The European Commission's science and knowledge service

Joint Research Centre

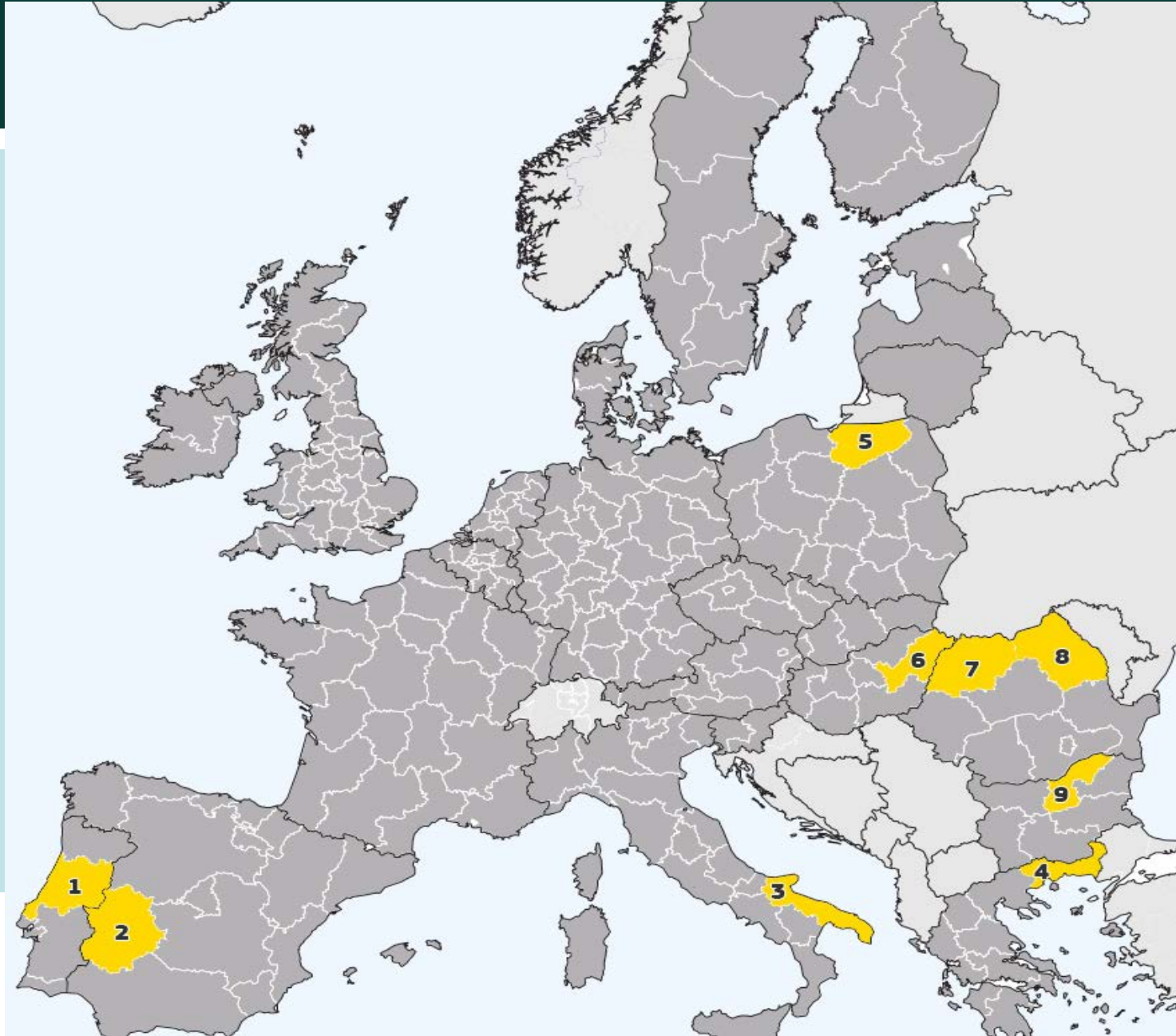# Targeted Support – Lagging Regions project

1- Support to the definition and implementation of RIS3 in selected regions

2- Identification of needs and support activities

3 - Interaction with institutions and stakeholders

4 - Dissemination of results and practices

COOPERATION FOR POLICY LEARNING

Project structure

It includes both vertical and horizontal support activities.

Vertical: specifically tailored to the needs of the region/country. Defined in collaboration with the local governmental authorities and DG REGIO.

Horizontal: workshops based on mutual learning, involving representatives from all the regions/territories of the project, and selected experts.

JRC works in close cooperation with local experts, who provide analytical support, and with local stakeholders in government, industry and higher education.

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7 criteria for the enabling condition of good governance

Policy objective	Specific objective	Name of enabling condition
1. A smarter Europe by promoting innovative and smart economic transformation	ERDF: All specific objectives under this policy objectives	Good governance of national or regional smart specialisation strategy

Fulfilment criteria for the enabling condition

Smart specialisation strategy(ies) shall be supported by:

1. Up-to-date analysis of bottlenecks for innovation diffusion, including digitalisation
2. **Existence of competent regional / national institution or body, responsible for the management of the smart specialisation strategy**
3. Monitoring and evaluation tools to measure performance towards the objectives of the strategy
4. Effective functioning of entrepreneurial discovery process
5. Actions necessary to improve national or regional research and innovation systems
6. Actions to manage **industrial transition**
7. Measures for **international collaboration**

- **Governance**

- **International collaboration**

- **Industrial transition**

Different dimensions of governance

Strategic and management functions

Policy implementation and required skills

Multilevel governance

Guzzo et al., JRC Technical Report 2019

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Literature references on Governance

- Evolution of institutional context and social/political factors. Relevance of territorial and administrative decentralization process (Stubbs, 2005)

- Innovation systems and technological frontier (Radosevic and Kaderabova, 2011; Karo, 2011)

- Institutional and policy capacity (Karo and Kettel, 2014)

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Main bottlenecks of S3 MLG

- Overlapping responsibilities and unclear processes
- Centralisation of the strategy
- Low involvement of local stakeholders in the decision making process of development strategies
- Fragmentation of the system
- Lack of capacity building
- Lack of intermediary agencies
- Lack of a shared vision of development
- Lack of integrated policy instruments

- **Governance**

- **International collaboration**

- **Industrial transition**

S3 and interregional collaboration

- Priority domains should be neither too high (an entire sector), nor too low (an individual firm) (Foray, 2015) → mid-level economic unit offering greater learning possibilities and opportunities for knowledge spillovers (McCann and Ortega-Argilés, 2013)

- Greater strategic cross border and transregional collaboration to achieve more critical potential and related variety (S3 Guide, Foray, 2012)

- Extra regional collaborations enlarge possibilities for discovery new functionalities/recombination of functionalities leading to a process of cascade (Bonaccorsi, 2011) → **relevance of RIS3**

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Interregional Cooperation
S3 Implementation and reasons for opening up

➢ To **connect** regional innovation eco-systems

➢ To exploit **complementary strengths**, avoiding duplication of investments and efforts in R&I

➢ To **overcome interregional fragmentation** and lack of critical mass across the EU

➢ To **improve the existing business environment** by identifying barriers to innovation, new investment or skills.

➢ To get access to **wider business and knowledge network**

➢ To join, enhance and even create new **EU value chains** in specific areas linked to their S3 priority areas, expanding business opportunities & realising **joint investment projects**

➢ To develop **shared infrastructures**

➢ To **build synergies** with other regional, national and EU initiatives: H2020, SET-Plan, etc.

➢ ...

- **Governance**

- **International collaboration**

- **Industrial transition**

WG Outputs and outcomes

Advisory Board with distinguished experts

First meeting 9 July.

Next meetings 9 December 2019, [TBC] March 2020.

Expected outcomes by June 2020:

→ **POINT Review methodology** Technical Report

→up to 3 **transition reviews** in lagging territories (spring 2020)

→co-develop **policy experiments** (scalable/replicable)

→A horizontal **synthesis report** (June 2020)

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Conclusions

1. Positive visions: RIS3 is a basis to expand on
2. Territory's *values* as important as economic strengths
3. Skills and R&I important: But only part of the story
4. Multi-level; multi-portfolio; multi-stakeholder process
5. Long-term policy horizons: Sequences matter
6. Policy challenge: New coordination framework needed, building on (not readily available) evidence
7. Reviews as an evidence-based process to help

Challenges of Lagging Regions

→ Regions with low growth / low income

Long-term challenges:

- Industrial decline and mass emigration
- Structural change: low-productivity agriculture/tourism
- Weak tradeable sectors; barriers to investment
- Lacking large-scale production and business innovation
- Societal and environmental challenges
- Large infrastructure gaps

Pressing need to develop knowledge-intensive production capabilities

Thank you!

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