



# Assessment of Smart Specialisation Strategies implementation and its impact

## Webinar 1: Impact of Smart Specialisation Strategies implementation on governance

Online working meeting  
Sug-group 3  
9.11.2020

# Impact of S3 implementation on policy governance 1/4

New or Improved institutional arrangements and impact	Factors / policy instruments triggering changes	Indicators
<p><b>1. NL:</b> S3 is a lot about governance, Main issue: Contrast between what happened at strategic level and operational level Innovation board – triple helix – created but didn't work. Government didn't take responsibility, even if was ones of the earliest adopters, lack of leadership after RIS3 was approved Working groups were created, bottom-up dimension worked very well New strategy – not different in terms of priorities, but in terms of implementation, now focusing on creating functional structures.</p> <p><b>2. Centro region, Portugal:</b> 1 working group created for each of the 4 Specific Objectives (SO) formulated – open to all relevant stakeholders, to identify/decide about priorities. An external coordinator was appointed for each group, as a bridge between different stakeholders, in order to manage different expectations and facilitate their interaction and understanding. For the next period, the novelty element in the governance model will be related to the invitation for other regions to make real, collaborative work. Also, for the strategy design, more groups of stakeholders are envisaged.</p>	<p>1. Implementation of multi-governance model – efforts to build common understanding on how to do things well. Difficulties in explaining to stakeholders what S3 is about, different interpretations about creating strengths or developing the existing strengths</p> <p>2. No political regions in Portugal, prevalence of national decision Institutional arrangements – the importance of institutional structure was understood at an early stage</p>	<p>2. number of participants, no of project ideas, no of new networks</p>

# Impact of S3 implementation on policy governance 2/4

New or Improved institutional arrangements and impact	Factors / policy instruments triggering changes	Indicators
<p><b>3. Portugal/national</b>            Very complex, multi-level governance structure            EDP mechanism – set up and running            Bottom-up structure in place, but the political level remains very important for further developments            For monitoring and evaluations conclusions, it is too early            Monitoring – only started to work</p> <p><b>4. Slovenia</b>            S3 has shown strong impact with the creation of the 9 Strategic Research and Innovation Partnerships (SRIPs), designed not only to formulate priorities but to support continuous EDPs            Successful governance system of S3            Progress in implementing policy mix. Still large room for improvement to match the needs of innovation communities in a timely way            Governance model adopted seems suitable for the monitoring function            Next financial framework – introduce technological readiness index</p>	<p>3. There is law subscribed by 3 ministries, which have mandate to run the strategy; focus on operational programmes that finance S3</p> <p>4. A new law on science, research and innovation is to be approved (not adopted yet due to diverse changes of government), in order to improve the management &amp; implementation of S3 in a robust &amp; coherent manner.            If the law is not approved – will have to continue with existing interministerial coordination of 3 lines ministries            Challenge: match the needs of innovation companies in a timely way</p>	<p>4. Indicators – no of tenders</p>

# Impact of S3 implementation on policy governance 3/4

New or Improved institutional arrangements and impact	Factors / policy instruments triggering changes	Indicators
<p>5. Romania</p> <p><b>National Committee for the Coordination of Smart specialisation strategy</b></p> <ul style="list-style-type: none"> <li>- coordination of smart specialisation areas, directions of action and national and regional smart specialisation strategic priorities.</li> <li>- Establishing the mechanism for implementing, monitoring and evaluating the National Smart Specialisation Strategy</li> </ul> <p><b>Regional Council for Innovation</b></p> <p>approving/assessing the regional framework document as a basis for RIS3, RIS3 monitoring, etc.</p>	<p>5.</p> <ul style="list-style-type: none"> <li>• PO1 enabling condition - Good governance of the national or regional smart specialisation strategy and ensure the elaboration / implementation / monitoring of the strategy, functioning of the Entrepreneurial Discovery Mechanism, etc.</li> <li>• PA1 ROP, MA had to prepare an optimal framework, starting with the ensuring of existence of proper, updated RIS3 and a functioning innovation eco-system at regional level.</li> <li>• Also, ROP contributed to the creation of the institutional system for validation of RIS3 and prioritise the list of projects.</li> </ul>	<p>5.</p> <p>Setting -up a functional bodies that will ensure a good governance of the national (NCCS) and regional (RCI) smart specialisation strategies</p>

# Impact of S3 implementation on policy governance 4/4

New or Improved institutional arrangements and impact	Factors / policy instruments triggering changes	Indicators
<p>S3 has shown strong impact, as it was designed to support continuous EDPs, not only to formulate priorities</p> <p>Very complex, multilevel governance structure – mainly created for S3</p> <p>Main issue: Contrast between what happened at strategic level and operational level, between national/regional dimension</p> <p>Bottom up structure in place, worked very good, but not at the strategic level; the political level remains very important for further developments</p> <p>EDP mechanism – set up and running, Working groups created,</p> <p>For monitoring and evaluations conclusions, it is too early; Monitoring – only started to work</p>	<p>Implementation of multi-governance model – efforts to build common understanding on how to do things well. Difficulties in explaining to stakeholders what S3 is about, different interpretations about creating strengths or developing the existing strengths.</p> <p>Developing a common vision, translate S3 so that all stakeholders understand its principles</p> <p>The focus on operational programmes that finance S3 determined the preparation of an optimal framework, ensuring the setting and update of RIS3 and a functioning innovation eco-system at regional level</p> <p>Existing/new laws to govern/implement S3 in a robustly coherent manner (2 countries out of 4)</p> <p>PO1 enabling condition - Good governance of the national or regional smart specialisation strategy ”and ensures the elaboration / implementation / monitoring of the strategy, functioning of the Entrepreneurial Discovery Mechanism, etc.</p>	<p>Setting-up functional bodies that will ensure a good governance of the national and regional smart specialisation strategies</p> <p>no of participants, no of project ideas, no of new networks, no of tenders</p>

# Impact of S3 implementation on policy governance 1/3

<b>New or Enhanced Stakeholders and impact/Improved administrative capacity and impact</b>	<b>Factors/ policy instruments triggering changes</b>	<b>Indicators</b>
<p>1. <b>NL</b> – Involving the usual suspects as well as new stakeholders, bringing new actors into the system. It started in the design phase, but did not stop there, being translated into collaborative initiatives, project initiatives on specific themes. Monitoring – 5 years ago started collaboration with universities and other stakeholders involved Fostering the process by creating connections, pretty successful in that, but another challenge relates to the creation of a common vision. Importance of creating an overarching structure, more strategic, coordinating various scattered initiatives, to be able to be more effective, make better connections.</p> <p>2. <b>Centro region, Portugal:</b> Tried to involve clusters at national level to work closely with SMEs (90% of the regional economic fabric) Capacity – organized internal capacity building sections, thematic EDPs, participate in all European initiatives with stakeholders to further their understanding and involvement Monitoring system – with JRC support</p>	<p>1. specific Instruments to bring newcomers – money allocated to clusters, to attract more SMEs. Role of the clusters to enlarge the types of actors participating in the process</p> <p>2. Role of the clusters to bring stakeholders together</p>	<p>2. Participation S3 thematic partnerships – a good indicator</p>

# Impact of S3 implementation on policy governance 2/3

<b>New or Enhanced Stakeholders and impact/Improved administrative capacity and impact</b>	<b>Factors/ policy instruments triggering changes</b>	<b>Indicators</b>
<p><b>3. Portugal/national:</b>            Significant impact concerning the stakeholders, at least a big increase in the number of stakeholders, A lot of start-ups came into the system and benefited from it</p> <p><b>4. Slovenia</b>            Quadruple helix- complex tender for each priority domain of S3, involving universities, public research and development institutes, SMEs            Subcontracted a consortia of evaluators that created framework for indicators (cannot talk about impact, but a wide range of indicators) availability of data – common problem            Openness of clusters for new members – expanding the membership (such as environmental groups)</p>	<p>3. Financial incentives, fiscal incentives to foster R&amp;D investment by companies (not only S3) bring in new companies,            Difficulty to build public administrative capacity            A big number of people left public administration during the 2008 crisis and difficulty to hire new staff having downside effects, organizations are now starting to reconstruct capabilities            Recommendation: DG REGIO to provide dedicated fund to reinforce capacity building</p> <p>4. ERDF Money allocated to thematic priorities clustering, rule of the mandatory proportion – so that big companies should not prevail upon smaller players</p>	<p>3. Participation in H2020 increased significantly not only academia, but also SMEs and start-up are new beneficiaries of the system            Innovation scoreboard, from moderate to strong innovators</p> <p>4. Other indicators must be introduced: new players (NGOs, social stakeholders etc.), new innovators, new actors promoting social and environmental innovation</p> <p>Challenge of the availability of data at different level (S3 priority domains, companies, products, clusters)</p>

# Impact of S3 implementation on policy governance 3/3

<b>New or Enhanced Stakeholders and impact/ Improved administrative capacity and impact</b>	<b>Factors/ policy instruments triggering changes</b>	<b>Indicators</b>
<p><b>5. Romania</b>            Creation of new partnerships by gathering participants from the 4 categories of the quadruple helix to the same table.            Entrepreneurial discovery workshops triggered and facilitated a more systematic organisational learning process</p>	<p>5. PA 1 ROP mechanism of implementation - an innovative mechanism on its turn - based on participation and the 'bottom-up' approach to ensure alignment with the requirements of the regional business environment.            The contribution of ROP and of the implementation coordination system consisted in both the qualified methodology support and the financial support under the technical assistance axis,</p> <p><i>Project Targeted Support to Smart Specialisation in Romania" (2016-2020) managed by JRC in collaboration with DG REGIO - dedicated both national authorities and regional authorities and potential beneficiaries from regional innovation ecosystems.</i></p>	<p>5. Establishing an efficient bottom-up partnership approach involving all relevant stakeholders at regional level (functional 4H)            Creating the minimum administrative capacity needed for ensuring a functional EDP process at regional level</p>



# Impact of S3 implementation on policy governance

New or Enhanced Stakeholders and impact	Factors/ policy instruments triggering changes	Indicators
<p>Creation of new partnerships by placing participants from the 4 categories of the quadruple helix at the same table (one country)</p> <p>Growing number of stakeholders, involving new actors into innovation ecosystems. Collaborative initiatives, project initiatives on specific theme.</p> <p>A lot of start-ups came into the system, also clusters have played a key role to attract SMEs; Openness of clusters for new members – expanding the membership.</p> <p>Monitoring: developed in collaboration with universities and other stakeholders, or with JRC support or by a consortia of evaluators that created framework for indicators (cannot talk about impact, but a wide range of indicators) availability of data –common problem</p>	<p>Specific Instruments to bring newcomers – money allocated to clusters, to attract more SMEs.</p> <p>ERDF Money allocated under the rule of mandatory proportion –to avoid big companies prevalence (1 country out of 4)</p> <p>Financial incentives, fiscal incentives to bring in new companies</p>	<p>Participation in S3 thematic partnerships</p> <p>Participation in H2020, not only academia, but also companies</p>

# Impact of S3 implementation on policy governance

Improved administrative capacity and impact	Factors/ policy instruments triggering changes	Indicators
<p>Entrepreneurial discovery workshops triggered and facilitated a more systematic organisational learning process</p> <p>Capacity – internal capacity building sections, thematic EDPs, participate in many European initiatives and tried bring stakeholders to understanding the philosophy of S3</p>	<p>Fostering public administrative capacity</p> <p>DG REGIO provides specific money in building capacities</p> <p>Mechanism of implementation - based on participation and the 'bottom-up' approach to ensure alignment with the requirements of the regional business environment by using a qualified methodology support and financial support</p> <p>Project Targeted Support to Smart Specialisation in Romania" (2016-2020) managed by JRC in collaboration with DG REGIO - dedicated both national authorities and regional authorities and potential beneficiaries from regional innovation ecosystems (1 country)</p>	<p>Minimum administrative capacity needed for ensuring a functional EDP process at regional level</p> <p>No of bottom-up partnership involving all relevant stakeholders at regional level (functional 4H)</p> <p>No of meeting with stakeholders</p> <p>No of trainings and workshops</p>

# What are the links you identify between the changes and factors listed above and the ultimate goal of S3, which is territorial economic transformation?

Key factors and premise for territorial economic transformation relate to economic potential of countries and regions, education, research and innovations systems, that have a key role to play in that. So do demographic structures, geopolitical alliances, or cultural backgrounds.

But very important is also to rely on a competent and trustworthy governance structure, able to understand and manage complex problems from a holistic and dynamic perspective, taking into account short-term as well as long-term effects, direct as well as indirect impacts of the economic transformation.

Governance and leadership goes hand in hand with the capacity to mobilize and create consensus across various groups of stakeholders, to build trust and to design win-win solutions and create opportunities for all, as it is clear that no simple solution or individual action of a particular group of stakeholders would be enough any longer.

# Other

In order for S3 to produce result through projects, some basic requirements are needed: S3 has allowed to strengthen institutional capacity, to foster a culture of dialogue, promote collaboration and partnership among innovation stakeholders. Some territories have developed challenge-based priorities, to identify and develop the best projects for the community. New types of actors have taken part to the policy-making process

Therefore S3 contributed to bring about a change of vision and the involvement of a wider range of stakeholders in the programming process at the regional level. It may be concluded that it helped potential beneficiaries of funding: to work in a more structured way for the generation and structuring of the project ideas.

One challenge is to bring together various actors to develop a shared and common vision of the territorial development path and connect different initiatives together.

Progress in implementing policy mix, yet still room for improvement.

For the next period, given the understood importance of institutional structure:

- ✓ for the strategy design, involvement of wider groups of stakeholders are envisaged.
- ✓ new strategy – not different in terms of priorities, but in terms of implementation, now focusing on creating functional structures (1 region), with more groups of stakeholders are envisaged (Northern Netherlands), or inviting other regions to make real, collaborative work (Centro Portugal)
- ✓ introduce technological readiness index (Slovenia)

# Conclusion, Key findings:

A lot of work has been done at the level of all countries and regions presented to strengthen institutional capacity and the culture of dialogue, collaboration and partnership among innovation stakeholders, that are placed at the foundation of the entrepreneurial discovery processes and mechanisms.

However, this programming period was only the beginning of a longer-term process that will continue in the coming years, even if we refer to regions where the innovation system is mature (NL), or to countries where things are in the beginning (RO).

For all the cases that were discussed, there is much to capitalize from the work already done in order to **further improve the existing model of governance, to create better links between national and regional dimension, to create broad awareness and better skills and competences in managing innovation**, to involve new, relevant stakeholders into the ecosystem.

**A functional approach to system transformation** must be found in order **to manage resistance to change and the potential conflict of interests and views of different stakeholders**, to strengthen the research capacity of the universities and research institutes, to generate research results that would then find their way to the market through effective technology transfer activities, diffuse the innovation spirit into the education system and ensure that education and training activities rely on the most updated research and innovation activities.

# Participants:

- Names:
  - ✓ Sophie Patricio (Centro, Portugal)
  - ✓ Marco Hren (Slovenia)
  - ✓ Luc Hulsman (Northern Netherlands)
  - ✓ Caroline Cohen JRC
- Moderator: José Caldeira (Portugal)
- Rapporteur: Madalina Istrate (Romania)