Implementing Smart Specialisation in Europe: Lessons for Rwanda?

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STI roadmaps for SDGs: Smart Specialisation for territorial and industrial development in Rwanda

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Outline

The research problem: Background to presentation (paper & research questions)

Approaches to S3

Main implementation challenges

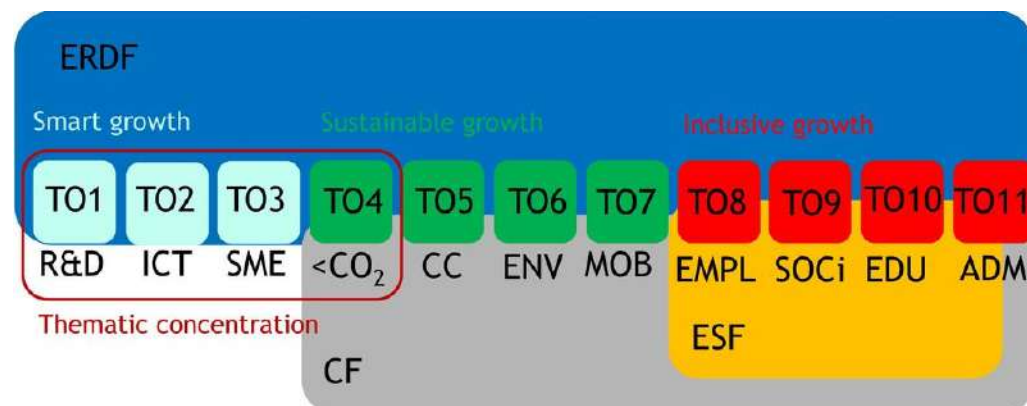| EDP continuation? | Project selection, funding & synergies | Administrative capacity building activities |

Evidence of impacts so far

Conclusions and lessons for Rwanda

Context: 'Smart' growth and specialisation in the EU in 2014-20

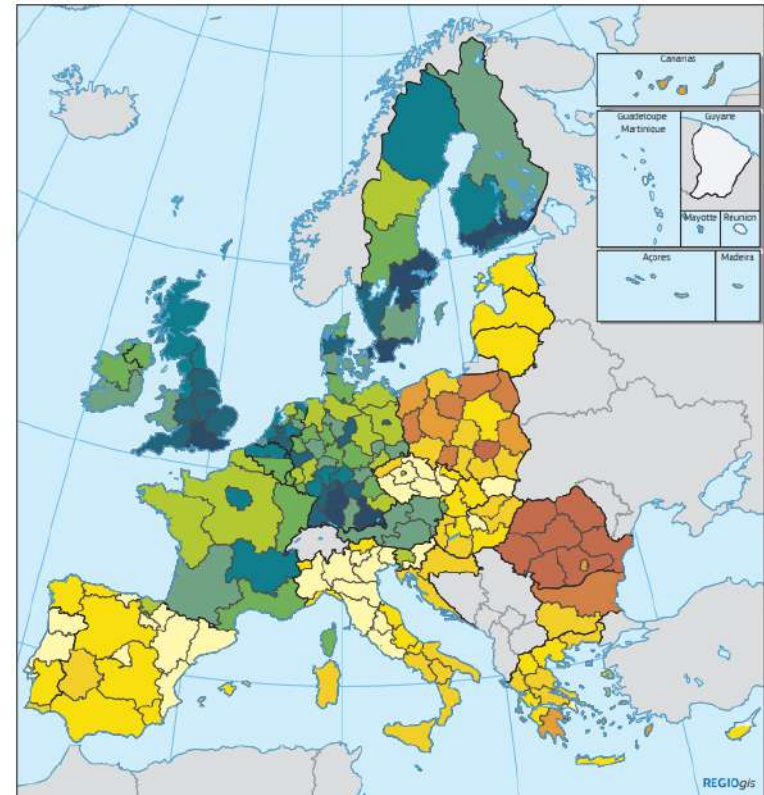**Based on paper written for a network of programme authorities across the EU (IQ-Net)**

Why is Smart Specialisation so crucial in the EU?

- **Alignment of CP with Europe 2020 strategy → focus on**
  - **smart growth (K&I)**
  - **innovation as driver**
  - **smart specialisation (S3) as a new strategic approach**

- **Innovation paradox (persists)**

EUROPE 2020
A European strategy for smart, sustainable and inclusive growth

ERDF

Smart growth | Sustainable growth | Inclusive growth

| TO1 | TO2 | TO3 | TO4 | TO5 | TO6 | TO7 | TO8 | TO9 | TO10 | TO11 |
| R&D | ICT | SME | $<CO_2$ | CC | ENV | MOB | EMPL | SOCi | EDU | ADM |

Thematic concentration

ESF

CF

'Smart' growth and specialisation in 2014-20 (cont.)

- **But implementing S3 is not easy! Implementation challenges highlighted by IQ-Net partners in 2016 (paper and focus group):**
  - Complexity
  - Sector-picking
  - Economic transformation
  - EDP continuation beyond design
  - Administrative capacities
  - Lack of synergistic use of CP/H2020
  - Also, really more specialisation/concentration?

Map 1.9 Regional innovation performance, 2017

Modest -	Strong -
Modest	Strong
Modest +	Strong +
Moderate -	Leading -
Moderate	Leading
Moderate +	Leading +

Source European Commission (2017d)

0   500km

REGIOgis

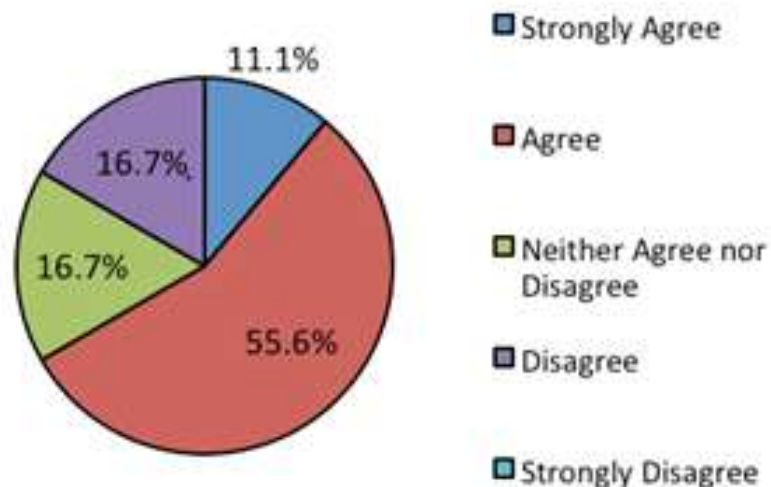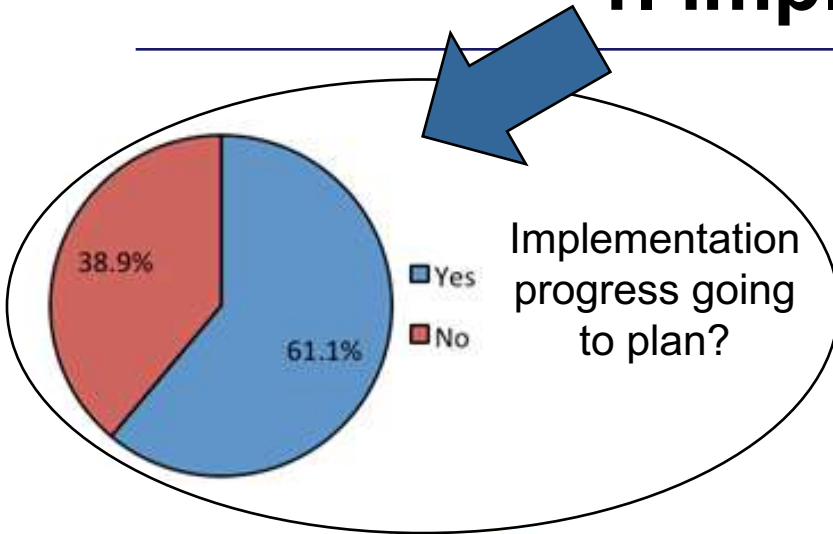© EuroGeographics Association for the administrative boundaries

Different degrees of commitment and approaches

- **Different choices**
  - Sometimes pre-existing strategies
  - Different national/regional coordination

- **Revisions and evaluations in some cases → changes so far**
  - New themes
  - New support schemes
  - Clarification technical aspects
  - Changes to governance of the strategy
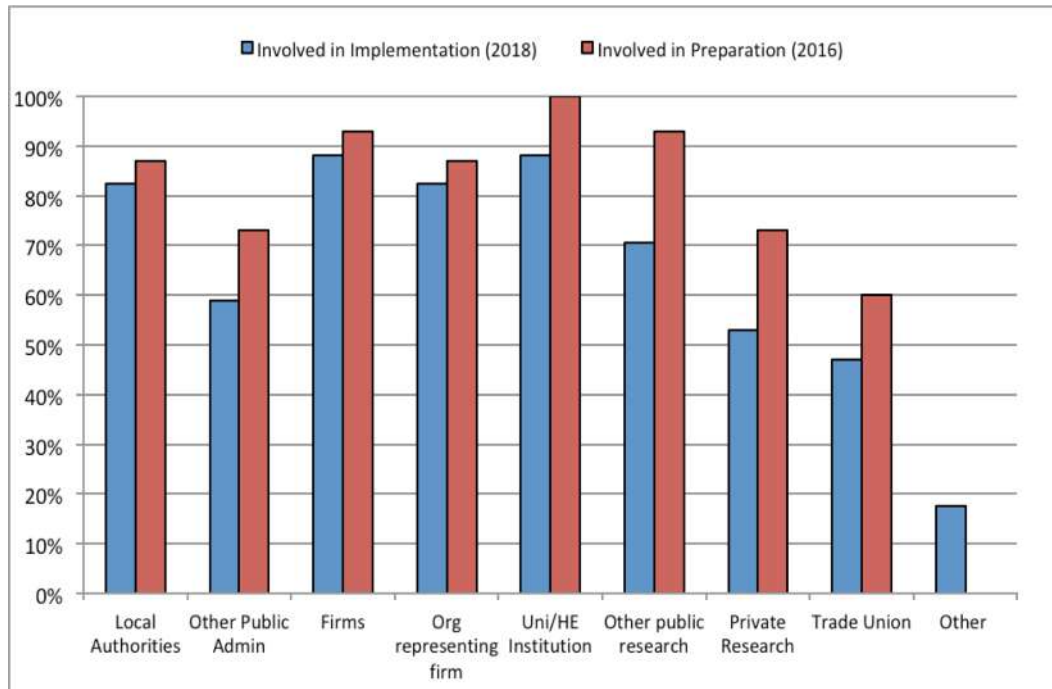
Some challenges:
… but also strengths:
1. implementation largely on track

Implementation progress going to plan?

- 38.9%
- 61.1%
- Yes
- No

- 11.1% — Strongly Agree
- 55.6% — Agree
- 16.7% — Neither Agree nor Disagree
- 16.7% — Disagree
- Strongly Disagree

Issues include

- Delays with approval (new logic, EDP etc.) – e.g. identify priority areas after programme and monitoring system set
- Lack of interest by actors, low ownership
- Organisational instability, leadership or inadequate governance (e.g. new structures needed)
- Vertical and horizontal coordination (rooted silo mentality)
- Weak capacity (administration and/or stakeholders: expertise, HRs, experience)
- Monitoring
- Wider context (e.g. slow ESIF implementation)
- Critical mass

2. Entrepreneurial discovery often continuing

Both formal & informal

– Innovation platforms (CZ, GR, PT)
– Seminars / workshops (HR, W-M)
– WGs / SGs / partnerships (SI, Pomorskie)
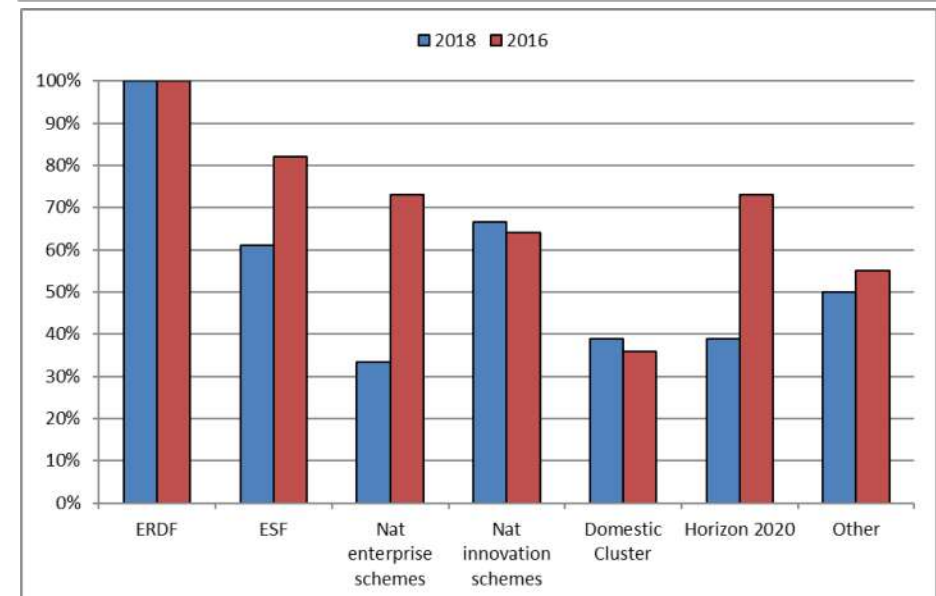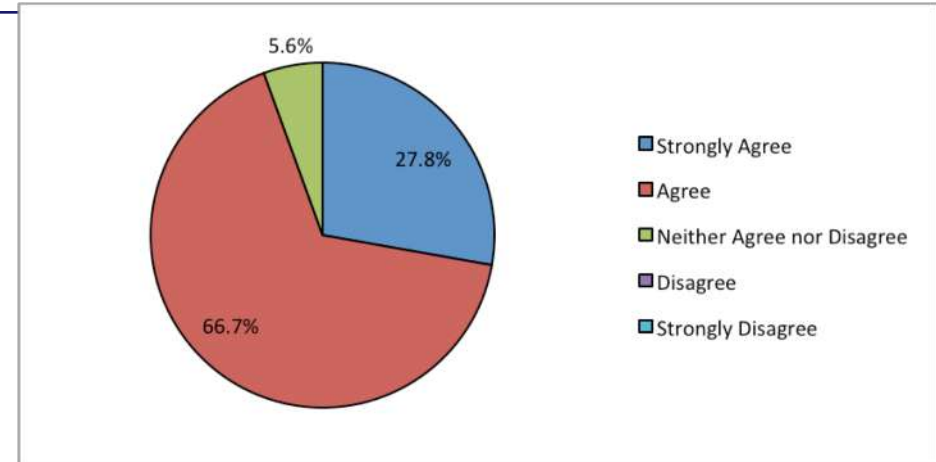– Project selection juries (NRW)

Shift to more targeted

Not always easy but positive experiences

– > collab. w/ private sector, universities, multi-level, e.g. FI, SE, País Vasco)

Largely same types of actors as for S3 design

Chart legend: ■ Involved in Implementation (2018)   ■ Involved in Preparation (2016)

Categories: Local Authorities, Other Public Admin, Firms, Org representing firm, Uni/HE Institution, Other public research, Private Research, Trade Union, Other

3. S3s embedded in project selection one way or another (but allocations not always earmarked)

- **S3 successfully embedded (in different ways)**
  - Clusters
  - Innovation hubs
  - Working groups
  - Thematic networks
  - Dedicated partnership
  - Calls for projects
  - Pre-selection
  - Action plans or roadmaps

- **Mix of EU and domestic funds, not always earmarked**

Pie chart legend:
- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

5.6%
27.8%
66.7%

Bar chart (2018 / 2016): ERDF, ESF, Nat enterprise schemes, Nat innovation schemes, Domestic Cluster, Horizon 2020, Other

4. An important role of the HK development (European Social Fund)

Advisory service (Pomorskie)

Smart skills / training (HR, W-M, PT)

Education on themes (DK)

Horizontal educational measures (SI)

Attraction/Integration foreigners (FI)

Young entrepreneurs (Paris region)

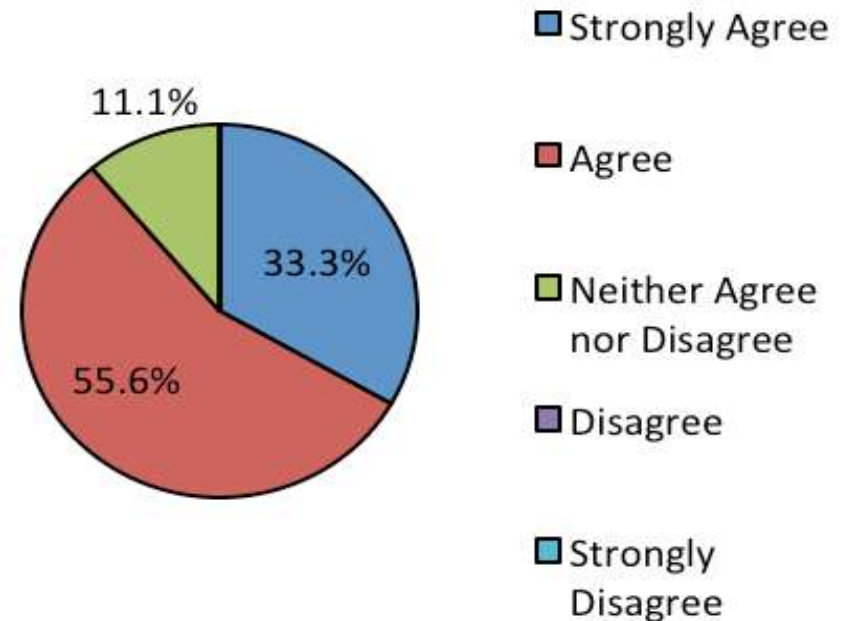International mobility of researchers (SI)

Career platforms (SI)

5. And various capacity-building initiatives underway

- **Capacity-building necessary**

- **Needs vary**

- **S3 Platform used by some partners and mostly deemed useful**

- **Mixed views on success**

It has been necessary to invest in skills & capacity-building

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree

11.1%

33.3%

55.6%

6. Too soon for impacts... but on the whole S3 is considered valuable and w/ softer impacts
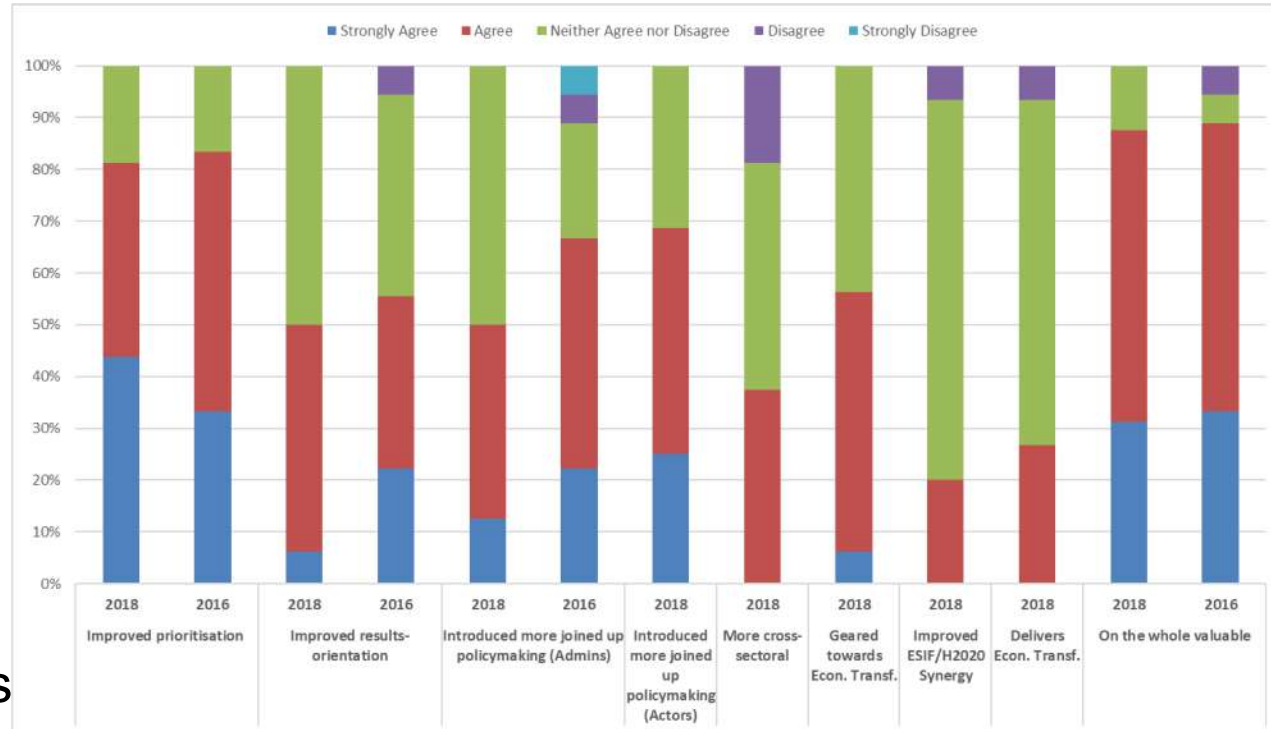
On the whole valuable

although impact on

- economic transformation
- results-orientation
- cross-sectorality

unclear

However, evidence of softer outcomes

- New capacities & capacities spillovers (Pomorskie)
- Ownership on vision, territorial branding (South Moravia)

Yet ... Disappointing synergies with H2020

- **Limited uptake**
  - Weaknesses in Less Developed Regions
  - Preference for national funds
  - Difference in focus/goals and rules
  - Unpredictability of timetable
  - Limited coordination domestically
  - Seal of excellence seldom used
- **Nevertheless**
  - ESIF can also raise expertise towards H2020
  - Synergies pursued by some (e.g. WAL, HR, SI)

Conclusions (1)

- **Implementation of S3 fully underway, after lengthy preparations. Progress by and large 'on track'**
- **Different approaches to implementation and funding**
- **S3s considered embedded in project selection**
- **Commitment (also shown by capacity building initiatives) but constant efforts needed**
- **Transformation and specialisation impacts not yet evident, but softer impacts showing** → positive spillovers on funding absorptions too
- **Outstanding shortcomings need to be addressed:**
  - Persisting innovation paradox → more effort on lagging regions?
  - Triple (not quadruple) helix → more effort towards mobilising new actors?
  - Financial commitment not always clear → difficult to estimate impacts
  - More joined up policymaking as a process but improved cross-sectorality and specialisation uncertain

Conclusions 2 - Lessons for Rwanda?

- Be clear on funding to be mobilised and related timeframe and results
- Capacity building, political commitment and stability needed
- Focus on an extensive interpretation of innovation, not just technological
- Mobilise all relevant actors – not only triple helix – from the start: Smart Specialisation is about whole society
- Monitor economic transformation and specialisation but don't forget also softer and societal impacts → they are important too
- Develop a fully fledged institutional and administrative capacity building plan to map-out and address bottlenecks that might prevent cross-sectorality and specialisation

…. And also …

Commit, work on it, don't give up!

It will take time, it won't be easy, it won't be perfect … but it can get done!

Many thanks for your attention!

Full paper
Laura Polverari and Viktoriya Dozhdeva
"From Smart Growth to Smarter Europe: Learning from Smart Specialisation
Delivery
(IQ-Net Thematic Paper 43(2), 2019)

available here: http://www.eprc-strath.eu/iqnet/knowledge-exchange/research-papers.html

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Debate on post-2020 Cohesion policy: S3 set to remain key

IQ-Net partners views

- **S3 mostly positive** but more details needed

- **Conditionality** supported by some but > flexible / less punitive approach – does it have sufficient bite?

- **Thematic concentration** but with more flexibility

- **Partnership and synergies** across funding sources need strengthened

- **S3 interregional cooperation** adequate tools needed