RIS3 Guide: How to develop Smart Specialisation strategies in 6 steps

Jens Sörvik
S3 Platform

Brussels, 8 November 2012
R&I Strategies for Smart Specialisation

= economic transformation agendas

1) **Focus and align policy support and investments** on key national/regional **priorities**, challenges and needs for knowledge-based development (= tough choices)

2) **Build on each country’s/region’s strengths, competitive advantages and potential for excellence** (= critical mass, differentiation)

3) With an **outward looking** dimension

4) **Support all forms of innovation**

5) **Get stakeholders fully involved** and encourage experimentation and private sector investment

6) **Increased transparency** in priority setting

7) **Evidence-based** and include sound monitoring and evaluation systems

The RIS3 Guide

Edited by JRC IPTS in association with DG REGIO and with contributions from:

- D. Foray, P. McCann, J. Goddard, K. Morgan, C. Nauwelaers, R. Ortega
- Commission officials from various DGs
- S3 Platform research team

Available on the S3 Platform webpage http://s3platform.jrc.ec.europa.eu
RIS3 Methodology
- the « trunk & branches » structure

Policy Delivery Instruments

Methodological support
Policy Rationale

Economic Rationale

Smart Specialisation GUIDE
CP Regulations 2013-20
(COM) “The contribution of Regional Policy to smart Growth”
(COM) “The contribution of Regional Policy to sustainable Growth”
Innovation Union Flagship

Innovation Union self-assessment tool
Regional Innovation Monitor
OECD 2011 “Regions and Innovation Policy”
IRE-RIS Guide
Directory “No-Nonsense” to build S³
Diagnostic Systèmes d’Innovation (Praguer)

“Knowledge for Growth”
FWP Evaluation
Endogenous Growth

“Innovative milieux”

Innovation Systems
“Innovative milieux”

Policy Experimentation
RIS-RIITs 1994-2004

Competitive Advantage – M-Porter
Industrial districts

Evolutionary Economics
Economic Geography

“Knowledge for Growth”
FWP Evaluation
Endogenous Growth

“Innovative milieux”

Innovation Systems
“Innovative milieux”

Policy Experimentation
RIS-RIITs 1994-2004

Competitive Advantage – M-Porter
Industrial districts

Evolutionary Economics
Economic Geography
RIS3 guide - Key steps for developing a RIS3

Step 1 – Analysis of regional context/potential

Step 2 – Governance

Step 3 – Vision for the future

Step 4 – Selection of priorities

Step 5 – Policy mix

Step 6 – Monitoring and evaluation
Step 1 – Analysis of regional context and potential for innovation (I)

- A broader definition of innovation, not just RTD-oriented
- Assess existing regional assets
- Identify regional competitive advantage and weaknesses
- Detect emerging niches for smart specialisation
- Existing data and reports and new ones.
- Combine methods, e.g; Regional profiling, Quantitative studies of STI potential, Case studies, Capabilities, Surveys, Foresight, etc.
Step 1 – Analysis of regional context and potential for innovation (II)

• Analysis of regional potential
  • In which areas are there critical mass, but also …
  • In which sectors is there a growing activity, more new firms, more growing firms.
  • In which areas are companies investing

• Identify relevant actors to engage into process
  • Firms, but also Universities, Technology Centers, Venture Capitalists, Innovation support agencies and intermediaries.
Step 1 – Analysis of regional context – and potential for innovation (III)

Outward-looking Analysis:

- Assess region’s positioning within the EU
- Beware of global companies and value chains
- Flows of knowledge and skills in and out of region
- Avoid ‘blind’ duplication, discover possibilities for collaboration
- Combine methods (e.g. desk studies; interviews; interregional work groups)
Step 2 – Governance: Ensuring participation and ownership

Wider engagement of stakeholders:

- Include the demand-side perspective → Quadruple Helix
- Collaborative leadership
- Boundary spanning individuals and organisations
- Dedicated Steering Group/Knowledge Leadership Group, Management Team, Working groups
Step 2 – Governance: Ensuring participation and ownership

- Involve stakeholders directly or representatives?
- Depending on time and resources
- Different parts of the process, overall programmes and projects.
- Regional champions, but not only “incumbents”, but secure innovative companies and economic areas.
- Activities of interest:
  - Pilots – to show activity - not talk shop and try out new measures
  - Market co-creation, important in societal challenges-based markets, but also in other new emerging markets with long “valley of death” periods.
  - Formulating agendas for skills development and research and innovation agendas
- Be aware of project fatigue and overly bureaucratic procedures can kill interest in participation.
Bridge between policy makers, companies and R&D
Cluster management

Policy makers

- Favourable framework conditions
- Design of incentives / funding programmes
- “Translation” of policy instruments to SMEs
- Sustainable economic policy by providing high quality services to SMEs
- Development of fields of strength, support for emerging industries

Cluster management

- “speaking both languages”- of SMEs and R&D
- Initiating projects
- Project management in complex collective research projects
- Dissemination of R&D results

R & D

- Dev. regional specializations
- Evaluation of R&D-projects in regional calls for proposals
- Involvement of SMEs in R&D projects

Companies

- Bridge between policy makers, companies and R&D
Step 3 – Developing an overall vision of the region’s future

Shared vision of the region’s potential and main directions for its international positioning:

- Formulate different scenarios based on analyses and debate where your region wants to go
- Produce a positive tension towards the future
- Not too unrealistic and not lacking inspiration
- Guarantee long-term engagement of stakeholders – co-creating the future
Reconstruction of a mature cluster

56 Mills
Sub-suppliers

7 Mills
Sub-suppliers

Knowledge transfer
Technology transfer
Identified growth areas

- Plant Design
- ICT
- Environment
- Pulp & Paper
- Packaging
- Energy
- Process technology
Step 4 – Identification of priorities

Decision-making step where top-down meets bottom-up:

- Focus on a limited number of areas with potential for smart specialisation
- Areas where the region hopes to excel, can be transition, upgrading, diversification and new domains.
- Can be combination of traditional areas with horizontal activities, such as Key Enabling Technologies, organisational innovation, creative industries, etc.)
- Avoid:
  - Capture by interest groups
  - Imitation – Silicon Valley II
  - spreading thin – Café para todos!
Step 5 – Implementation, definition of a coherent policy mix, roadmaps and action plan

- Roadmap, action plan and pilot projects: organising and detailing rules, tools and roles
- Combination of vertical smart specialisation areas and horizontal policy support and framework conditions
- Which of your existing tools are BOTH successful and contribute to reach your goals?
- Which tools do you need to overcome identified challenges in order to reach your goals?
- Do you need to design your own tools?
Step 6 – Integration of monitoring and evaluation mechanisms

Entrepreneurial discovery process and the focus on smart specialisation requires a reintroduction of experimentalism and governance innovation into the Structural Funds.

- Need to be adaptive and be able to change plans – to meet Opportunities and Challenges
- Need to learn and update
- A need for a good monitoring system in place to learn from experimentation and to be aware of the development and when to change.
Monitoring & Evaluation

- Logical Frameworks
- Programme Logic
- Theory of Change
- Strategy map
- Balance Scorecard
S3 Platform support: streamlined “easy-to-use” assessment tools which ensure consistency with methodological approach
Informal RIS3 assessment

- Stakeholder involvement?
- Innovation and knowledge-based development priorities?
- Outward looking? Promote critical mass/potential?
- Appropriate actions identified?
- Align and leverage EU/national/regional policies towards identified areas of current and potential future strength?
- Synergies between policies and funding sources?
- Innovation and knowledge-based development priorities?
- Evidence-based?

Conclusions and advice

See questions in annex III of RIS 3 guide

Draft RIS 3 from REGION X

Appointed Expert(s)

Region X
Thank you!

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

JRC-IPTS-S3PLATFORM@ec.europa.eu
Smart Specialisation: Why now?

- Search for **more efficient + effective regional development policies**, avoiding overlap and imitation
- Setting **innovation as priority for all regions** (Europe 2020) and improving innovation (strategy) process
- Better use of **scarce public resources**, aiming for synergies between EU, national/regional and private funds (PPP)
- Driving **economic transformation**, focusing on regional profiles in global value
- **New academic insights and concepts** in the fields of growth, competitiveness and clusters
Thematic guides

- Incubators
- Universities & regional development
- Broadband
- Cultural and creative industries
- Service Innovation
- Energy efficient innovation through procurement

Soon available:
- Clusters
- Social Innovation
- Green growth
- Entrepreneurial spirit
- ....
Lower Austria - Large scale questionnaire surveys

- Carried out approx. every 5 years (1997 – 2002 – 2008)
- Approx. 6,000 questionnaires sent out to regional firms
- Response rate between 8% and 12%
- Monitoring and analyses of NÖ firms’ strategic key activities
- Innovation activities and needs in innovation support
- Satisfaction with offered services
- Innovation partners