Smart Specialisation in EU Enlargement and Neigbourhood Region

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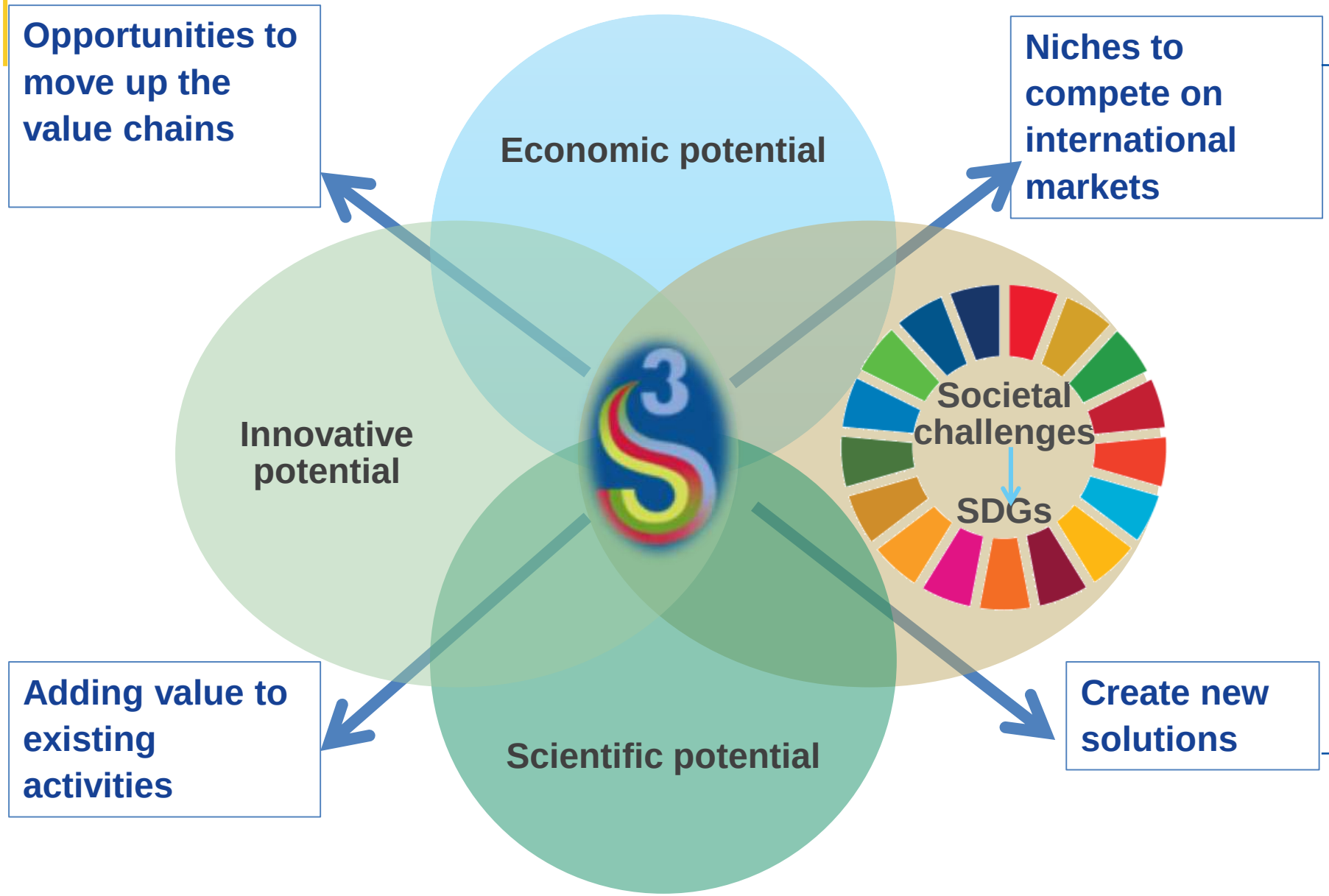
Smart Specialisation in EU Enlargement and Neighbourhood Region

Reminder: what is Smart Specialisation

National/Regional Research and Innovation Strategies for Smart Specialisation (RIS3 strategies) are integrated, place-based economic transformation agendas that:

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

Reminder: what is Smart Specialisation



- Set of priorities for public and private investment in research and innovation

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Reminder: what is Smart Specialisation

- Example of a priority domain

Economic potential:
High level of production and employment in agriculture and food processing

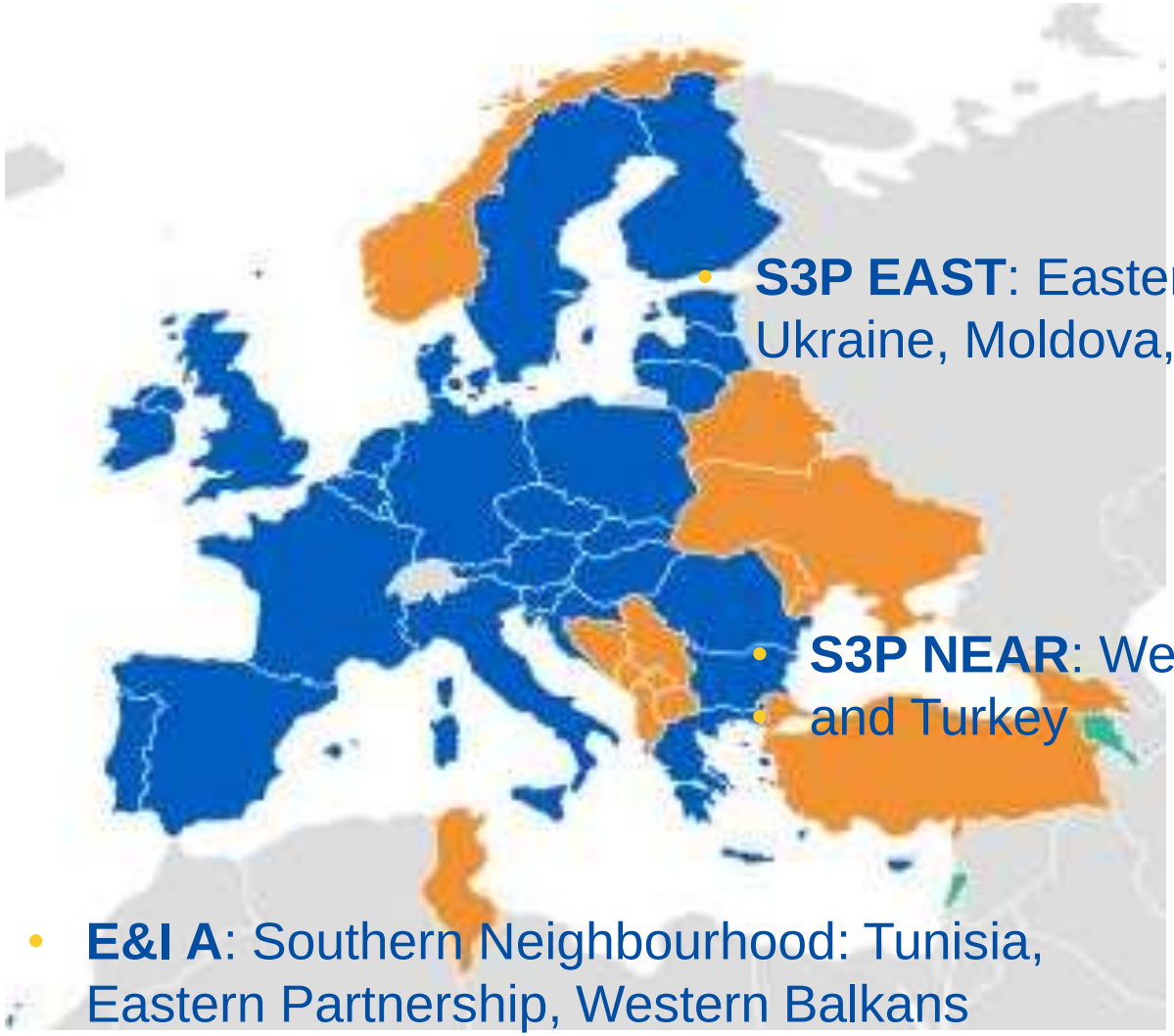
Scientific potential:
Top level pharmaceutical and biotechnology research

S3 priority:
Function foods for cardiac patients

Innovative potential:
Quickly growing bio-tech cluster

Societal challenge:
Health – obesity and cardiac disease

Smart Specialisation in EU Neighbourhood



- **S3P EAST**: Eastern Partnership: Ukraine, Moldova, Georgia
- **S3P NEAR**: Western Balkans and Turkey
- **E&I A**: Southern Neighbourhood: Tunisia, Eastern Partnership, Western Balkans

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S3 Framework for EU Enlargement and Neighbourhood Region

Where we are now

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- This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

Stage 1

INSTITUTIONAL CAPACITY BUILDING

Decision to start smart specialisation process	• Formal request • Analysis of context – country specific conditions • Discussion with public administration • Awareness event • Establishment of national/regional S3 team/s • Participation in S3 training • Agreement with JRC
Analysis of strategic mandates	• Overview of existing policies and priorities relevant for S3 • Decision of place of S3 in the strategic framework • Decision on the national/regional dimension of S3

2 key S3 processess

Institutional discovery:

- Political mandate
- Right coalition of ministries, departments, agencies and other public institutions
- Learning and adaptation process
- Stability and consequence
- Learning to talk to external stakeholders and build trust

Entrepreneurial discovery:

- Process of discovering real business needs and ways to address them based on knowledge and innovation
- Mobilising and enabling businesses to answer societal challenges
- Quadruple helix: business, academia, civic society and public authorities

Institutional preconditions: national/regional S3 team

Internal stakeholders	External stakeholders
Representatives of public administration responsible for: ❑ Economic development ❑ Research&Innovation ❑ Clusters&Industrial modernisation ❑ Regional development	Representatives of business: ❑ Associations ❑ Clusters ❑ Chambers of commerce ❑ Key companies ❑ Most innovative companies
Representatives of local/regional/national government	Representatives of science: ❑ Top universities/departments ❑ Research institutes ❑ Patent holders
Regional/local development agencies	Representatives of civic society: ❑ NGOs ❑ Educational institutions

Institutional preconditions: national/regional S3 team

- Needs to be able to organize and oversee the process of drafting the strategy
- Needs to be able to secure the implementation and monitoring
- Should be formalized/appointed
- Should have a direct link with decision-makers

Institutional preconditions: national/regional S3 team

- What will be the role of smart specialisation strategy in the country/region?
- Who will adopt it?
- How will it be coordinated with other strategies/policies?
- How will it be implemented and financed?
- Who will hold responsibility for monitoring and updating?

Stage 2

DIAGNOSIS (MAPPING EXERCISE)	
Analysis of existing economic, scientific and innovative potential (quantitative)	• Provision of statistical data • Mapping of economic, innovative and scientific potential • Creation of the local expert team • Additional analyses • Consultation with stakeholders • Publication of the report
In-depth analysis of priority domains (qualitative)	• Expert interpretation of the results of mapping exercise • Publication of the report • Decision on priority domains for EDP

Quantitative mapping: economic potential

The three regions analyses appear to present some similar characteristics and some peculiar specificities. Highly industry oriented, strong exporters, the 3 regions have common economic grounds : metal processing, chemicals, equipment sectors and transport sectors, together with key light industries: agro-food, textile and wood derivates.

At a closer glance, specific areas of specialisation emerge. In the transport sector, for instance, Kharkiv is specialised in construction of military vehicles and sport/ leisure boats, while Odessa is concentrated in the repair and maintenance of ships and Zaporizhia in the air-spacecraft and the production of cars. Among the three, Odessa is the region that have the strongest and largest specialisation in the agro-food insry.

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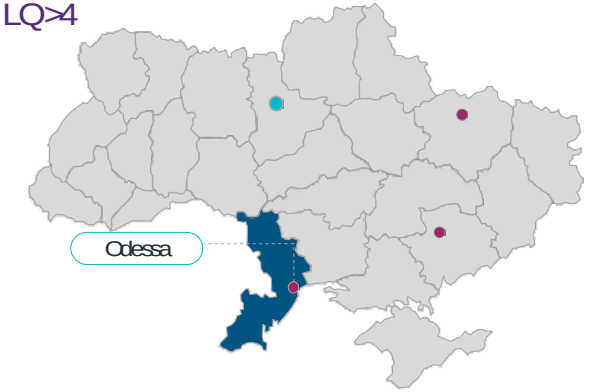
Quantitative mapping: innovative potential

Odessa

Innovation and R&D @ a snapshot, Base 2016, LQ>4

Manufacturing

- Mineral non metal products (for construction) : mortars, ready mixed concrete, …
- Mineral Product: Treatment and coating of metals, metal products
- Equipment : Electric equipment, wires & cables , fluid power equipment, ovens, furnaces, …
- Chemical products, plastics, rubber
- Food and beverage industry
- Treatment and disposal of hazardous waste, both light and heavy
- Wood : forestry machinery, products of wood and cork, except furniture
- Textile and wearing apparel : Workwear
- Paper & Printing : reproduction of recorded media and related services:
- Transport equipment : Manufacture of railway locomotives and rolling stock

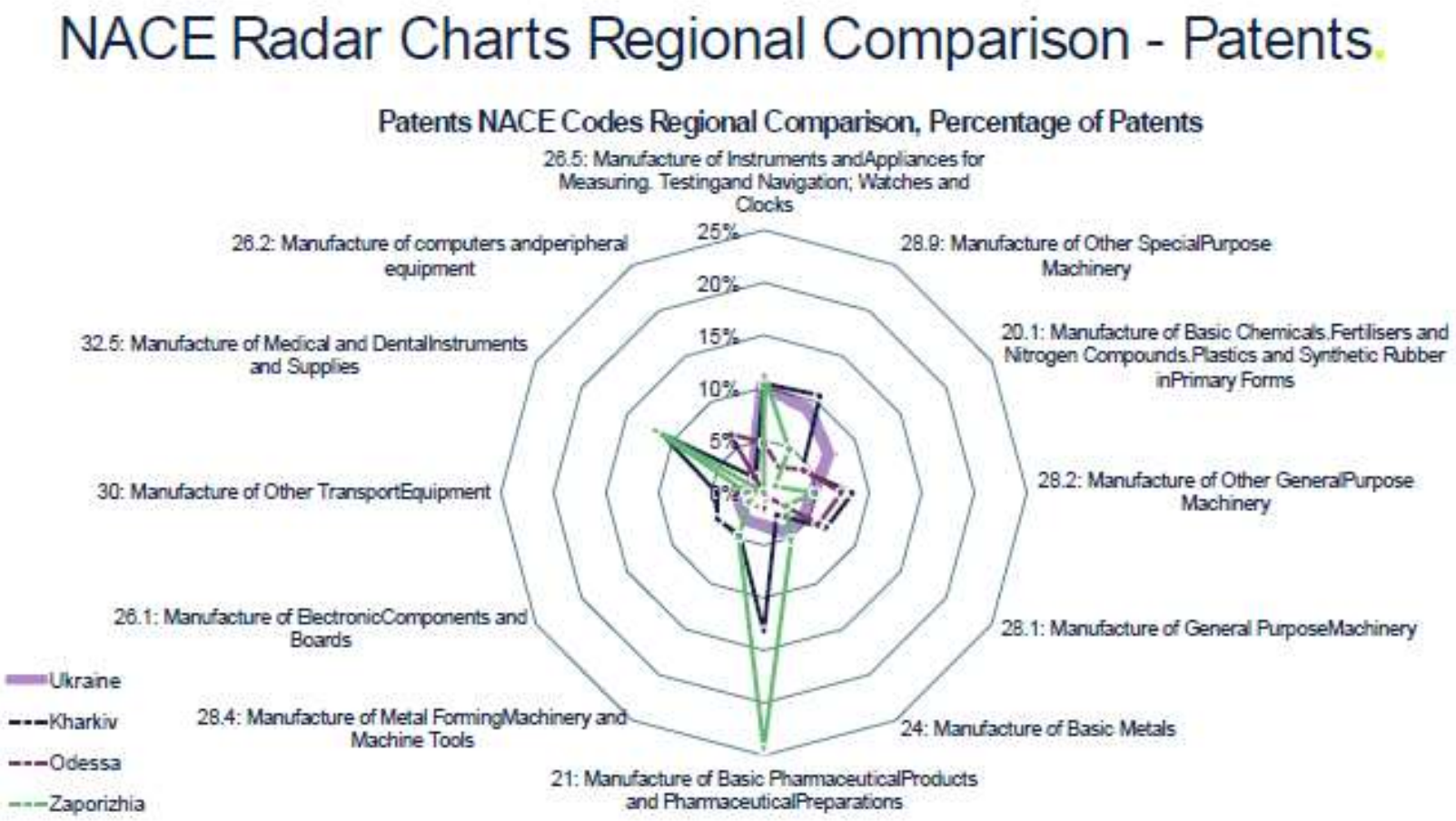


Odessa innovation potential is strongly linked to the production of mineral and non mineral products.

Equipment and electric equipment, food and textile and apparel industries (equipment and products), the chemical and plastic sector as well as the production of pleasure and sport boats and the metallic and non-metallic products manufacturing are the most innovative sectors in the region.

The waste management sector emerge as an innovative sector, too.

Quantitative mapping: scientific potential



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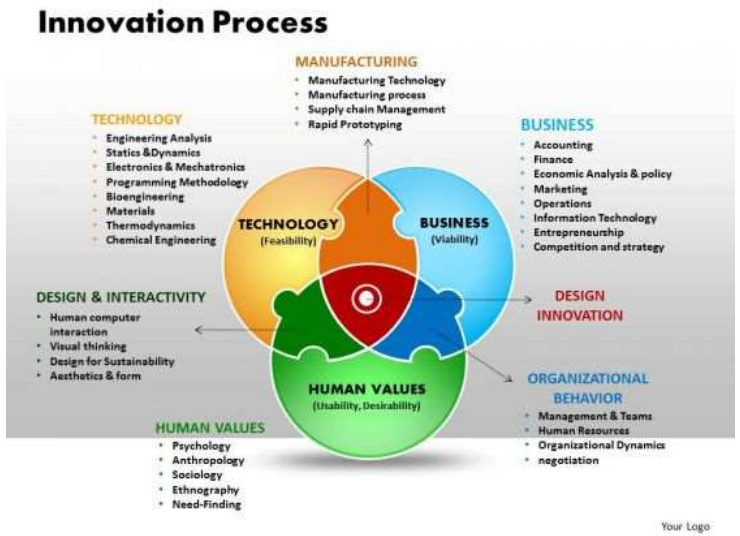
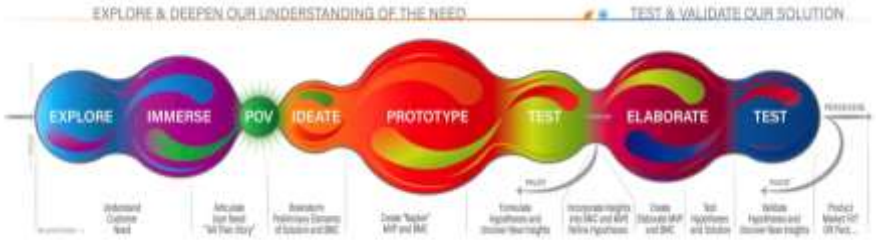
Qualitative mapping

- What is the innovation path in your target group?
- Where is the need for public intervention?
- How can you design appropriate instruments?
- What is the necessary policy mix to cover the ecosystem?





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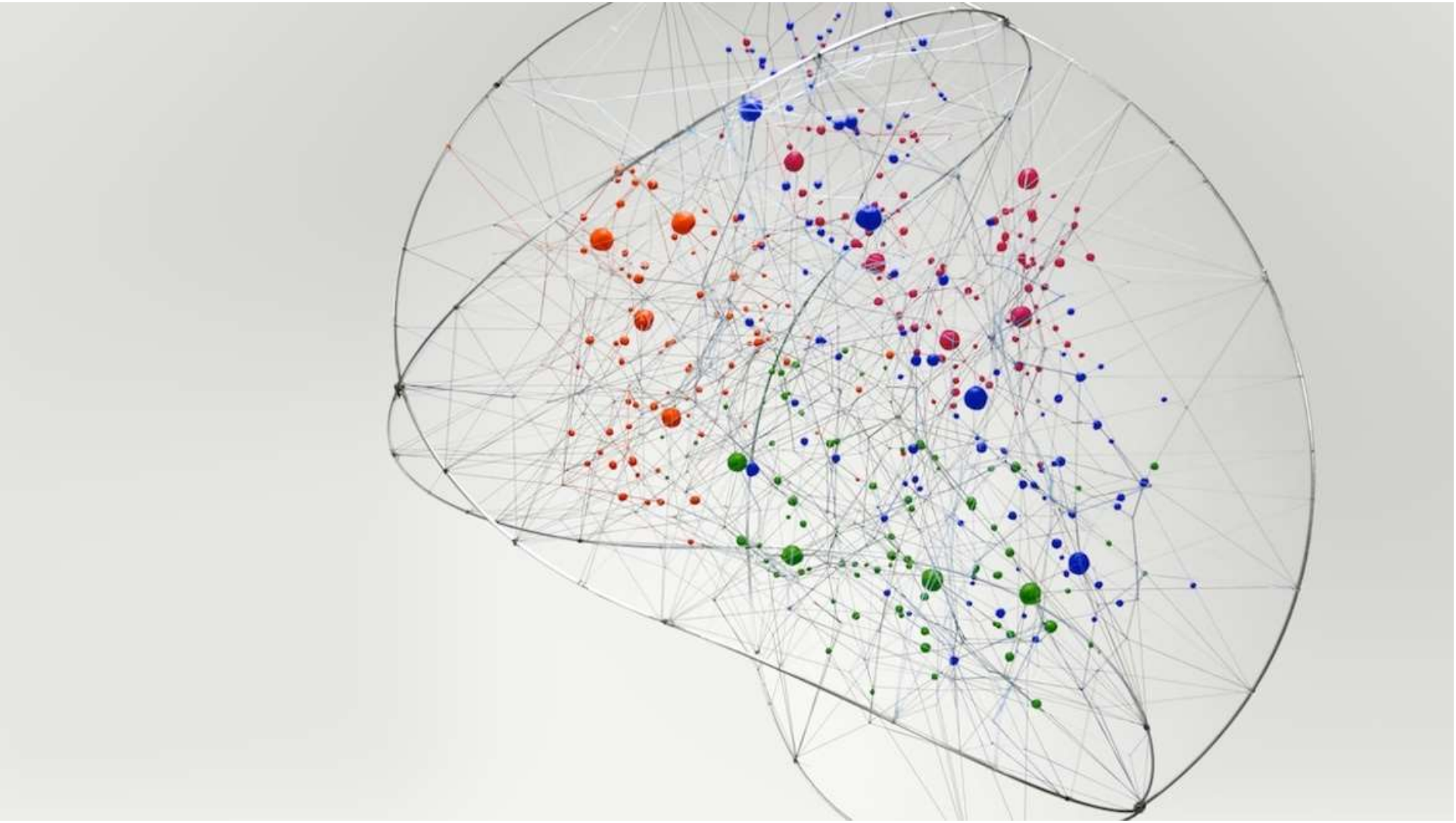
Stage 3

STAKEHOLDER DIALOGUE	
Entrepreneurial discovery process	• EDP training • Identification of stakeholders for each priority domain • EDP plan and working rules • Definition of EDP working groups • EDP workshops • EDP input for S3

EDP: the essence of Smart Secialisation



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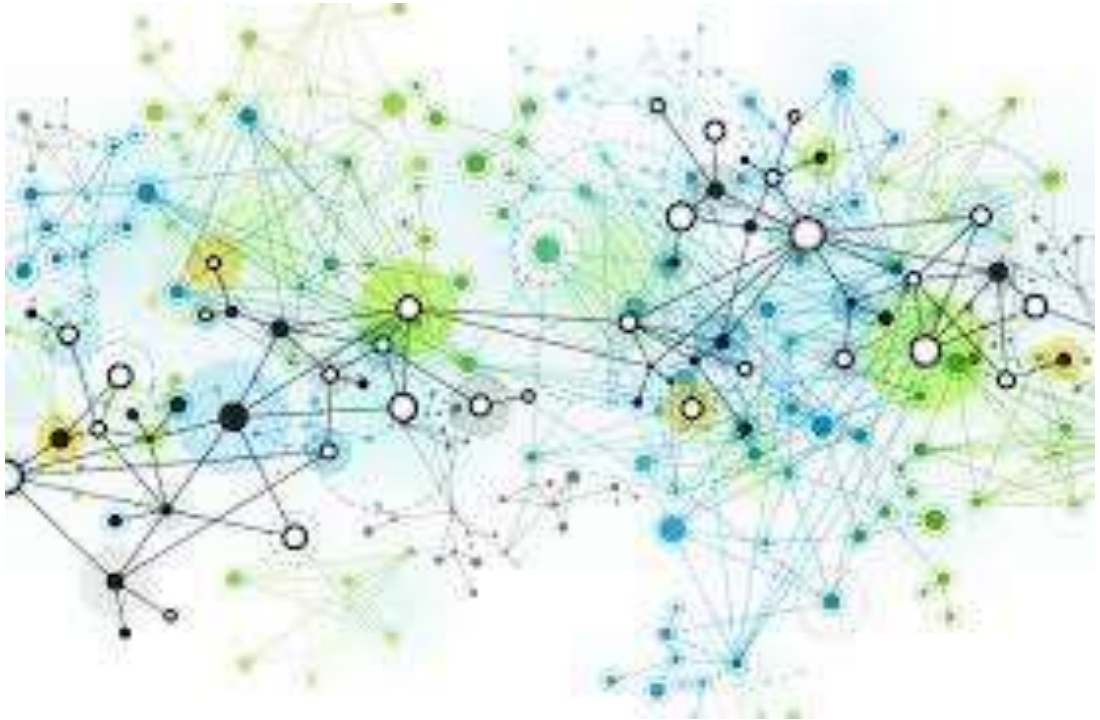
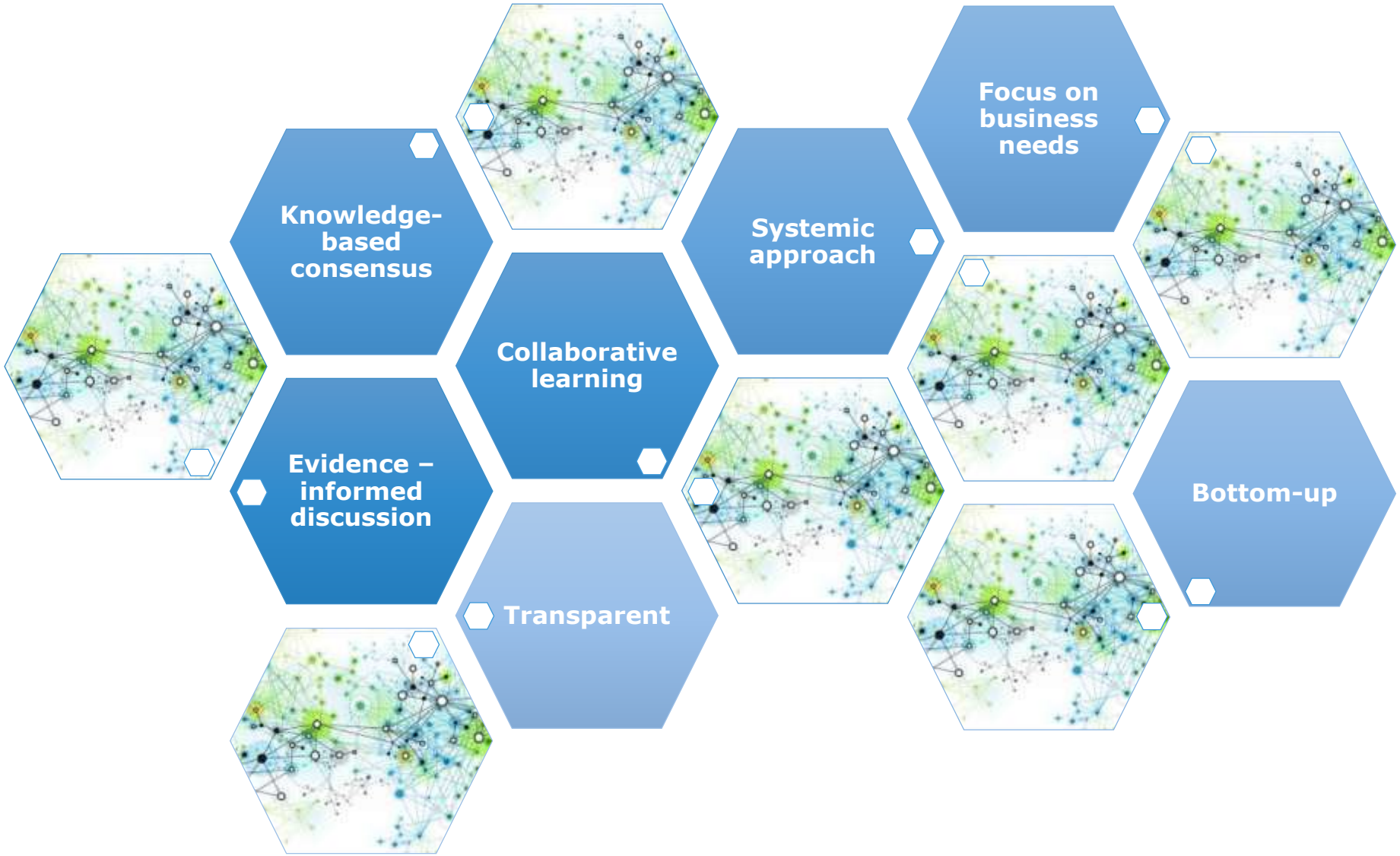
EDP: working with systemic perspective

- What can you change?
- Where is the critical mass?
- What is the target group?
- What are their needs?
- Who are the key players?
- What are the relations between them?
- How can you enhance knowledge spillovers?



EDP: key features



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Stage 4

INSTITUTIONAL CAPACITY FOR IMPLEMENTATION	
Design of monitoring, implementation and financing system	• Monitoring guidance • Design of monitoring system • Implementation and financing guidance • Design of implementation system

Stage 5

FINAL STRATEGY	
Preparation of S3 strategy document	• Preparation of draft S3 strategy • Consultation with stakeholders • EC approval • Formal approval

Progress so far: Eastern Partnership

2	• **Advanced S3 processes and legal basis for smart specialisation**
3	• **National Smart Specialisation Teams**
5	• **Countries with expressed interest**
150	• **Representatives of public administration trained**
900	• **Stakeholders reached: business, academia, NGOs and governments**

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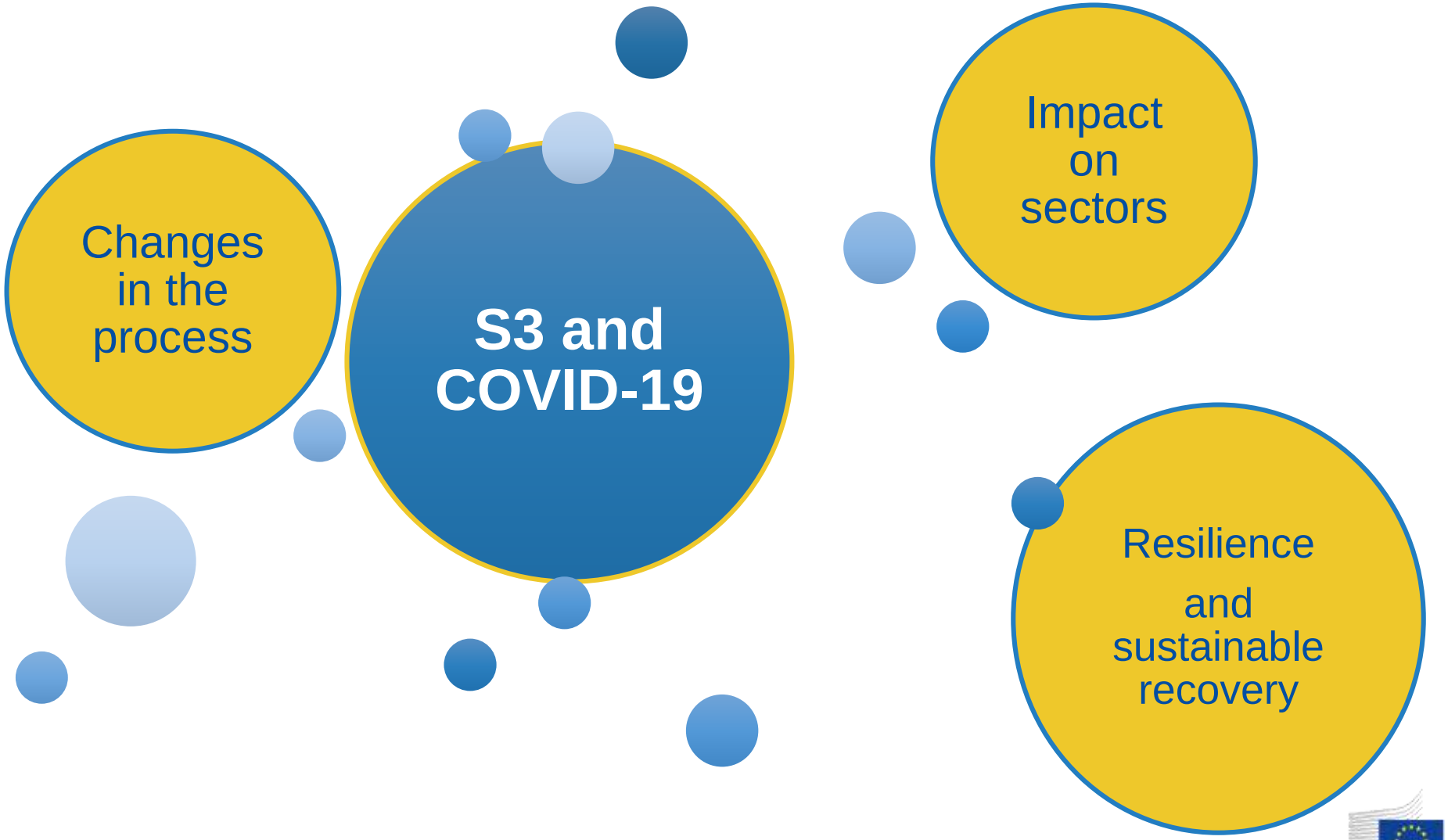
S3 and COVID-19



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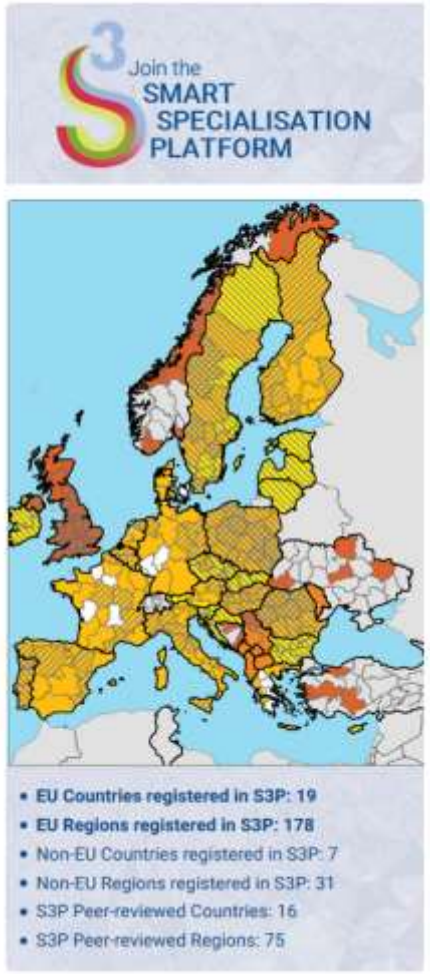
How to use S3 Platform



Ukraine

- Cherkasy
- Chernihiv
- Ivano-Frankivs'k
- Kharkiv
- Transcarpathia

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

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JRC support

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Keep in touch

EU Science Hub: ec.europa.eu/jrc

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Thank you!

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