



Interreg



Danube Transnational Programme

EDU-LAB

EDU-LAB wp3:

e-learning course 4:

**Strengthening the regional
economic development**

Theme 4: RIS3/Smart specialization

**Session 1: Definition of RIS3,
policy context, potential**

Definition of RIS3

National / **Regional** research and innovation strategies for smart specialisation (RIS3) are integrated, place-based economic transformation agendas that do five important things:

1. They focus policy support and investments on key national/regional priorities, challenges and needs for knowledge-based development, including ICT-related measures;
2. They build on each country's/region's strengths, competitive advantages and potential for excellence;
3. They support technological as well as practice-based innovation and aim to stimulate private sector investment;
4. They get stakeholders fully involved and encourage innovation and experimentation;
5. They are evidence-based and include sound monitoring and evaluation systems.

Definition of RIS3

The RIS3 approach is relevant to all three priorities of Europe 2020 i.e. smart, sustainable and inclusive growth:

1. First of all, smart specialisation matters for the future of Europe because the development of an economy based on knowledge and innovation remains a fundamental challenge for the EU as a whole.
2. Secondly, smart specialisation is relevant to achieve sustainable growth, as an important innovation effort and considerable investment is required to shift towards a resource-efficient and low carbon economy, offering opportunities in domestic and global markets.
3. Finally, smart specialisation contributes to inclusive growth between and within regions by strengthening territorial cohesion and by managing structural change, creating economic opportunity and investing in skills development, better jobs and social innovation.

Definition of RIS3

The concept of smart specialisation is also consistent with and supports the main reform goals of the proposals for the EU Cohesion Policy 2014-2020, published in October 2011:

- delivering the Europe 2020 objectives of smart, sustainable and inclusive growth,
- reinforcing policy performance and focus on results,
- maximising the impact of EU funding through thematic concentration.

Definition of RIS3

Within the new Cohesion Policy, smart specialisation has been proposed as an 'ex-ante conditionality'. This means that every Member States and region have to have such a well developed strategy in place, before they can receive EU financial support through the Structural Funds for their planned innovation measures. This conditionality applies specifically for two of the 11 thematic objectives of the ERDF:

- strengthening research, technological development and innovation (R&I target),
- enhancing access to and use of quality of ICT (ICT target).

Definition of RIS3

It is of crucial importance to understand the strong **process** element of smart specialisation and the eminent role the various **innovation stakeholder and entrepreneurs** are asked to play within that process in each Member State and Region. Their knowledge and commitment is key to identifying those priority areas and knowledge-based investments that are most likely to deliver growth and jobs in the regions.

Smart specialisation is pointing **regions** towards more strategic cross-border and trans-regional cooperation to achieve more critical potential and related variety.

Definition of RIS3 – Legal base

The Regulation (EU) 1301/2013 of the European Parliament and of the Council of 17 December 2013 is a legal base which defines ‘smart specialisation strategy’:

‘Smart specialisation strategy’ means the national or regional innovation strategies which set priorities in order to build competitive advantage by developing and matching research and innovation own strengths to business needs in order to address emerging opportunities and market developments in a coherent manner, while avoiding duplication and fragmentation of efforts.

A smart specialisation strategy may take the form of, or be included in a national or regional research and innovation (R&I) strategic policy framework.

Smart specialisation strategies shall be developed through involving national or regional managing authorities and stakeholders such as universities and other higher education institutions, industry and social partners in an entrepreneurial discovery process.

Definition of RIS3 – Legal base

The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well-performing national or regional R&I systems is a prerequisite for the effective and efficient achievement of a specific objective for all investment priorities under thematic objective no 1:

Strengthening research, technological development and innovation.

Definition of RIS3 – Legal base

The RIS3 ex-ante conditionality requires EU Member States and regions to have smart specialisation in place that:

- is based on a SWOT or similar analysis to concentrate resources on a limited set of research and innovation priorities;
- outlines measures to stimulate private research, technology and development (RTD) investment;
- contains a monitoring and review system;
- sees a Member State has adopted a framework outlining available budgetary resources for research and innovation; and
- a Member State has adopted a multi-annual plan for budgeting and prioritisation of investments linked to EU priorities (European Strategy Forum on Research Infrastructures –ESFRI).

Definition of RIS3 – Legal base

Smart specialisation is about identifying the unique characteristics and assets of each country and region, highlighting each region's competitive advantages, and rallying regional stakeholders and resources around an excellence-driven vision of their future. It also means strengthening regional innovation systems, maximising knowledge flows and spreading the benefits of innovation throughout the entire regional economy.

It is about reconciling two logics of political action:

- setting vertical priorities regarding fields, technologies, activities rather than generic priorities such as increasing cooperation between research and industry or improving human capital;
- involving dynamism, competitive entries and entrepreneurial knowledge combining science, technology, engineering with knowledge of market developments, business needs and emerging opportunities.

What is new is that the Commission proposes to make such strategies a pre-condition for ERDF funding. Thus EU Members States and regions must have RIS3 strategies in place before their Operational Programmes supporting these investments are approved.

Smart Specialisation

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

What is Smart Specialisation?

- = **fact-based**: all assets + capabilities + bottlenecks in a region, incl. external perspective, cooperation potential, global value chains
- = no top-down decision but **dynamic entrepreneurial discovery process** uniting key stakeholders around shared vision
- = **all forms of innovation**, not only technology-driven, existing / new knowledge
- = **ecosystem** approach: creating environment for change, efficiency of institutions

- = **differentiation**: focus on competitive advantages, potential for excellence, emerging opportunities, market niches, at the level of activities - granularity
- = **concentration of resources** on priorities, problems and core needs, for critical mass/critical potential
- = **synergies** across different departments and governance levels (EU-national-regional); cross-sector/technology links – **NO Silos Thinking!**
- = **place-based economic transformation**: rejuvenate traditional sectors through higher-value activities; aiming at developing a strategic approach to territorial development

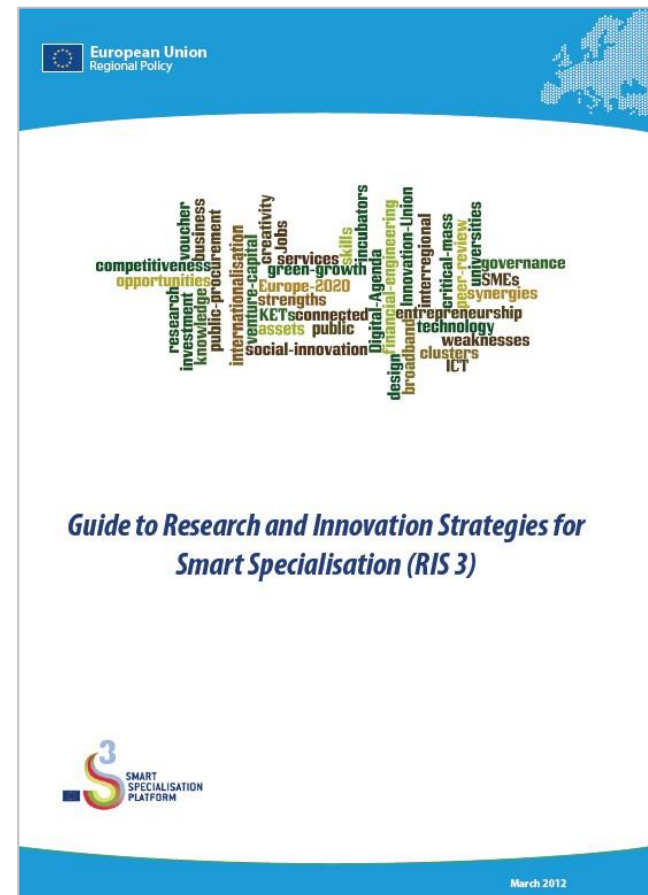
The RIS3 Guide

Edited by JRC IPTS in association with
DG REGIO and with contributions from:

- D. Foray, P. McCann, J. Goddard,
K. Morgan, C. Nauwelaers, R. Ortega
- Commission officials from various DGs
- S3 Platform research team

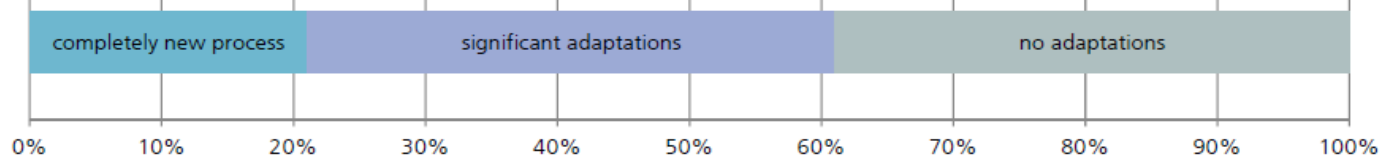
Available on the S3 Platform webpage!

<http://s3platform.jrc.ec.europa.eu>

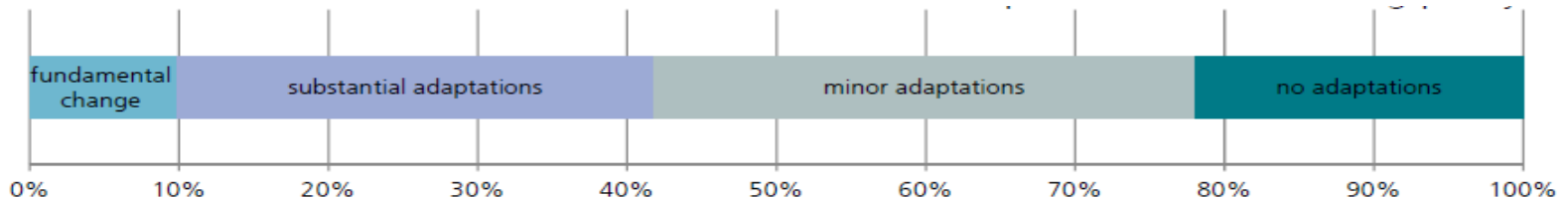


Smart Specialisation – Trigger for Change

60% of regional policy makers stated that S3 introduced significant adaptations in the stakeholder involvement process (and 20% spoke about a “completely new process”)



More than 40% stated that the S3 initiated substantial adaptations to the existing policy mix.

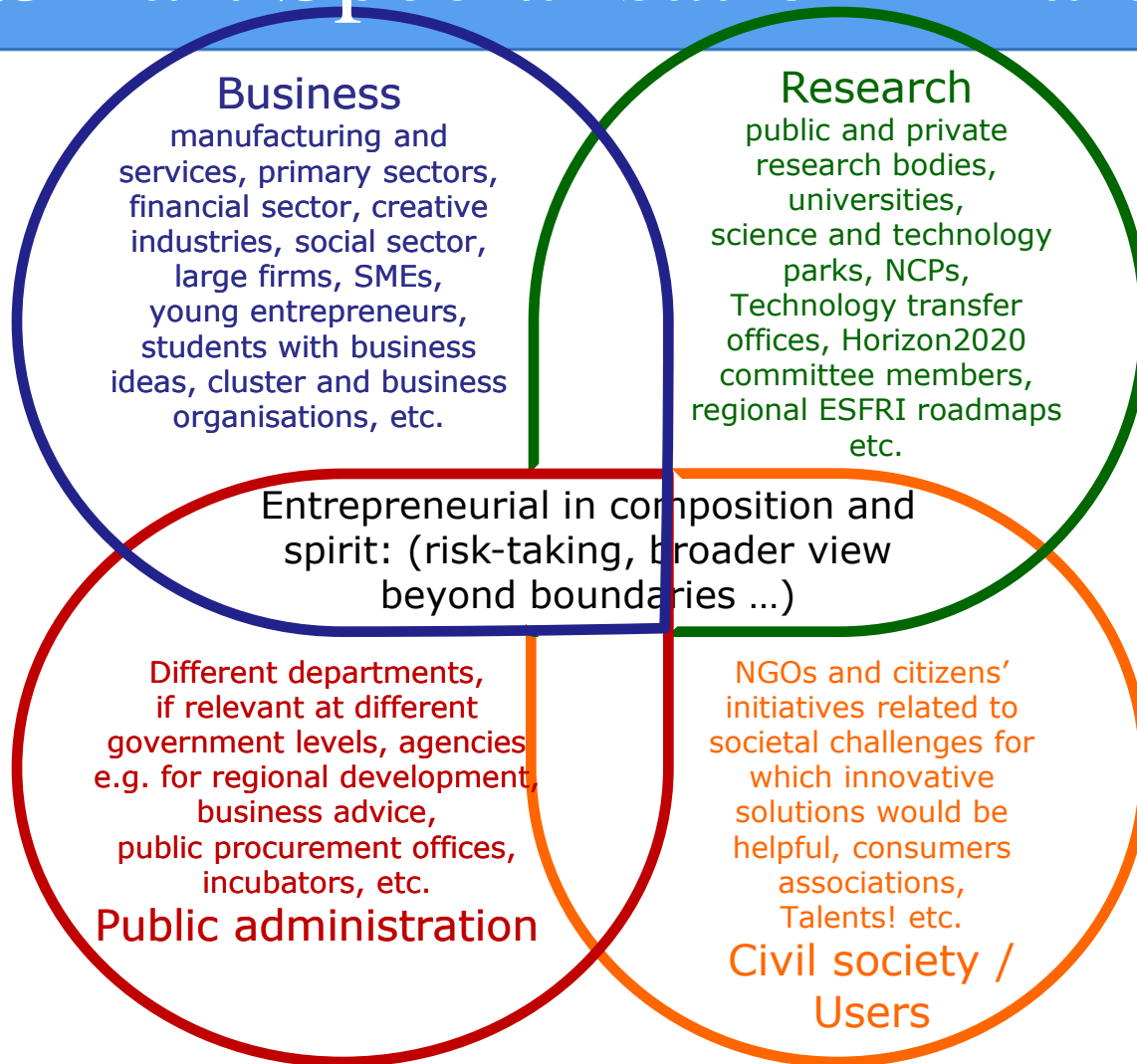


More than 40% of respondents stated that smart specialisation had a high potential to trigger economic transformation in their regions/countries, with a further 38% highlighting an at least moderate potential.

More than two thirds of the respondents stated that S3 has triggered the introduction of “new elements of governance” and more than 90% specified that these novelties will be maintained.

Source: Surveys by Fraunhofer ISI across ESIF managing authorities, relevant regional innovation policy makers and selected consultants across the EU (2013-4-5).

Smart Specialisation – Participatory ...



...and an ongoing process

- Businesses are best placed to lead the identification of new opportunities for growth in a rapidly globalising economy
- The process of discovery of the new niches/markets inspire public policies on innovation



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:

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

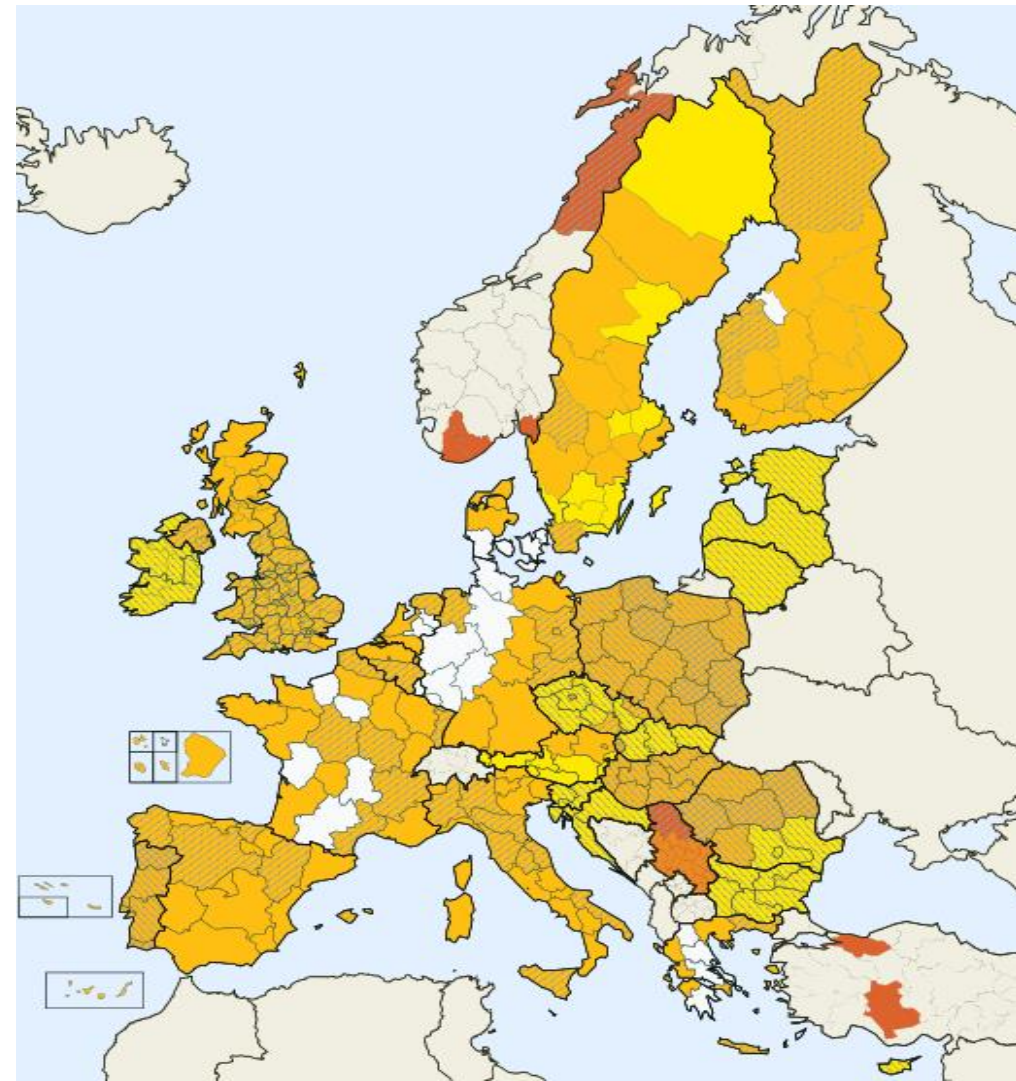
In the scientific community - Contribution to the conceptual and methodological debate around smart specialisation

Smart Specialisation Platform

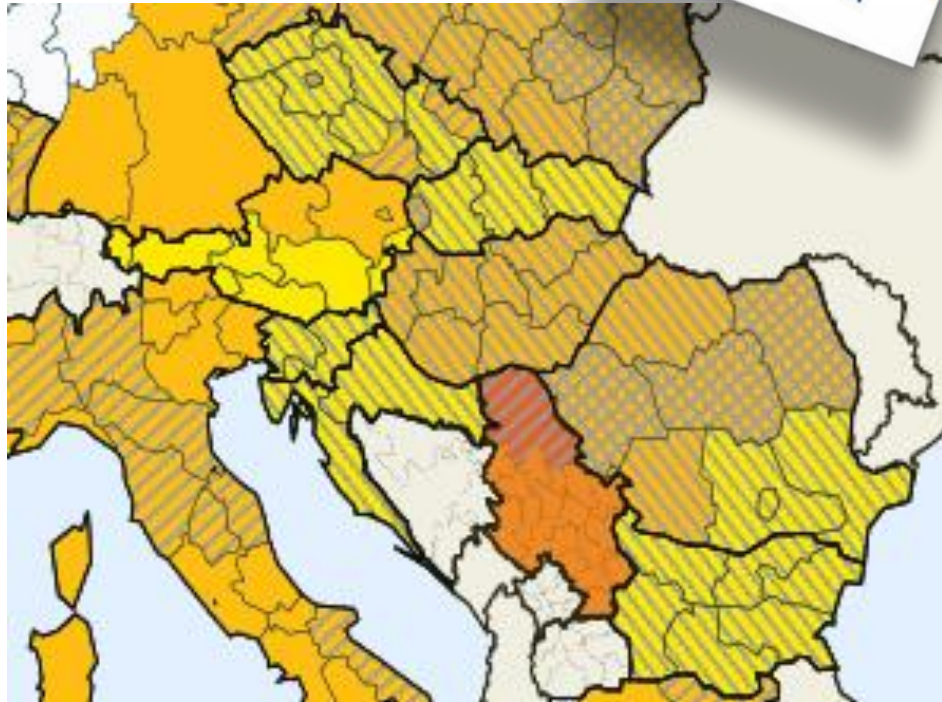


Key Data:

- **Wide membership:** 171 regions + 19 countries
- Open to the Non-EU regions / countries!
- Strong endorsement by national/regional policy makers
- Political **endorsement** at EU level



S3P support to the Danube Macro-Regional Cooperation

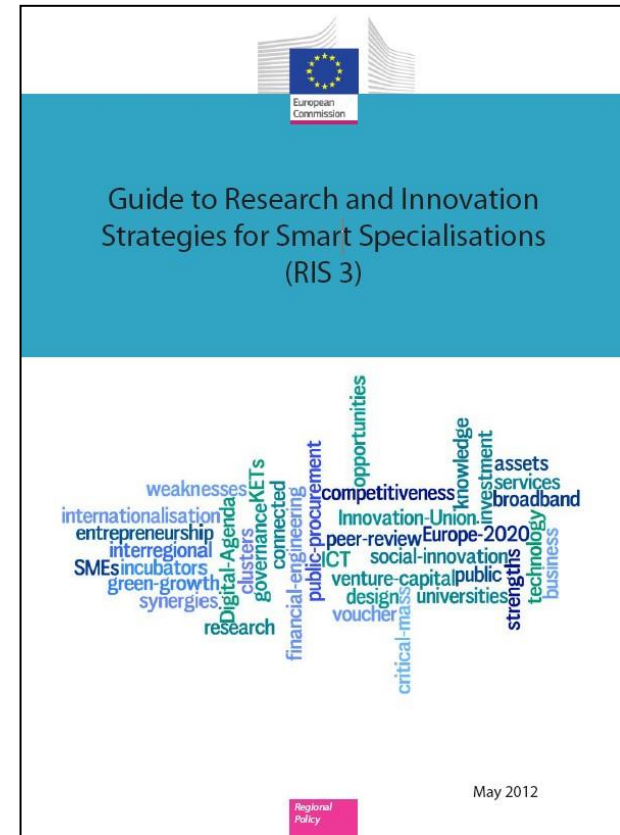


- 171 regions (23 MS + 3 non-EU)
18 MS + Serbia
- from Danube:
23 regions (6MS+RS)
9 MS
- S3 Peer-reviewed:
60 regions + 15 MS
- from Danube:
8 regions
7 MS

<http://s3platform.jrc.ec.europa.eu/home>

Source: S3 Platform, February 2016

THE MAIN STEPS FOR DEVELOPING A RIS3



Key steps for developing RIS3

Step 1 – Analysis of regional context/potential

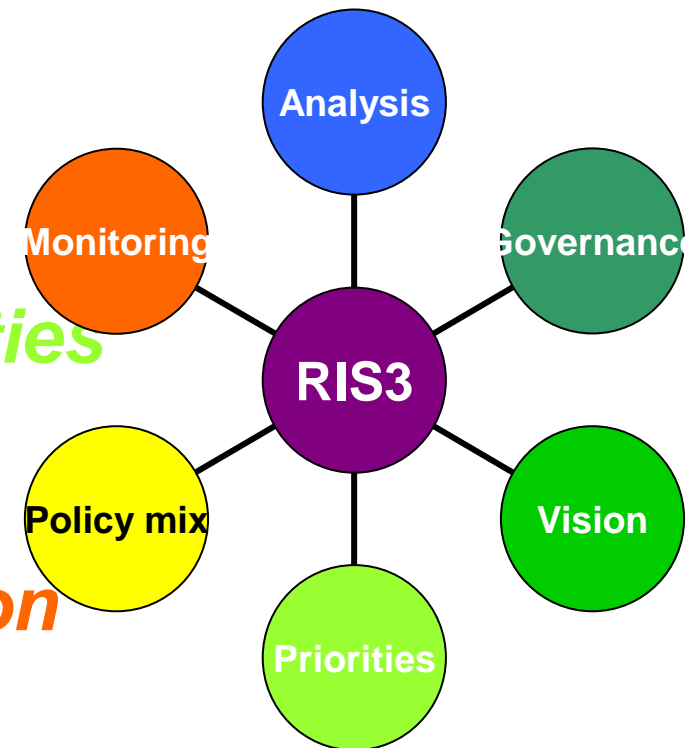
Step 2 – Governance

Step 3 – Vision for the future

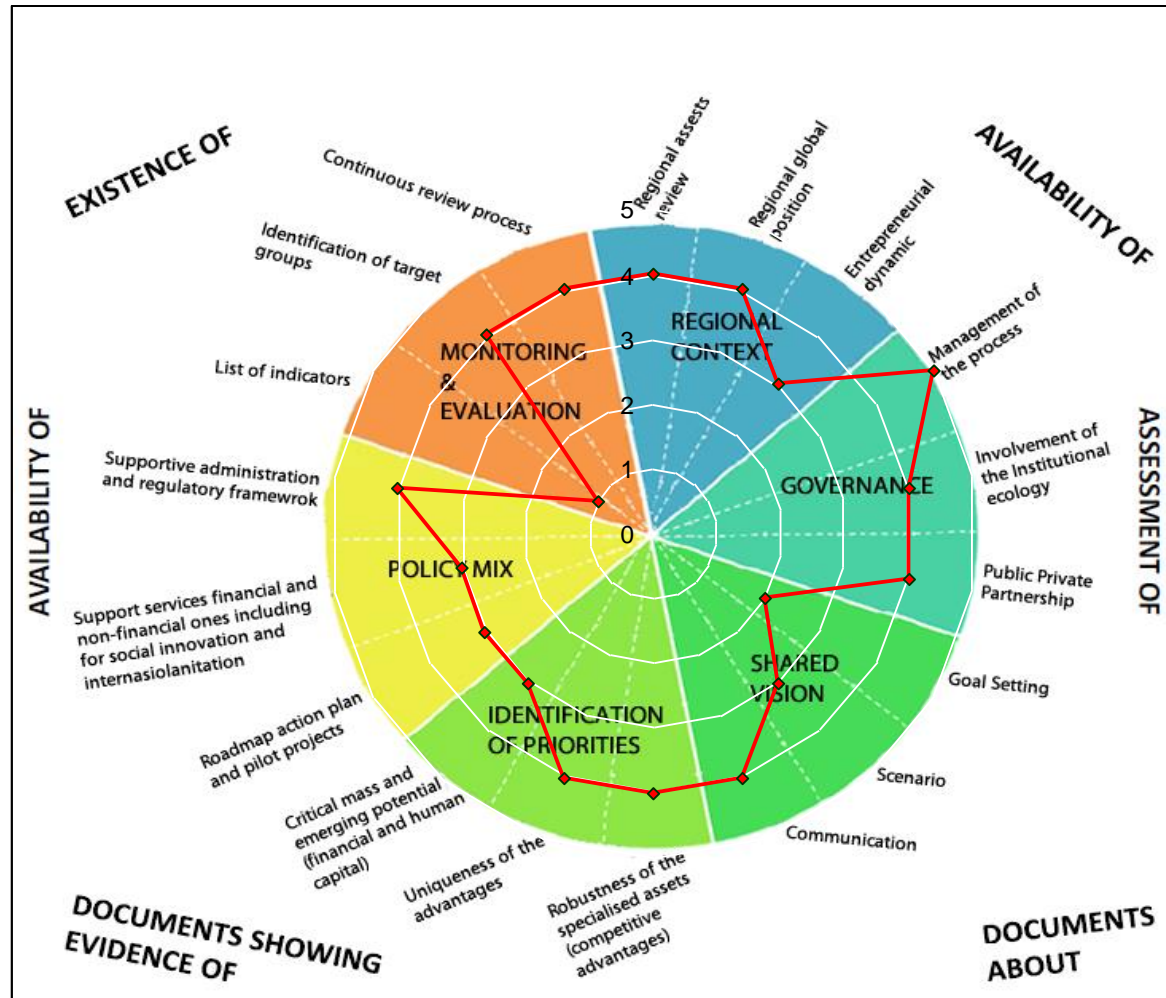
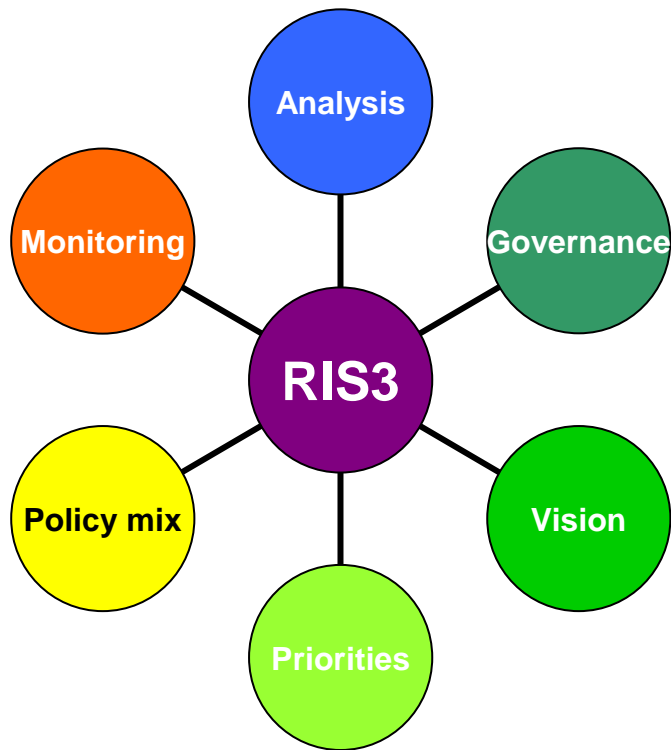
Step 4 – Identification of priorities

Step 5 – Policy mix

Step 6 – Monitoring & evaluation



RIS3 Design vs. RIS3 Assessment



Step 1 – Analysis of regional context and potential for innovation (I)

- A broader definition of innovation, not just RTD-oriented
- Assess existing regional assets
- Identify regional competitive advantage
- Detect emerging niches for smart specialisation
- Combine methods (e.g. foresights, SWOT approach, surveys, working groups, interviews, etc.)



Step 1 – Analysis of regional context – looking out – and potential for innovation (II)

Outward-looking Analysis:

- Assess country's positioning with regard to other countries and regions in Europe
- Beware of global companies and value chains
- Find complementarities with other regions to join wider networks
- Avoid 'blind' duplication, discover possibilities for collaboration



Step 1 – Analysis of regional context and potential for innovation (III)

Analysis of entrepreneurial dynamics and identification of future opportunities:

- Different types of actors
- Spirit of the entrepreneurial environment
- Involvement of entrepreneurial actors in the regional economy
 - Firms, but also Universities, Technology Centers, Venture Capitalists, Regional Development Agencies..



Step 2 – Governance: ensuring participation and ownership

Wider engagement of stakeholders:

- Interactive and consensus based
- From Triple Helix governance model to *Quadruple Helix* including demand side perspective
- Setting up a Steering Group, Management Team, Working groups, flagship projects...



Step 3 – Developing an overall vision of the region's future

Shared vision of the region's potential and main directions for its international positioning:

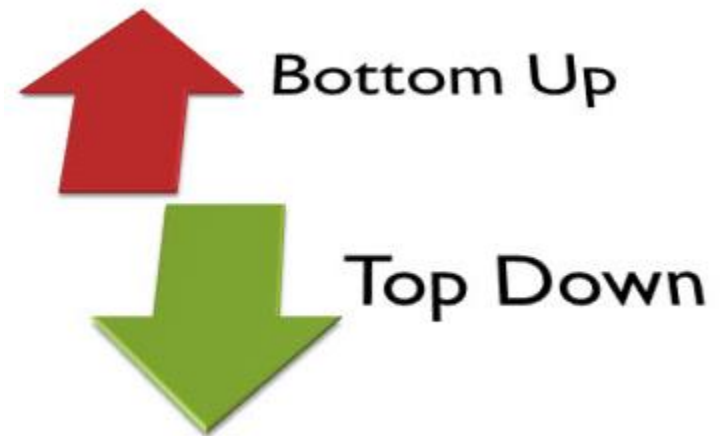
- Shared, ambitious but realistic
- Agenda for transformation: formulate different scenarios based on analyses and debate where your region wants to go
- Motivating, addressing societal challenges



Step 4 – Identification of priorities

Decision-making step where top-down meets bottom-up:

- Focus on a limited number of areas with potential for smart specialisation as emerged from entrepreneurial discovery
- Areas where the region hopes to excel
- Avoid capture by interest groups!
- Pay attention to horizontal priorities (Key Enabling Technologies, ICT etc.)



Step 5 – Implementation, definition of a coherent policy mix, roadmaps and action plan

- Defines roadmaps, action plan and pilot projects corresponding to the objectives
- Which tools do you need to overcome identified challenges in order to reach your goals?
- Includes measurable targets, result and outcome indicators
- Defines realistic timeframes
- Identifies sources of funding and budget allocations



Step 6 – Integration of monitoring and evaluation mechanisms

Mechanisms *integrated* in the strategy:

- Monitoring → to verify the correct and efficient implementation of activities
- Evaluation → to verify whether and how strategic goals are met
- Importance of measurable targets and output/result indicators

Monitoring & Evaluation



Main sources (pdf available):

1. Guide to Research and Innovation Strategies for Smart Specialisation (RIS 3) May 2012
2. The role of universities in Smart Specialisation Strategies, European University Association asbl · Avenue de l'Yser 24 · 1040 Brussels, Belgium, EUA Publications 2014

Thank you for your attention!