



FEEDBACK REPORT

19
March
2018

Peer eXchange & Learning Workshop
Aarhus (Denmark)

Representatives from Helsinki - Uusimaa (FI), Tallinn (EE), Liepaja (LV), Lithuania (LT) and Pomorskie (PL) presented their current work on the Entrepreneurial Discovery Process (EDP), policy instruments and monitoring for Research and Innovation Strategies for Smart Specialisation (RIS3) in a Peer eXchange & Learning Workshop organised by the Smart Specialisation Platform (S3 Platform) of DG JRC, as part of the Innovation Camp organised by the Smart-Up Baltic Sea Region project in Aarhus. The presentations and following peer discussions provided the basis for this report.

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PART 1 | WORKSHOP FINDINGS AND KEY LESSONS

KEY LESSONS

MONITORING

- It is important to involve stakeholders in monitoring activities to increase voice and ownership of the policy by all relevant actors and enhance the accountability and transparency of public intervention.
- An effective monitoring system requires well-defined objectives, consensus on what constitutes success and how to measure it. There must be a common and clear understanding of what we want to measure and why.
- It is important to closely monitor the results of pilot initiatives to check their potential for transforming the regional economy and achieving critical mass as well as the evolution of the regional innovation eco-system.
- There is no "one size fits all" solution for monitoring activities. RIS3 monitoring systems need to be tailored to the specific characteristics of regional (national) contexts and strategies (taking into consideration the size of the territory, resources available, innovation ecosystem, politics, etc.).

POLICY INSTRUMENTS

- Provide instruments and resources to experiment pilot projects at local level. This is particularly relevant for countries in which there is only a national RIS3.
- Public procurement instruments play a central role in fostering innovation and providing solutions to societal challenges. Their use should be actively supported by national and regional authorities.
- Monitoring activities are crucial in improving policy instruments' design and effectiveness. Monitoring should focus on results rather than just on the amount of resources spent on policy instruments.
- Designing effective policy instruments requires stakeholder engagement.
- Coordination among different implementing bodies (e.g. Managing Authorities of national and regional Operational Programmes implementing measures in the same region) is necessary to avoid duplications and the implementation of contradictory policy instruments.

EDP

- It is necessary to provide more space and opportunities for continuous EDP in RIS3 by establishing stakeholders' platforms for on-going discussion on the evolution of priority domains and the identification of new ones.
- Clear rules and guidance are necessary to promote stakeholders' engagement in EDP along with specific communication strategies and channels.
- EDP needs to be carefully planned, structured and facilitated. Besides an effective EDP requires resources and actors' coordination. Public actors should ensure these aspects.
- A clear identification of strategies' objectives, expected results and outputs is crucial to enhance

stakeholders' engagement in the RIS3 exercise. It is absolutely necessary to be realistic and clearly define what can be done and what cannot be done.

- The spread of innovation requires stronger regional/local actors. Capacity building initiatives for all quadruple – helix actors is central for regional innovation strategies.
- Support and work with those who are willing to engage in innovative and risky initiatives and investments that have the potential for transforming the regional economy (see the "Pick the willing" concept by M. Mazzucato). This may also make RIS3 less susceptible to 'capture' by the interests of particular sectors and actors.
- Initiatives to attract human resources and large multinational corporations and gain access to global value chains are particularly relevant for less developed regions for tapping into new knowledge and competence networks.

This report summarises the debate and outcomes of the PXL workshop on some of the main elements of the smart specialisation policy concept held in Aarhus, on 19 March 2018, as a part of the Innovation Camp organised by the Smart-up Baltic Sea Region project (Interreg Baltic Sea Region Programme).

More specifically, the workshop focused on the Entrepreneurial Discovery Process (EDP), policy instruments and monitoring systems for Research and Innovation Strategies for Smart Specialisation (RIS3) through the experiences of Helsinki - Uusimaa (FI), Tallinn (EE), Liepaja (LV), Lithuania (LT) and Pomorskie (PL)¹.

Before the beginning of the peer-review exercise, DG JRC team presented the PXL methodology and the organisation of the two parallel sessions.

During the peer review sessions, several problems and challenges, related to the specific topics selected by each partner under review, were discussed (Monitoring: Helsinki – Uusimaa (FI); EDP: Tallinn (EE), Liepaja (LV) and Lithuania (LT); Policy instruments: Pomorskie (PL)).

Some of these issues are discussed below.

Stakeholders' engagement in EDP is particularly difficult to achieve. To begin with, it is problematic to get the right partners involved. And, even if stakeholders participate in the initial phases, it is then very challenging to keep them engaged in continuous EDP. Particularly challenging is the involvement of innovative SMEs and civil society groups. Specific instruments and communication strategies are required to support their participation as well as capacity building measures to help stakeholders to develop the capacity needed to take part in RIS3. Soft policy instruments, aiming at supporting collaboration among different actors, and pilot projects can also be useful to make the EDP a continuous exercise.

RIS3 monitoring design and operationalisation represent a complex task. Such task is quite demanding in terms of analytical capacity, (primary) data collection, resources and actors' participation. The setting up

¹ The presentations and background documents are available at:

<http://s3platform.jrc.ec.europa.eu/-/peer-exchange-and-learning-pxl-workshop-on-entrepreneurial-discovery-process-edp-policy-instruments-and-monitoring?inheritRedirect=true&redirect=%2Fs3-implementation-pxl>

of an effective monitoring system poses an additional burden on public actors that not all national and regional authorities are able to face effectively.

Generally RIS3 designed at national level do not take into adequate consideration regional/local needs and interests. They are centrally managed and do not usually provide financial resources for local pilot initiatives. In such circumstances, governments, bodies and actors at sub-national levels (regional, provincial and urban), struggle for recognition, visibility and access to resources within national strategies. At the same time as there is a lack of ownership, regional and local stakeholders are reluctant to participate in the strategies' revision process.

There are several challenges related to the design and implementation of policy instruments. Smart Specialisation's call for the experimentation of pilot and exploratory initiatives, collaborative projects and re-design of existing instruments to better serve the needs and objectives of RIS3 priority areas is particular challenging for implementing bodies. It requires adequate human resource, policy intelligence and coordination, within and across public administrations. Unfortunately, these elements are not equally available across EU regions and countries.

Finally, gaining continuous political support for the RIS3 exercise can be quite challenging. There are also cases in which initial political backing faded away in the implementation phase (due to changes in government, declining interest by politicians, etc.). Without such support, expectations regarding the strategy's capacity to deliver planned results tend to diminish along with stakeholders' engagement in the process.

The issues/questions posed by the representatives of Helsinki - Uusimaa (FI), Tallinn (EE), Liepaja (LV), Lithuania (LT) and Pomorskie (PL) fostered a lively debate in the smaller group discussions. More than 50 participants shared their experiences and knowledge. Specific recommendations and lessons learnt for each question are presented in detail in Part 2 of this report.

PART 2 | PXL QUESTIONS AND RECOMMENDATIONS

[HELSINKI – UUSIMAA: RIS3 MONITORING]

Questions/issues posed by the region for peer discussion

QUESTION 1 How do you measure the **direct impacts** of your RIS3?

QUESTION 2 How do you measure the **indirect impacts** of your RIS3?

During peer discussions, participants were divided in two groups/tables, all of which had representatives from various EU Member States and regions. A facilitator from DG JRC was present to steer the work. Each table was offered to choose one of the questions prepared by the representatives. A summary of these discussions is presented below.

EVOLUTION OF QUESTION 1

QUESTION How do you measure the direct impacts of your RIS3?



RECOMMENDATIONS

Since the amount of financial resources dedicate to the Helsinki-Uusimaa RIS3 is quite small and only few projects can be financed it would be interesting to monitor and follow the single projects. Develop specific indicators for monitoring the projects.

Monitor the evolution of the innovation ecosystems by looking at trends, science-business linkages, collaborative projects and initiatives, provision of collective services, etc.

Involve stakeholders in building the set of indicators and keep them informed on RIS3 progress.



LESSONS LEARNT	<p>There is a need to select indicators and measurement mechanisms with all relevant stakeholders, in particular companies.</p> <p>There is no "one size fits all" solution for monitoring activities. RIS3 monitoring systems need to be tailored to the specific characteristics of regional contexts and strategies (taking into consideration size of the territory, resources available, regional innovation ecosystem, politics, etc.).</p>
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EVOLUTION OF QUESTION 2

QUESTION	How do you measure the indirect impacts of your RIS3?
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RECOMMENDATIONS	<p>Define the vision and create a story around it by getting stakeholders involved in the process.</p> <p>Develop long-term coherent stories over the years to describe the changes of the regional innovation system structure and processes (look at the evolution of the innovation system).</p>
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LESSONS LEARNT	<p>Engage politicians in monitoring activities by providing them with monitoring findings and reports.</p> <p>It is important to monitor activities that support the creation and development of partnerships to better grasp the indirect impacts of RIS3.</p> <p>There is a need to include experts and companies' representatives in monitoring indirect impacts (identifying stories and practices).</p> <p>A clear (shared) purpose for measuring is necessary. There must be a common and clear understanding of what we want to measure and why.</p>
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[TALLINN: ENTREPRENEURIAL DISCOVERY PROCESS]

Questions/issues posed by the region for peer discussion

QUESTION	What would it take to shift the government focus from the national level to the regional/local level? And how could the city support entrepreneurial discovery process in the smart city context?
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The discussions that took place regarding the two questions posed by the Estonian delegation were merged into one general one and discussed in one group only, as the number of attendees to this session was limited.

EVOLUTION OF THE QUESTION

QUESTION	What would it take to shift the government focus from the national level to the regional/local level? And how could the city support entrepreneurial discovery process in the smart city context?
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RECOMMENDATIONS	<p>The main recommendation given to the Estonian delegation was to define clear and concise initiatives, trying to start from small experimental projects on municipal scale.</p> <p>A clear self-definition of competences was also stressed. It is necessary to deeply analyse the territorial capacities for understanding the city potential in the global context.</p> <p>Several examples of instruments were commented. The relevance of public procurement initiatives was emphasised particularly.</p>
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LESSONS LEARNT	<p>Public procurement instruments play a central role in promoting innovation processes. Their use should be actively supported by national and regional authorities. Demand side instruments, such as public procurement, are in fact particularly important to stimulate the use of innovations to address grand societal challenges.</p> <p>Work with the existing capacities, giving the right value and space to experiences, expertise and capacities that already exist in the territory.</p>
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[LATVIA /LIEPAJA: ENTREPRENEURIAL DISCOVERY PROCESS]

Questions/issues posed by the region for peer discussion

QUESTION 1	How to ensure the Entrepreneurial Discovery Process (EDP) as a continuous process during the elaboration and implementation of action plans ?
QUESTION 2	How to ensure the Entrepreneurial Discovery Process (EDP) as a continuous process during the project evaluations ?

During peer discussions, participants were divided in two groups/tables, all of which had representatives from various EU Member States and regions. A facilitator from DG JRC was present to steer the work. Each table was offered to choose one of the questions prepared by the representatives. A summary of these discussions is presented below.

EVOLUTION OF QUESTION 1

QUESTION	How to ensure the Entrepreneurial Discovery Process (EDP) as a continuous process during the elaboration and implementation of action plans?
	
RECOMMENDATIONS	<p>Establish operational boards of stakeholders (composed of public authorities, business sector, academia representatives and other relevant actors) that support on-going discussions on the development of the priority domains and provide inputs for the implementation plans (Pomorskie example). Specific working groups should be established for each RIS3 priority domain.</p> <p>Develop clear guidelines for stakeholders on how they can participate in the RIS3 policy exercise and give them the opportunity to provide inputs and feedback on the strategy.</p>
	
LESSONS LEARNT	<p>It is important to know the innovation eco-system and map all relevant stakeholders.</p> <p>In countries where only a national RIS3 exists, regional different interests and needs should be reflected and embedded in national strategies and implementation plans.</p> <p>It is important to provide specific measures and funding at local level for</p>

RIS3 implementation and improve multi-level governance mechanisms.

Evolution of Question 2

QUESTION

How to ensure the Entrepreneurial Discovery Process (EDP) as a continuous process during the project evaluations?



RECOMMENDATIONS

Establishing open discussion platforms at regional level to involve various groups of stakeholders in the continuous EDP.

Strengthening administrative capacity at micro level to improve project evaluation.

Regional needs should be included in the national RIS3 document. Regions should have instruments to implement RIS3 at regional level.



LESSONS LEARNT

Organise workshops to provide information on RIS3 at local level (Lithuanian example).

It is valuable to identify local leaders and influencers in RIS3 priority areas.

Communication and lobbying activities for regional/local needs are important for regions (cities and provinces) to get involved in the RIS3 exercise.

Knowledge building through participation in international cooperation projects may improve national policies.

[LITHUANIA: ENTREPRENEURIAL DISCOVERY PROCESS]

Questions/issues posed by the region for peer discussion

QUESTIONS 1 & 2	On the Entrepreneurial Discovery Process: <ul style="list-style-type: none"> • How to cause changes in the priority areas? • How to objectively evaluate the performance of priorities?
QUESTION 3	How to involve the relevant stakeholders in the process?

During peer discussions, participants were divided in two groups/tables, all of which had representatives from various EU Member States and regions. A facilitator from DG JRC was present to steer the work. Each table was offered to choose one of the questions prepared by the representatives. A summary of these discussions is presented below.

EVOLUTION OF QUESTIONS 1 & 2

QUESTIONS	On the Entrepreneurial Discovery Process: <ul style="list-style-type: none"> • How to cause changes in the priority areas? • How to objectively evaluate the performance of priorities?
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RECOMMENDATIONS	<p>Gather information on the development of priority domains foresight methods should be used. This information may support the RIS3 review process (Finnish example).</p> <p>Take into account regional different interests and needs in the EDP. Regions need to be actively involved in the process. For example, it may be useful to organise workshops, meetings and other events in places where a specific priority domain is prominent (Klaipeda region example of geothermal and wind energy specialisation).</p> <p>Use online and distance learning methods in the EDP in order to involve regional and local stakeholders.</p> <p>Employ technology scouts to find new and relevant technologies within priority domains (Latvian example).</p>
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LESSONS LEARNT	An effective EDP requires sound communication strategies and channels. EDP needs to be carefully planned, structured and facilitated. It requires resources and joint efforts.
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Evolution of Question 3

QUESTION	How to involve the relevant stakeholders in the process?
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RECOMMENDATIONS	<p>Enhance stakeholders' interest and engagement by creating team of scouts for specialised visits.</p> <p>Improve communication with all relevant partners. Better interactions and communication with stakeholders, particularly via personal contacts, help reinforce trust between public administration and private sector.</p> <p>Define better actions and experiment new instruments to increase actors' motivation and engagement.</p> <p>Promote university-business collaboration, both in large companies and SMEs.</p>
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LESSONS LEARNT	<p>There is an absolute need for political commitment and support.</p> <p><i>Ad hoc</i> strategies and projects are necessary to achieve broader stakeholders' involvement.</p>
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[POMORSKIE: POLICY INSTRUMENTS FOR RIS3]

Questions/issues posed by the region for peer discussion

QUESTION 1	How to combine regional RIS3 policy instruments to create a coherent and complementary Pomorskie Smart Specialisation support system?
QUESTION 2	How to choose adequate support instruments to increase engagement of the Pomorskie Smart Specialisation stakeholders?
QUESTION 3	How to increase the number and quality of innovation projects in the region?

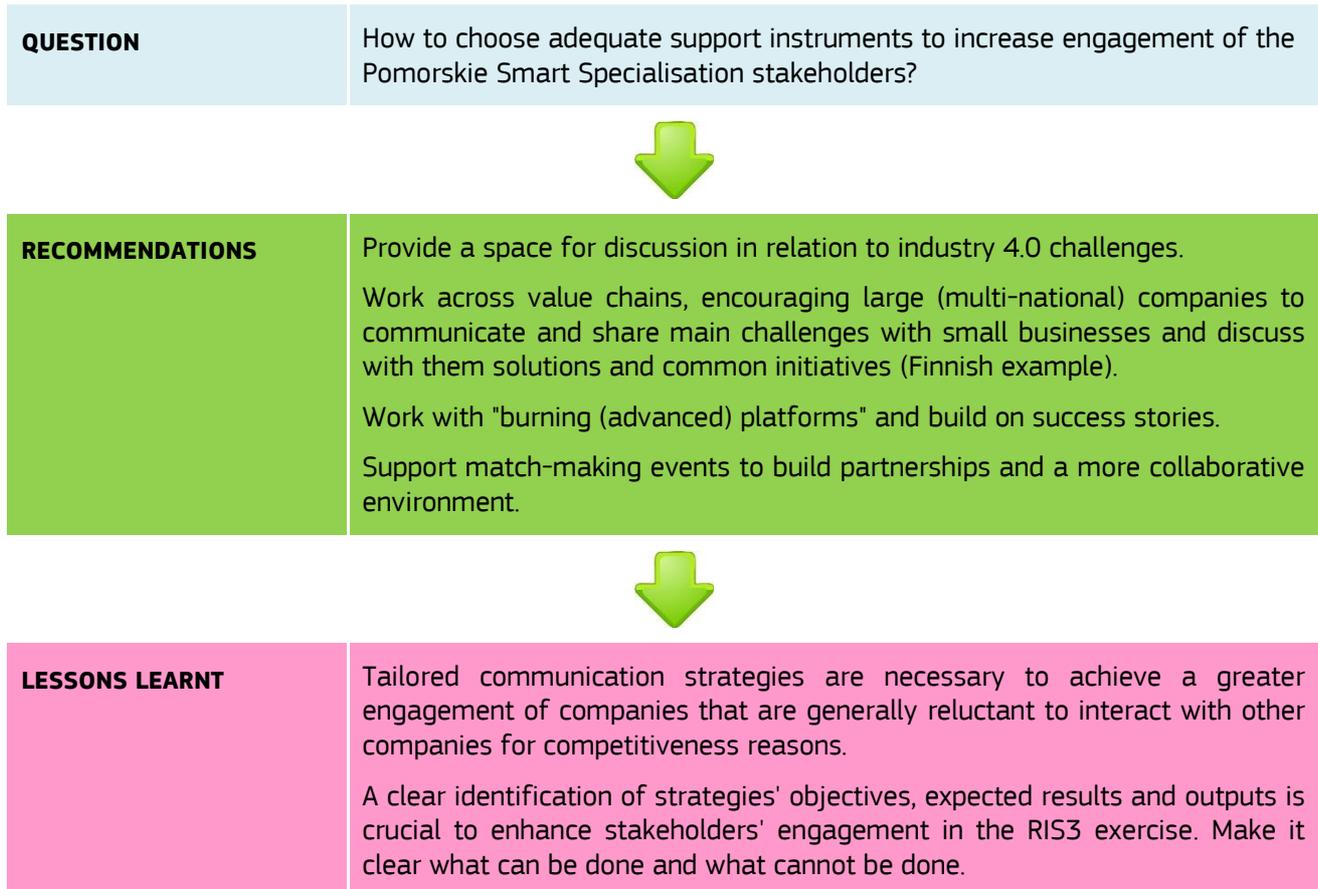
During peer discussions, participants were divided in three groups/tables, all of which had representatives from various EU Member States and regions. A facilitator from DG JRC was present to steer the work. Each table was offered to choose one of the questions prepared by the representatives. A summary of these discussions is presented below.

EVOLUTION OF QUESTION 1

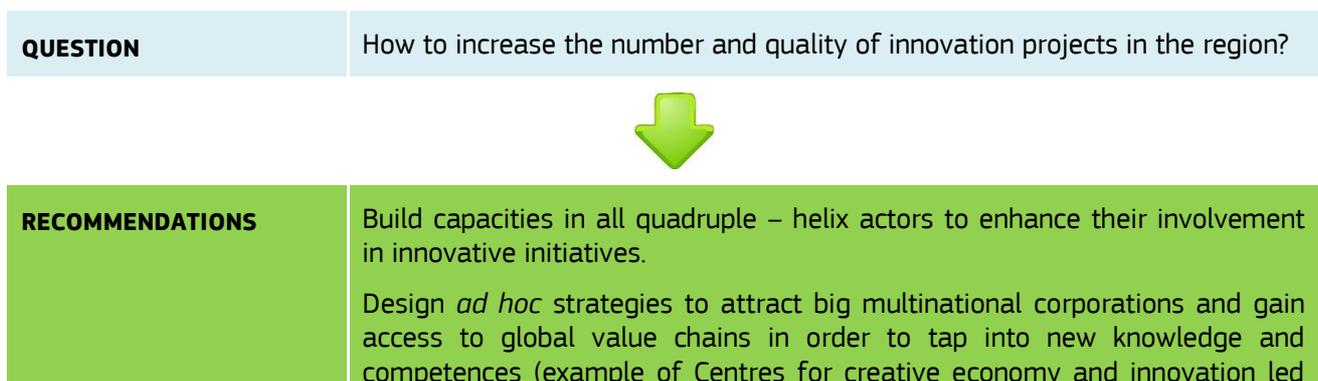
QUESTION	How to combine regional RIS3 policy instruments to create a coherent and complementary Pomorskie Smart Specialisation support system?
	
RECOMMENDATIONS	<p>Monitor all measures financed by the national and regional Operational Programmes targeting Pomorskie region to identify the most effective policy instruments.</p> <p>Use monitoring findings to avoid duplications and overlaps in policy instruments managed at different government levels.</p> <p>Promote the development of joint initiatives and undertakings (eg. Innovation and industry councils, etc.).</p>
	
LESSONS LEARNT	<p>Priority should be given to pilot collaborative projects in RIS3 implementation.</p> <p>Effective policy instruments' design requires stakeholder engagement.</p>

Monitoring activities are crucial in improving policy instruments' design and effectiveness. Monitoring should focus on results rather than just on the amount of resources spent on policy instruments.

Evolution of Question 2



Evolution of Question 3



by big companies in South Korea).
 Design specific initiatives to attract human resources and competences from other places.



LESSONS LEARNT

The spread of innovation requires stronger regional/local actors. Capacity building initiatives for all quadruple – helix actors is central for regional innovation strategies.

It is central to support and work with those who are willing to engage in innovative and risky initiatives and investments that have the potential for transforming the regional economy (see the "Pick the willing" concept by M. Mazzucato). This approach may also make RIS3 less susceptible to 'capture' by the interests of particular sectors and actors.

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ANNEX | PEER EXCHANGE & LEARNING – PXL

[ABOUT THIS REPORT]

PXL Methodology

Peer eXchange and Learning (PXL) is a methodology for reviewing specific elements of innovation strategies for smart specialisation (S3) and territorial development strategies and tackling the associated implementation challenges. It is an important instrument currently offered by the S3 Platform of the European Commission to EU Member States and regions.

PXL builds on the well-established peer-review approach of the S3 Platform. It supports transnational learning by bringing together regions and countries for an exchange of knowledge and experience, mutual learning and the exploration of ways in which innovation and development strategies can be effectively implemented, adjusted and revised.

PXL creates an open and trusted learning environment where practical and conceptual issues can be discussed and explored through the experience of individual regions and countries. It engages peers and experts in focused discussions on important issues that the regions and countries under review raised and guides them to distil a range of collective suggestions and lessons into a coherent picture.

PXL especially aims to tackle the challenges emerging during the transition from strategy design to implementation. It does so by: (1) focusing the discussion among regional and country representatives, experts and European Commission staff around a *thematic frame* which is typically a single theme, process or element of the strategy; (2) preferentially targeting a community of policy makers and practitioners who are at the stage of transforming planned objectives into results through concrete actions.

PXL Workshop

A PXL workshop has a single thematic frame (e.g. governance settings, priority definition, monitoring, policy mix, etc.). It runs over one full day and includes peer review of two to four regions and/or countries. Individual PXL sessions focus on one region or country and last around one and a half hour.

The workshop is opened by one or more expert presentations and a debate around the framing topic. This opening session should set the scene and provide a broad set of views, approaches and insights for the individual PXL sessions. The debate can take the form of a dialogue between experts who will alternately provide arguments in support of and against common practices or believed-to-be-good practices in the field defined by the workshop's framing topic. This type of dialogue would help to stimulate the following discussion to go beyond traditional formulations of problems and solutions.

The workshop continues with individual PXL sessions. A presentation of each region or country's current work on the thematic frame is generally followed by a Q&A session. Specific issues identified by the regions and countries under review are then discussed at individual tables in two iterations, which ensure that participants can: *work together* to understand the actual problems; *propose solutions* to these

problems by discussing what worked well and what did not work; and *learn together* how to deal with new policy issues in new contexts.

An S3 Platform team member facilitates each PXL session in line with the participatory leadership approach. Such a participative approach encourages all participants to share or participate in the discussion and to identify key messages. It allows engaging participants in a dynamic and creative discussion, which benefits both the regions and countries under review and their peers.

PXL sessions are followed by a final session during which all participants (experts, representatives of the regions and countries under review, peers, and European Commission staff) summarise the results of the sessions, and discuss individually and mutually lessons learnt. At this point, the regions and countries under review have the opportunity to respond to any feedback collected throughout the workshop. Finally, they share their main insights with peers and may mention any short- to mid-term plans to apply them.

Building on the general structure described above, the format of the workshops is tailored according to the topic's requirements and needs expressed by regions and countries.

Objectives and Expected Outcomes

Regions and countries volunteer to be reviewed in an attempt to source both critical and well-timed advice addressing specific issues they are currently facing in the implementation of innovation and development strategies. Regional and national policy makers may also view PXL workshops as a good opportunity to build their networks of counterparts across Europe.

PXL sessions aim to achieve the following outcomes: (i) to better *understand* the thematic frame of the whole PXL workshop; (ii) to *provide* general feedback to each region and country under review; (iii) to *examine* the specific issues presented by each region and country under review and propose how they could be tackled or solved; and (iv) to *build up* awareness and knowledge about problems that are common across Europe.

During the workshop, the S3 Platform team collects any relevant information and data covering different elements of each PXL exercise. A brief summary/feedback report is drafted and circulated by the S3 Platform team as a final output of the workshop.