 B EUR + indirectly TOs 1-4 >110 B EUR

... as a *leverage* for additional funding (national/regional/PPP) supporting identified S3 value chains in countries/regions
   = up to 6 times more!

... as a *trigger for change* in innovation policies (& strategies) + in overall transparency and participatory policy making

... as an *influential pattern* for other public investment policies (e.g. application to other EU policies – *enlargement* + thematic objectives and other EU policies)

... S3 towards a *cross-cutting policy paradigm??*
S3 Strategic Developments - EU

Thematic Smart Specialisation Platforms

Regional authorities

Business

Cluster organisations

Value chain Value chain Value chain Value chain Value chain Value chain Value chain Value chain Value chain Value chain

Joint actions and investments

Advanced Manufacturing KETs Resource Efficiency Service Innovation Value chain Value chain Value chain Value chain Value chain Value chain Value chain Value chain Value chain Value chain

European Strategic Cluster Partnerships for Smart Specialisation Investment

DG GROW

S3 Linking Public Admin. & Businesses at the EU level
Three steps of the 'Entrepreneurial Discovery Process' at the EU-level

1. Thematic Smart Specialisation Platform
   - Lead DGs & Lead Regions
   - Identifying potential synergies in regional S3 priorities

2. European Strategic Cluster Partnerships for S3 investments
   - Lead Clusters & Regions
   - Intercluster cooperation network for specific value chains/domains

3. Consortia for co-investment/joint demonstration
   - Lead Companies & innovation actors in clusters across regions
   - Projects and investment cases in particular value chains
Specific S3 Thematic Activities

1) Smart Specialisation Platform on Energy (S3P-Energy)

What? The S3P-Energy is designed to deliver change by:

- **Improving trans-regional learning**
- **Enhancing policy coordination among existing resources**: at national, regional and local levels.
- **Improving cross-policy coordination**: Linking the innovation and energy 'worlds'.
  - **Funding**: support the optimal and effective uptake of the Cohesion Policy Funds for energy.
  - **S3**: Help implementation of smart specialisation priorities related to energy

Why? Energy is among the most popular priorities selected in smart specialisation strategies across Europe, with over 2/3 of all EU territory choosing at least one energy-related priority.

S3P-Energy integrates and profits from JRC's multidisciplinary competences in energy!
Specific S3 Thematic Activities

2) Global value chains (GVC) in the context of smart specialisation

What is it about? The GVC aims at assisting regions in their efforts to facilitate the development of new value chains through the interconnection of regional eco-systems and their actors in quadruple helix in specific S3 investment areas.

Why? S3 is an engine for the development of European eco-systems that are necessary to gather critical mass for market breakthroughs.

How? Thematic S3 Platform provide a multi-level support mechanism, combining efforts at regional, national and European level, addressing in particular market and system failures that prevent breakthroughs, starting with information and coordination failures. The development of interregional collaboration is driven by opening-up regional smart specialisation strategies.

Thematic S3 Platform on Agro-Food & Thematic S3 Platform on Industrial Modernisation!
JRC-IPTS Activities in Associated Countries

Danube

Danube-INCO.net

Scientific support to EUSDR

JRC E&I Action

Foresight training

Targeted support
S3 Platform through 'Smartly Specialised Danube' has been supporting transnational collaboration and mutual learning through S3 approach in the enlargement and neighbourhood countries since early 2013.
S3 Beyond the EU... growing interest in...

• Norway and Switzerland (at national & regional level)
• EU Candidate and Neighbourhood countries (Serbia, Turkey, Tunisia, Moldova, Ukraine,...)
• Latin America (Chile, Brazil, Peru, Mexico), Australia & South Africa

Collaboration JRC-Ukraine on the S3

• JRC and the Commission support UA through active participation in S3 related projects (FP7 Danube INCO.NET) and through the JRC Enlargement & Integration Action (E&IA) S3 related activities.
• **JRC E&IA S3-support: Kick-off in 2016:**
  - Info days in target countries (MD 2/16; UA 9/16; RS 10/16)
  - Training seminar (7-9 Nov. 2016) & Immersion stay (10-11 Nov. 2016, Seville)
  - Policy roundtable at Open Evaluation Conference (Danube INCO.NET; 25 Nov. 2016, Vienna)
  - Set up of expert support (1 expert per country)
  - Possibly participation in EDP events of the lagging regions' project.
Joint Research Centre
Commission's in-house science service

Serving society
Stimulating innovation
Supporting legislation

Thank you for your attention!

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