



Assessment of Smart Specialisation Strategies implementation and its impact

Webinar 2/ Towards economic transformation: Impact of adopting Smart Specialisation Strategies on innovation ecosystems

Online working meeting
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Sub-Group 3

Towards economic transformation: Impact of adopting Smart Specialisation Strategies on innovation ecosystems

Impact of introducing/ improving innovation ecosystems (industrial transition, environmentally driven innovation, knowledge networks, outward looking dimension, clusters, etc.)

Types of changes	Key impact
<ul style="list-style-type: none"> • Focused on digitalization and Industrial Transition, sustainability and territorial cohesion: dissemination of IT solutions particularly in traditional sectors, domain of culture • More networked and cross-cutting dynamics • Emerging new opportunities • Better alignment of priorities for different actors • Clusters as policy tools for promoting priorities as digitalisation • Stronger focus on commercialisation of innovation and orientation to societal challenges as well as European dimension • Broader approach to innovation: creative, cultural services 	<ul style="list-style-type: none"> • Maturity of regional innovation ecosystems • Increase collaboration between research and innovation and among firms, greater firms' expenditure on R&D • Circular economy agenda connected/aligned with RIS3; research alignment; sustainability as an horizontal approach • Capacity of cooperate between public and private and to cooperate in international projects: agriculture and aerospace sectors • Interventions on market failure fields • New emerging industries opportunities • High (higher) complexity projects/investments • Increased collaboration with Higher education

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Factors triggering changes

- Innovation support schemes (R&D, KIBS, TT etc...)
- Behavior of policy actors: active role of the Region is required to intervene in market failure and face exogenous shock; Answer of the regional authorities
- Outward looking, new mindset in regional stakeholders
- Collaboration: calls that improve collaboration in H2020
- Recognition of the significant role played by clusters and interface entities involved in the governance, to foster SMEs participation, reinforce the connection between public and private actors, connectors to boost knowledge and technology transfer (i.e. the experience through calls for hiring higher qualified resources)
- Ownership and political leadership fostering changes
- Participation in industrial EC transition initiatives
- Investments in skills and competences (policy integration)
- Engagement rules for innovation intermediaries (fostering better horizontal and vertical coordination)
- Support for interregional networking initiatives (outward looking and international perspective) in more effective way
- Role of the JRC and S3 platform support

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Indicators 1/2

- **Impact indicators** applying to S3 domains: productivity, added value, labor force, specialization index growth, GINI index at sub-regional level
- New behavior: number of new applicants/beneficiaries in innovation projects. Benchmarking: comparing actors behavioral in regional and EU calls
- New partnerships: number of science- to-industry partnerships, interregional platforms, meeting, working groups, EU joint projects. Regional entities participating in EU partnerships. Regional stakeholders participating in networks
- Contribution of RIS3 to Structural Projects in S3 areas: Collaborative projects, Intercluster projects (EU, EDIDP, other international programs)
- New opportunities: number of new cross-cutting projects and high complexity projects presented within regional and interregional RTD Calls; New ways in which actors are achieving new markets/territories (going outside)
- New territorial engagement: growth of applicants/beneficiaries in innovation projects in peripheral areas; New rural-metro partnerships in innovation projects
- Availability of right indicators at the sector level, territorial level, priority level: more and adequate information is needed to take efficient/accurate decisions
- Number of projects in co-promotion with the right companies/entities.
- Limitation of ecosystems approach, indicators for ecosystem dimension is weak
- Gross expenditure in R&D. Value chains indicators.

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Indicators 2/2

- Distinction between available data and those wished
- Number of projects involving companies, research and innovation companies
- Number of regional entities participating in S3 Thematic partnerships and other networks such as EIT
- Performance in H2020 participation compared to previous programming period
- Number of new applicants in innovation projects
- Number of new science to industry partnerships
- Number of new cross-cutting projects (larger number of projects trying to combine new technologies and sectorial domains)

Proxy, providing a good sign that the strategy is going in the right direction

Other

In order to assess the impact of the S3 on innovation ecosystem it's important to focus also on:

- The directionality of transformation. Take into consideration the RIS3 Impact trying to catch the dynamic directionality of RIS3 with the resources it has, makes very difficult to detect the impact, the real contribution of RIS3 with the objective to reach its final goal, that is the effective transformation of the regional economies
- The expected pace of transformation (difficulty to detect S3 impact with a continuous technological change) and spread of transformation
- The response/reaction to international/exogenous dynamics
- Autoselection biases

The more mature the ecosystems become -> the more impact S3 can have (and preparedness to use the funds in the right way)

Moreover :

- A long-term approach is needed to assess the impact of S3 (policy instruments and stakeholders' involvement)
- Limited amount of S3 budget / GDP of the region
- Difficulty to detect if S3 has some impact on the dynamic (selection bias in applicants and beneficiaries, some possible domains can be left aside)

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

- Support of excellence paying attention to indicators enhancing the stronger position in international markets -> factors attempting international position. Specialisation and productivity growth, labour force qualification and the added value in S3 domains correspond to the S3 attempt to strengthen the positioning on international markets of the regional innovation ecosystem in S3 domains;
- Cohesion of the territory and links between rural and metropolitan areas. The GINI index at sub-regional level, as well as the metro-rural approach to industrial transition correspond to the attention paid by the Strategy to domestic market and backwards linkages;
- Companies able to compete in a broader context: worldwide
- Innovation ecosystems are channels to reach the goal -> towards the social and digital transformation and sustainability
- Difficulty to find direct link related to S3 implementation; however, S3 is strengthening the innovation ecosystem: creating new opportunities, new networks, space for new partnerships, new value, bring new knowledge
- The participation of stakeholders in the decision processes introduces an outward perspective, EDP is an added link
- Need of agility by public authorities, capacity to react and to be resilient in order to build efficient ecosystems

Conclusion, Key findings:

Novelty, integration and high complexity are seen as the main drivers for the improvement of the regional innovation ecosystem:

- Novelty in terms of new actors, new processes, new calls, partnerships, initiatives engaged as well as for the territorial scale-up; involvement in cooperative processes; develop the right policy instruments to make stakeholders grow, using the right tools to be competitive and collaborative
- Importance of territorial cohesion (not only excellence), S3 paradigm under the EC Cohesion policy framework
- Stronger inclusion, integration in terms of sharing new opportunities, involving more and different types of types of actors. Collective intelligence, nurturing the dynamics to avoid being locked-in and the need for the governance to be agile and react effectively and evolve continuously (i.e. risk to be very narrow-minded, photonics focused vs integration of mechatronics)
- The attempt to elevate the level of complexity. High-complexity in terms of capacity to invest, combining multiple technologies, new concepts, sectors, competences, experiences, territories, fields and perspectives.
- Make sure all the instruments are the right ones, at all different levels
- The capacity of making the ecosystem more mature and the involvement of the ecosystem in the policy and decision making process-> The more mature the ecosystem is, the higher impact.

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