Joint Research Centre

the European Commission's in-house science service

Serving society
Stimulating innovation
Supporting legislation

Smart Specialisation – What is there for the Countries beyond the EU

Dr. Ales Gnamus

Smart Specialisation Platform

JRC, Growth & Innovation Directorate

www.ec.europa.eu/jrc

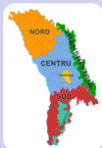European Commission

Outline

 What is Smart Specialisation

 S3 Platform Activities

 S3P activities is the EU Enlargement and Neighbourhood countries

 Launching S3 in Moldova

Smart specialisation in the EU

REGULATION (EU) 1303/2013
Applies to the European Regional
Development Fund (ERDF)

Ex-ante conditionality
A national or regional smart
specialisation strategy is in place that:

- **concentrate resources** on a
  limited set of R&I priorities

- to **maximise the positive impact**
  on growth and jobs

over 120 smart specialisation
strategies for ERDF prepared

more than EUR 40 billion allocated

to create 350 000 new jobs by the end
of the programming period
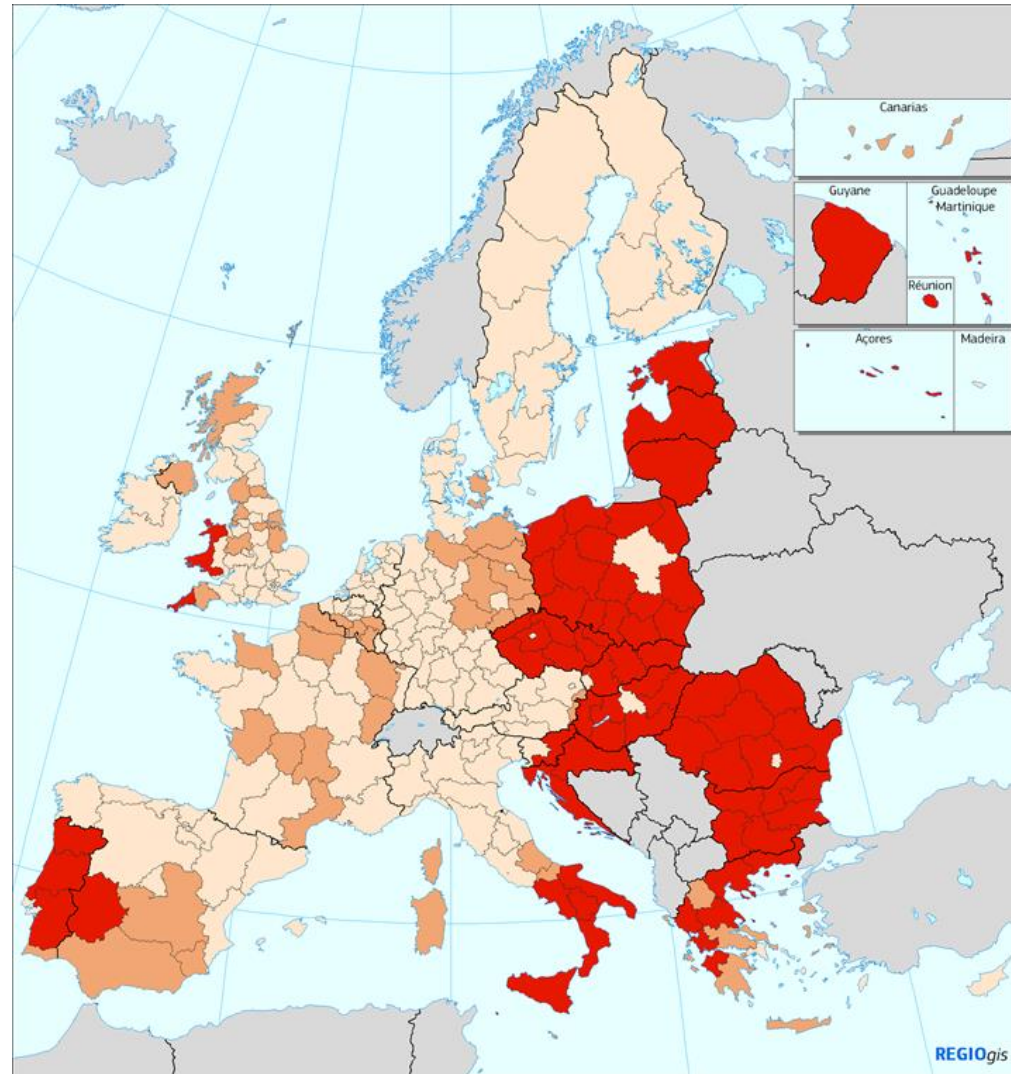
Eligibility map 2014-20

- Less developed region (GDP/head: less than 75%)
- Transition regions (GDP/head between 75% and 90%)
- More developed region (GDP/head: more than 90%)

2014-2020 ERDF Eligibility map
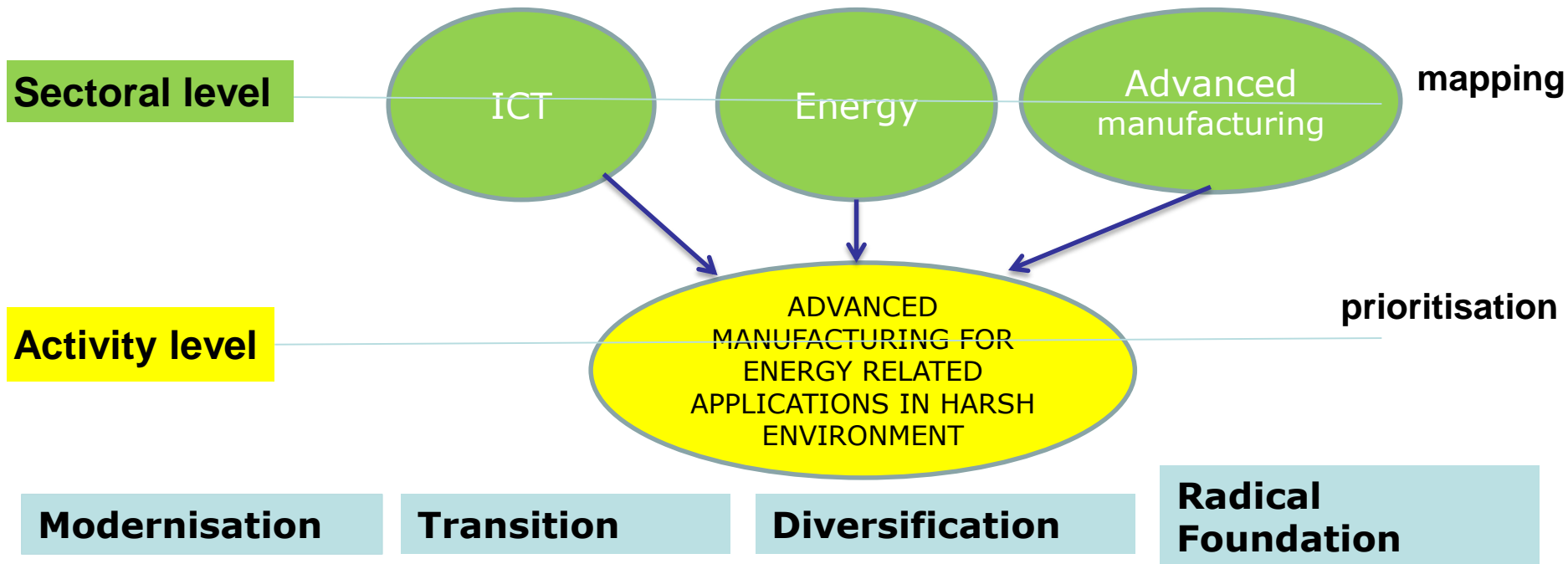based on GDP per capita in
PPS, 2007-2009

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
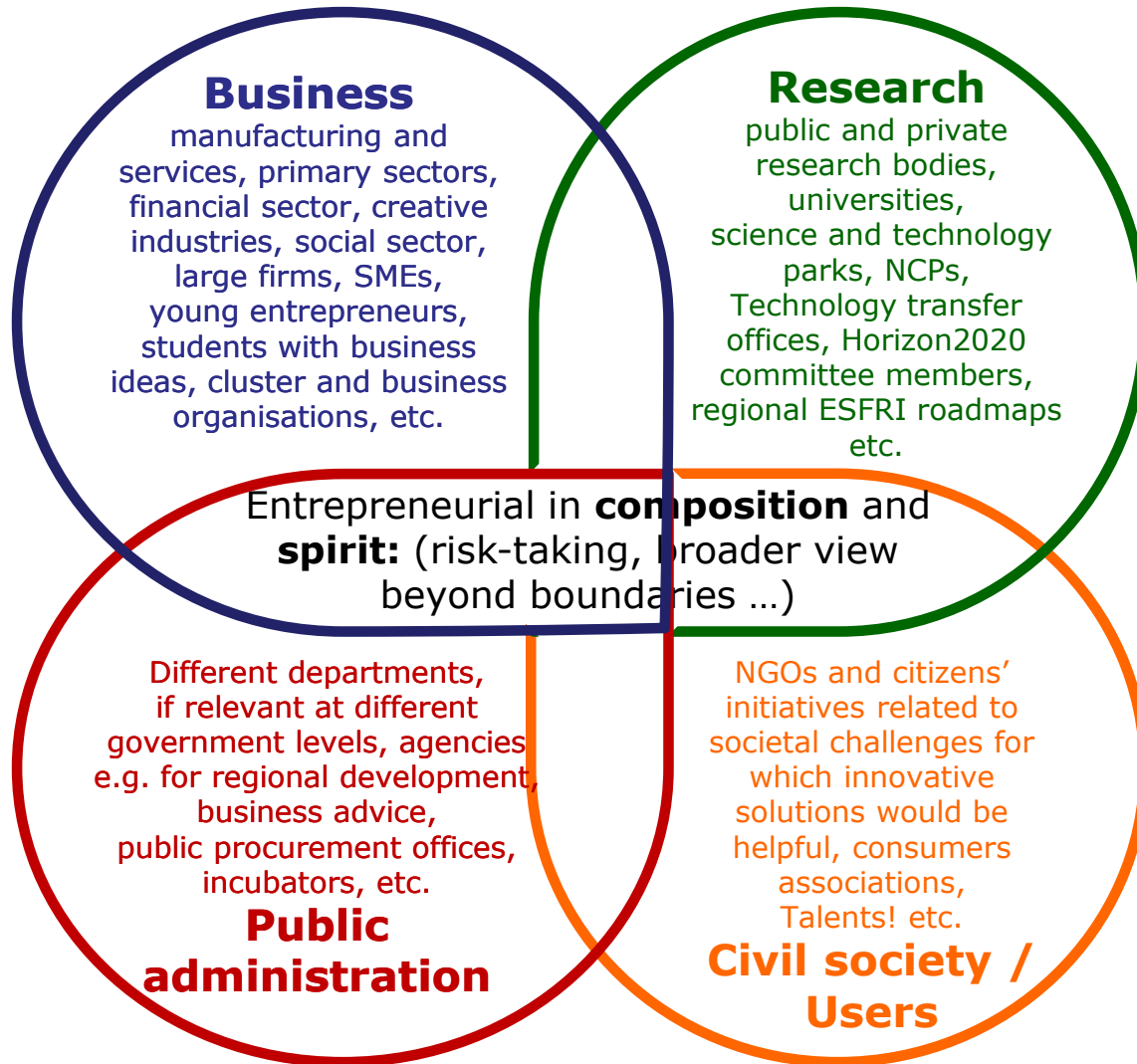
S3: The Notion of Specialisation

S3 is about developing new specialities based on regional concentration of knowledge, competence and market potentials (dynamic)

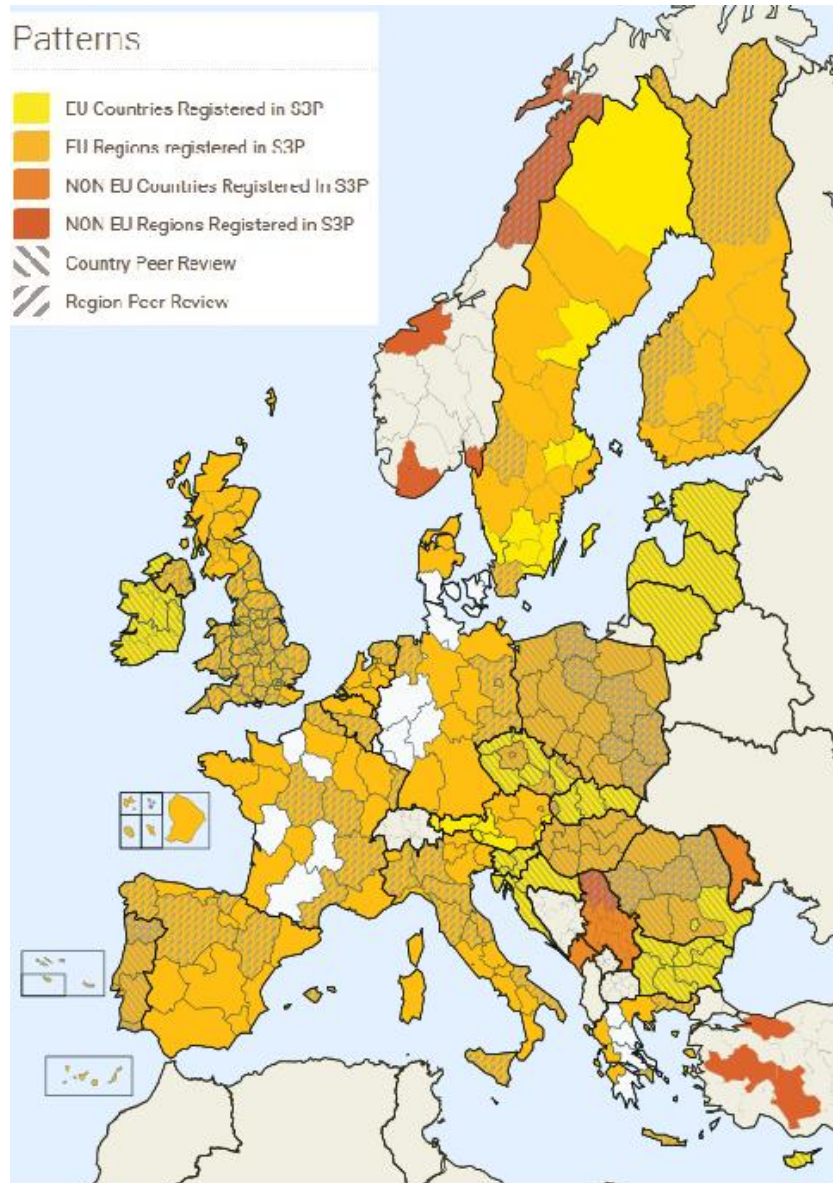*S3 is NOT to be understood as a sector specialised or relative to other regions (passive)*

Sectoral level

ICT

Energy

Advanced manufacturing

mapping

Activity level

ADVANCED MANUFACTURING FOR ENERGY RELATED APPLICATIONS IN HARSH ENVIRONMENT

prioritisation

Modernisation   **Transition**   **Diversification**   **Radical Foundation**

Smart Specialisation – Participatory…

Business
manufacturing and services, primary sectors, financial sector, creative industries, social sector, large firms, SMEs, young entrepreneurs, students with business ideas, cluster and business organisations, etc.

Research
public and private research bodies, universities, science and technology parks, NCPs, Technology transfer offices, Horizon2020 committee members, regional ESFRI roadmaps etc.

Entrepreneurial in **composition** and **spirit:** (risk-taking, broader view beyond boundaries …)

Different departments, if relevant at different government levels, agencies e.g. for regional development, business advice, public procurement offices, incubators, etc.

Public administration

NGOs and citizens' initiatives related to societal challenges for which innovative solutions would be helpful, consumers associations, Talents! etc.

Civil society / Users

…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

Broad membership

Patterns

- EU Countries Registered in S3P
- EU Regions registered in S3P
- NON EU Countries Registered in S3P
- NON EU Regions Registered in S3P
- Country Peer Review
- Region Peer Review

Guidance - Analysis - Support

Comprehensive guidance tools – RIS3 Guide, Digital Agenda Toolbox, FAQs, Implementation Handbook

S3 Publication series - Policy briefs co-authored with leading academics and practitioners; Working papers contributing to conceptual and empirical developments related to smart specialisation

Supporting tools: S3 self-assessment (assessment wheel), regional S3 priorities (EYE@RIS3), regional benchmarking, bilateral trade flows, ESIF investment

Some achievements

Wide membership: 180 regions, 21 countries (incl. non EU: RS, MD, ME & regions from NO & TR)

Strong endorsement by national/regional policy makers: average 4.5/5 satisfaction ranking

High "fidelisation rate": >50% of regions attending workshops come back

Political endorsement at EU level: EC (Hahn, Cretu), EP (Winkler), CoR (Markkula), Council

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

Guide to Research and Innovation
Strategies for Smart Specialisations
(RIS 3)

IMPLEMENTING
SMART
SPECIALISATION
STRATEGIES

A HANDBOOK
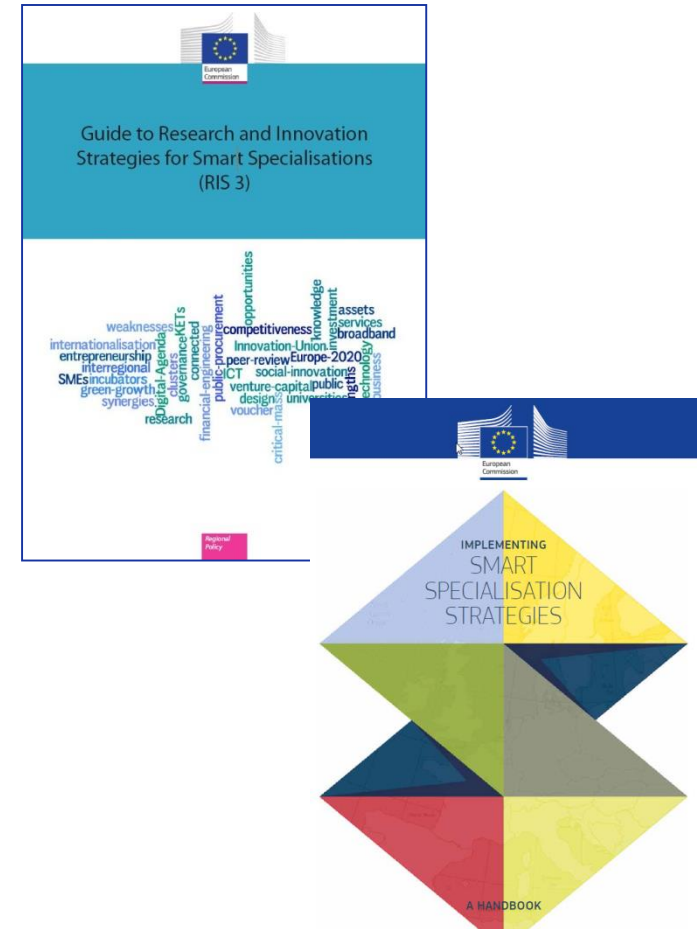
Available on the **S3 Platform webpage**
http://s3platform.jrc.ec.europa.eu

European
Commission

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*
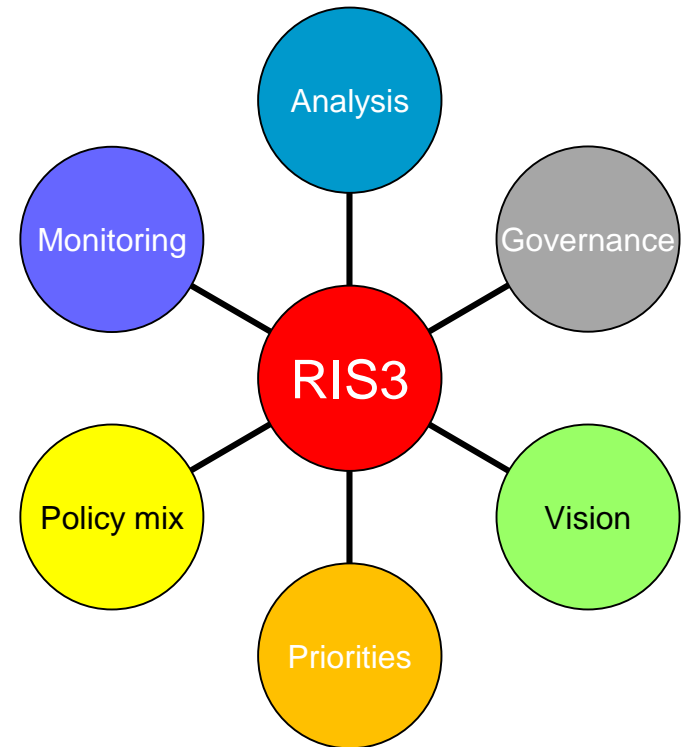
RIS3 Assessment – MOLDOVA

Expert assessment
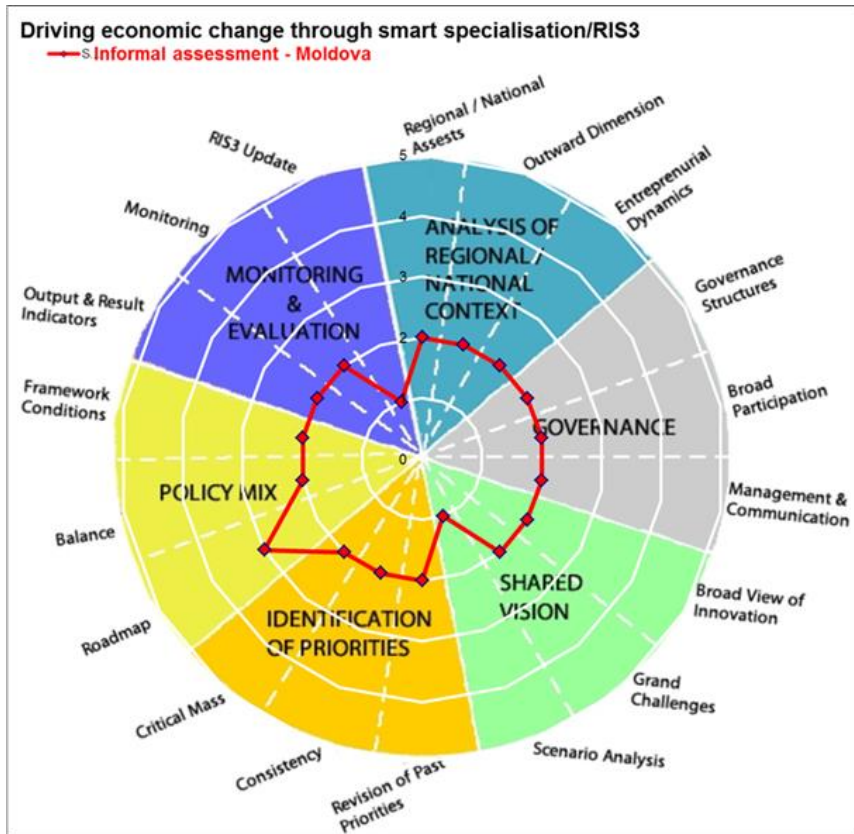
National assessment
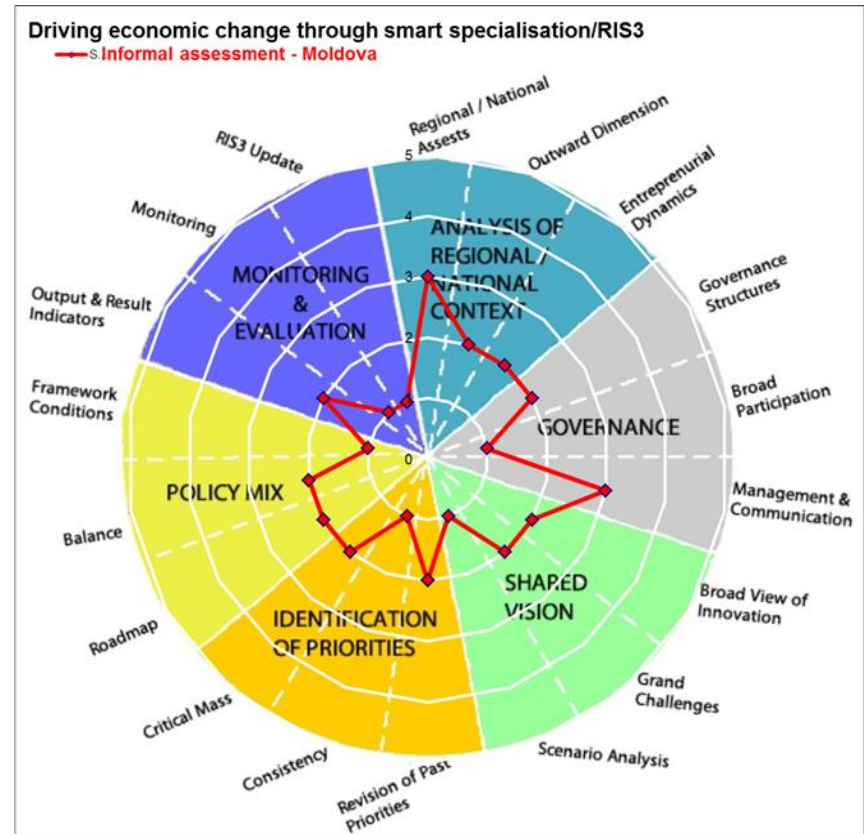
Main activities of the S3 Platform

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

S3 Website & Newsletters

Trans-national focus Peer Reviews (in total 75 regions/countries)

S3 Interactive web tools

S3 SMART SPECIALISATION PLATFORM

Peer eXchange & Learning Thematic focus on actors, process, common features and priorities

RIS3 assessment and support to REGIO desks

Support to the EU Macro-Regional Strategies & Alignment of innovation roadmaps

Focused approach on Value Chains - Thematic S3 Platforms: Energy, Agro-Food, Industrial Modernisation....

DANUBE REGION strategy

EUSBSR EU STRATEGY FOR THE BALTIC SEA REGION
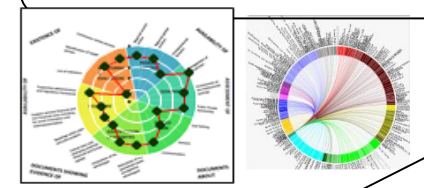
Main S3 Online Tools (I)

Benchmarking Regional Structure
Reference regions = those that share similar structural conditions relevant for innovation-driven economic developm.

Main S3 Online Tools (II)

Inter-regional Trade and Competition Tool
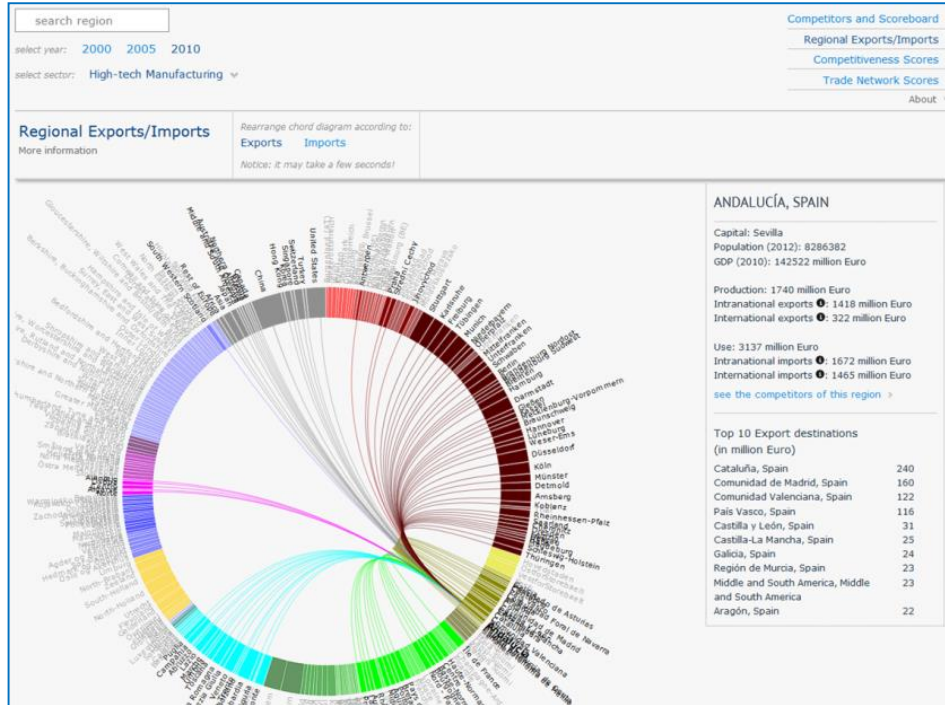
Visualising the trade flows (yrs 2000/2005/2010) between 256 European NUTS2 regions and with the rest of the world.
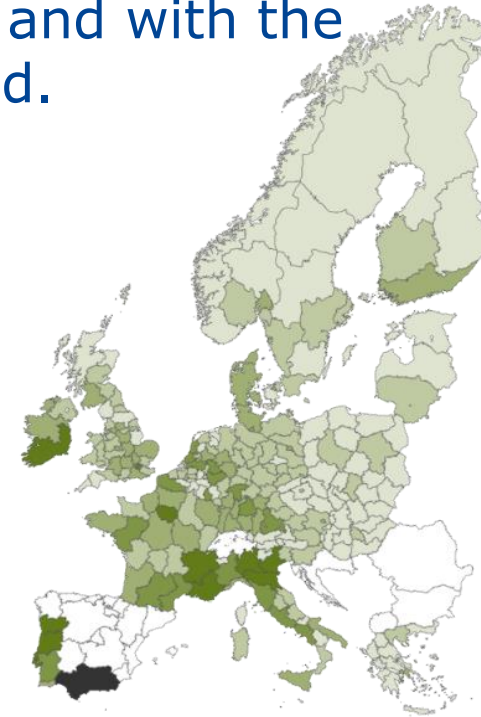
The revealed competition map shows which region competes internationally with whom, on what and where.

Note! BG, HR and RO not covered! Similarly Non-EU countries not covered!

Main S3 Online Tools (III)
"EYE@RIS3" tool mapping S3/R&I priorities

In total >1380 of regional/national R&I priorities in Europe encoded!

Main S3 Online Tools (IV)
ESIF-Viewer (visualising planned investments using European Structural and Investment Funds)

Countries	Regions	OP Types	Intervention fields
All selected (28) ▾	All selected (209) ▾	All selected (4) ▾	All selected (17) ▾

▸ Show advanced filters

▸ Show selected search parameters

Reset   Search

Legend:
- > 2800
- 1967 - 2800
- 1134 - 1967
- 301 - 1134
- < 301
- No data
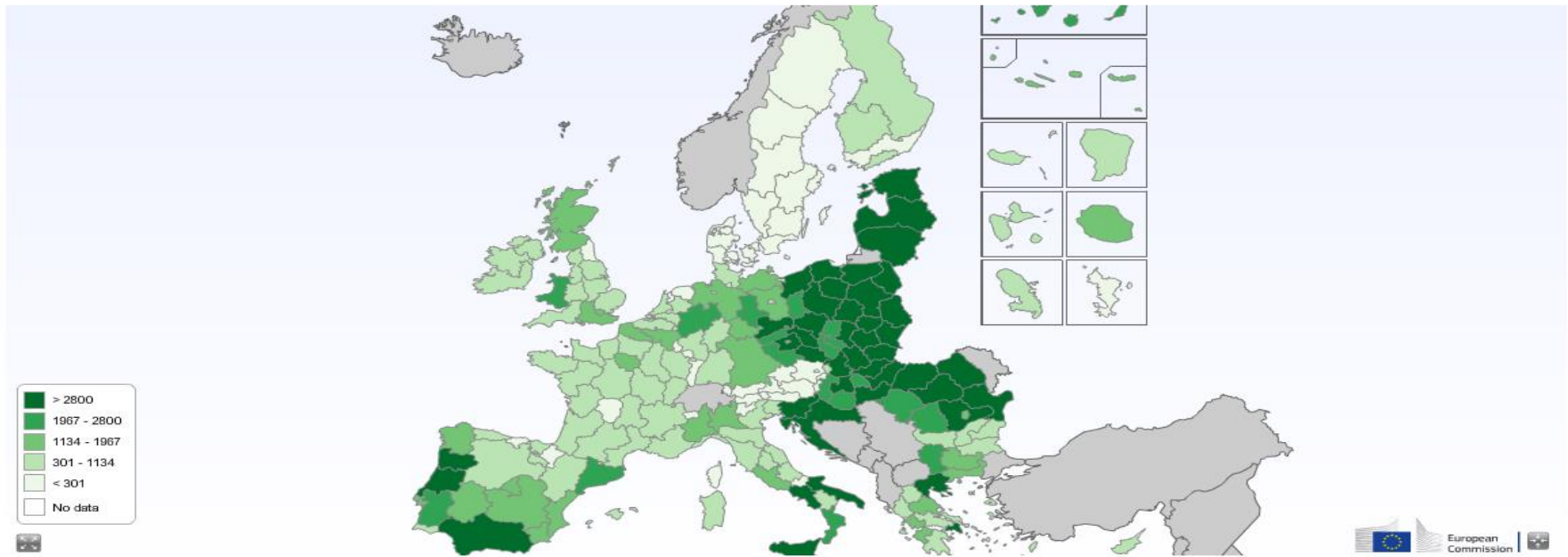
Total: 346,957 million

🔗 Share this search

📄 Export summary to pdf   📄 Export summary to csv   📄 Export summary to word

Grouped by country (28) | By region (209) | By operational programme (380) | By category of intervention (123) | By thematic objective (13)

http://s3platform.jrc.ec.europa.eu/esif-viewer

S3 Thematic Platfoms

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.

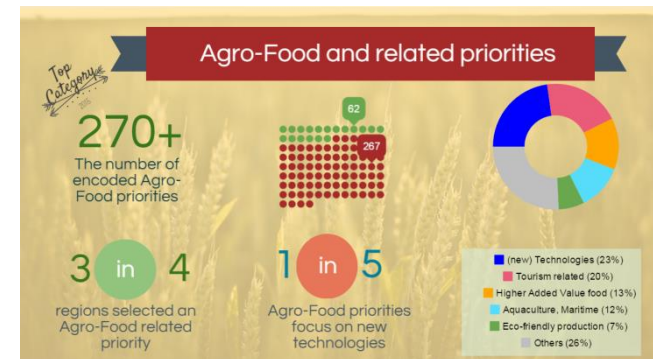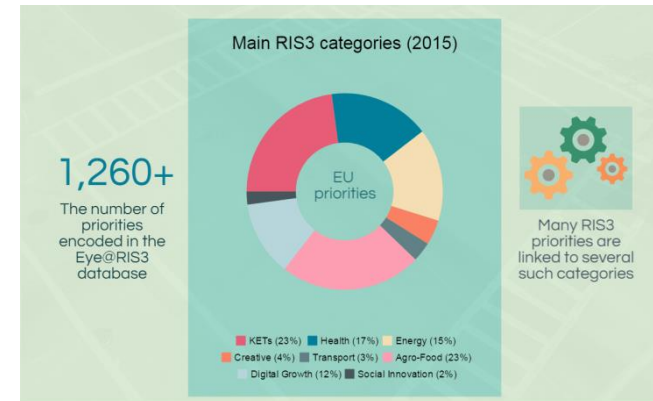**Why?** S3 is an engine for the development of European eco-systems that are necessary to gather critical mass for market breakthroughs.

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 Platforms on Energy, Agro-Food, Industrial Modernisation

TOP RIS3 PRIORITIES 2015

Analysis of the most prominent smart specialisation areas and related sub-areas.

Main RIS3 categories (2015)

1,260+
The number of priorities encoded in the Eye@RIS3 database

EU priorities

Many RIS3 priorities are linked to several such categories

KETs (23%)   Health (17%)   Energy (15%)
Creative (4%)   Transport (3%)   Agro-Food (23%)
Digital Growth (12%)   Social Innovation (2%)

Agro-Food and related priorities

270+
The number of encoded Agro-Food priorities

62
267

3 in 4
regions selected an Agro-Food related priority

1 in 5
Agro-Food priorities focus on new technologies

(new) Technologies (23%)
Tourism related (20%)
Higher Added Value food (13%)
Aquaculture, Maritime (12%)
Eco-friendly production (7%)
Others (26%)

European Commission

Smart Specialisation beyond the EU

JRC's Enlargement and Integration Action

S3 pilot project - Serbia, Moldova & Ukraine
Support (awareness/trainings/advice/expertise)

Identification of **economic competitive advantages** by exploitation of the innovation potential

Building **Entrepreneurial Discovery Process-** engaging **business, academia, research, policy makers and civil society** in search of the **smart specialisation priorities**

Designing the **smart specialisation strategy** and setting the necessary **governance structures**

Why Smart Specialisation beyond the EU ?

AN OPPORTUNITY *to advance economic reforms:*

- **to kick-off and promote structural change and economic transformation.**

- **to advance the on-going economic reforms and to improve R&I policies**

- **to improve the governance of R&I strengthening existing institutional structures and developing interaction mechanisms**

Why Smart Specialisation beyond the EU ?

AN OPPORTUNITY *for businesses*

- **to create transnational linkages and connections to global value chains and to get paths to new markets**

- **to gain from technology and knowledge transfer and transnational extensions contributing with new knowledge or capabilities**

- **access to additional funding sources and access to the EU programmes**

European Commission

Timeline of the JRC activities in support of the E&N countries

2013
- S3 trainings in Belgrade & Skopje (RS/MK)
- S3 for Danube seminar

2014
- Peer review in Novi Sad (RS)
- S3 for Danube workshop

2015
- JRC Annual EUSDR Event with particular attention to non-EU Danube partners

2016
- S3 design WS in Chisinau (MD)
- JRC S3 info day in Kiev (UA)

2017
- Launch JRC S3 pilot project for **Serbia, Moldova Ukraine**

4TH ANNUAL FORUM OF THE EU STRATEGY FOR THE DANUBE REGION

R&D and Innovation in Western Balkans
Moving Towards 2020
Ines Marinkovic and Elke Dall, Editors

wbc-inco.net

INFORMATION EVENT ON

Research and Innovation Strategies for Smart Specialisation (RIS3)

15 September 2016
National Academy of Sciences of Ukraine,
Great Conference Hall, Kiev
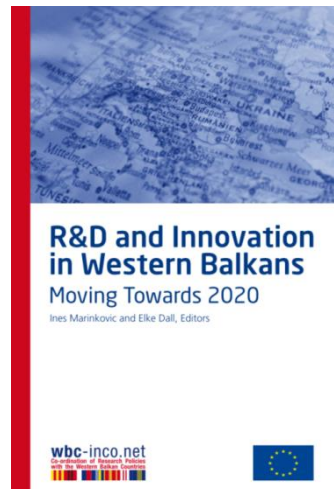
Recent & planned S3 pilot activities

Preparatory	Mapping	EDP

2017
23-27 Jan

2017
5-7 April

2017
3-5 July

2017
5 Oct

- **S3 Training Seminar in Seville** for pilot country officials in Seville

- **Start S3 event in Chisinau**
- Launching S3 Mapping

- Discussing first R&I mapping resullts

- **Presenting S3 mapping results for Moldova at SME conference in Chisinau**

Mapping Economic, Innovation & Scientific Potentials of Moldova

Preliminary priority areas

North

- Agriculture and Food processing
  - Crop and animal production (A01)
  - Food products (C10)
- Textile, Apparel, Footwear and Leather goods
  - Wearing apparel (C141)
- Electrical equipment (C27)

South

- Agriculture and Food processing
  - Crop and animal production (A01)
  - Grain mill products, starches and starch (C106)
  - Bakery and farinaceous products (C107)
  - Manufacture of beverages (C11) *(incl. wine production)*

Gagauzia

- Agriculture and Food processing
  - Crop and animal production (A01)Grain mill products, starches and starch (C106)
  - Manufacture of beverages (C11) *(incl. wine production)*
- Manufacture of wearing apparel (C14)

Centre

- Agriculture and Food processing
  - Crop and animal production (A01)
  - Forestry and logging (A02)
  - Processing and preserving of meat and production of meat (C101)
- Textile, Apparel, Footwear and Leather
  - Textiles (C13), Knitted and crocheted apparel (C(143), Footwear (C152)
- Basic pharmaceutical preparations (C21)
- Other non-metallic mineral products (C23)

Chisinau

- ICT
  - Computer, electronic and optical products (C26), Telecommunications (J61), Computer programming, consultancy and related activities (J62)
- Paper and paper products (C17)
- Chemicals and chemical products (C20)
- Machinery and equipment (C28)
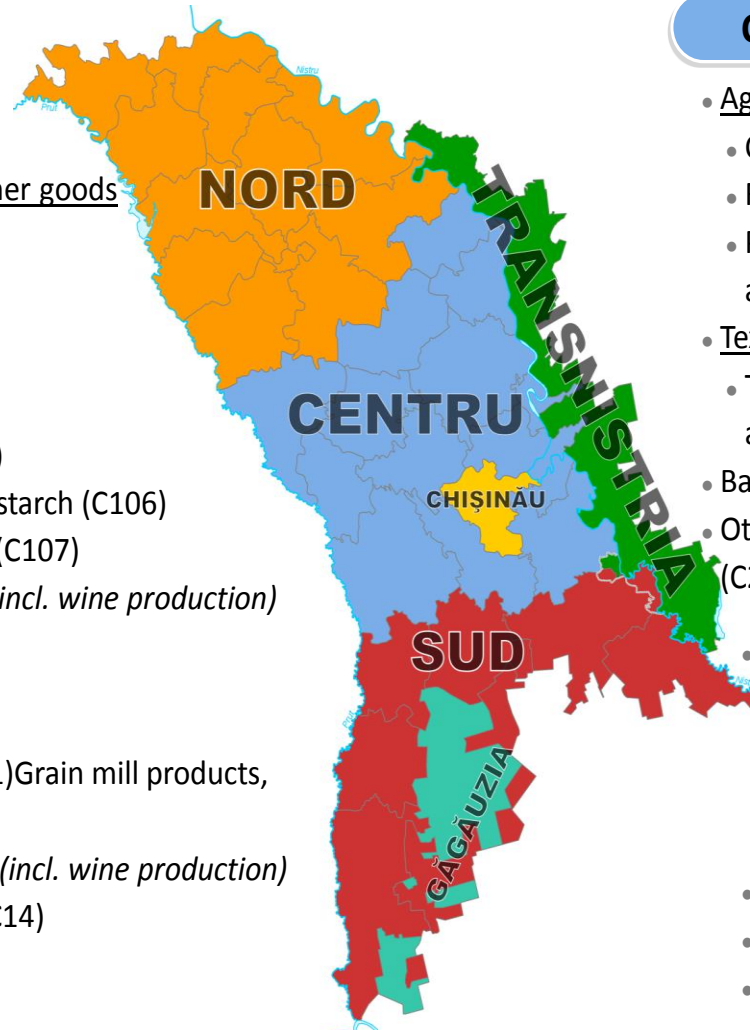
Next Steps – Entrepreunial Discovery and Priority Setting

Source: Centre Region, Frédéric Pinna, 2017.
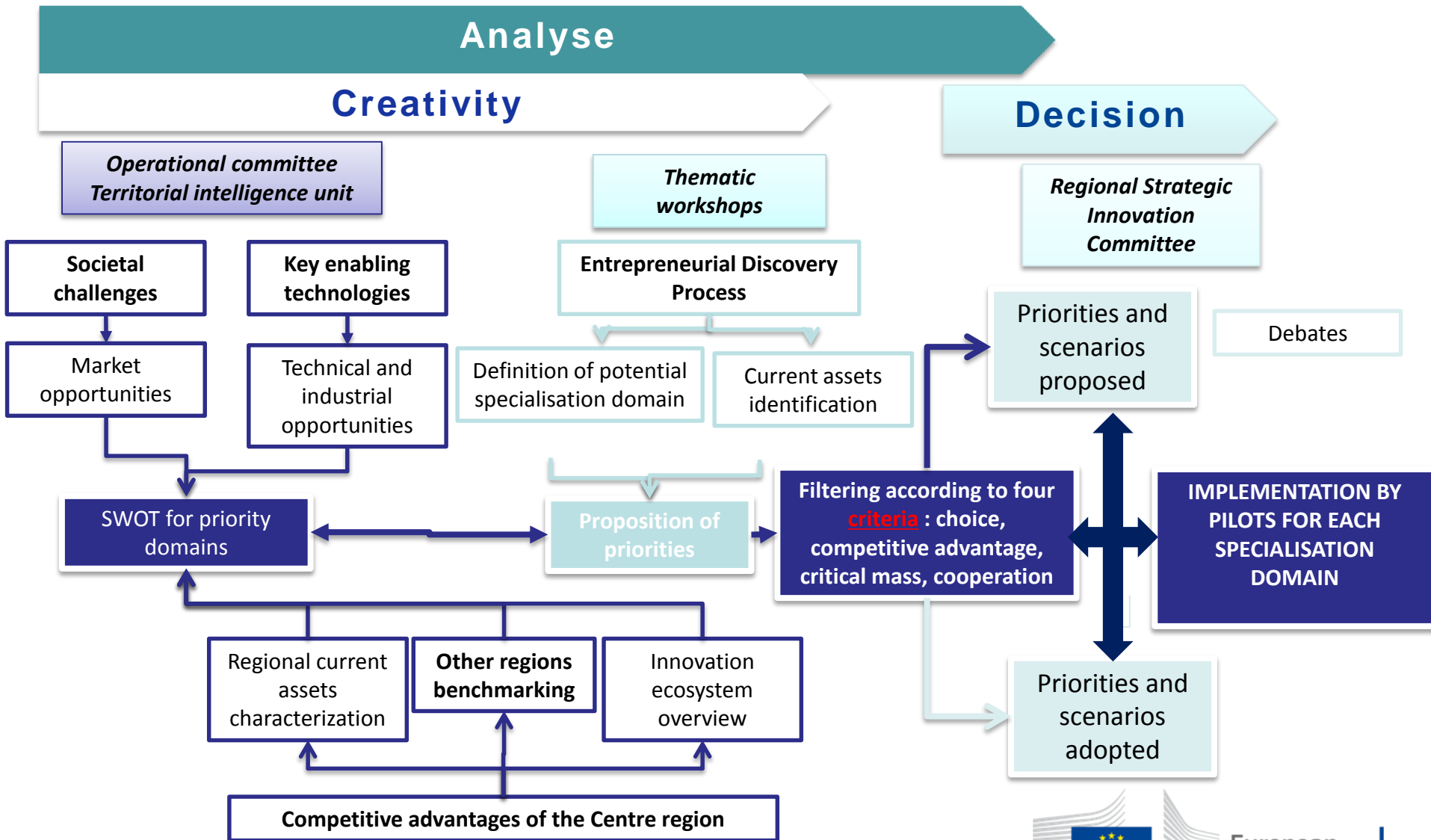
Key pre-conditions for the robust Smart Specialisation process

Political willingness, commitment and consensus towards the S3 based process perceiving it as a viable and necessary approach

A country should have sufficient **institutional governance and coordination capacities** to ensure interaction mechanisms among the relevant stakeholders in research, high education, private sector and public authorities.

Involvement of all stakeholder groups : business, research, academia, public authorities and society

European Commission

Besides basic preconditions the countries should take into account :

Apply broad innovation concept

- S3 is not just a part of R&I policy it should be on the **top of strategic agenda** integrating all relevant policies relevant for the economic transformation!

- S3 embraces a **broad view of innovation**, supporting technological as well as practice-based and social innovation.

- Developing favourable framework conditions and **support for business innovation** would allow developing capacities to respond to higher technological challenges in the future.

European Commission

Thank you
for the attention!

ales.gnamus@ec.europa.eu

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