

Insights on assessing the Smart Specialization experience so far.

The case of Crete Region



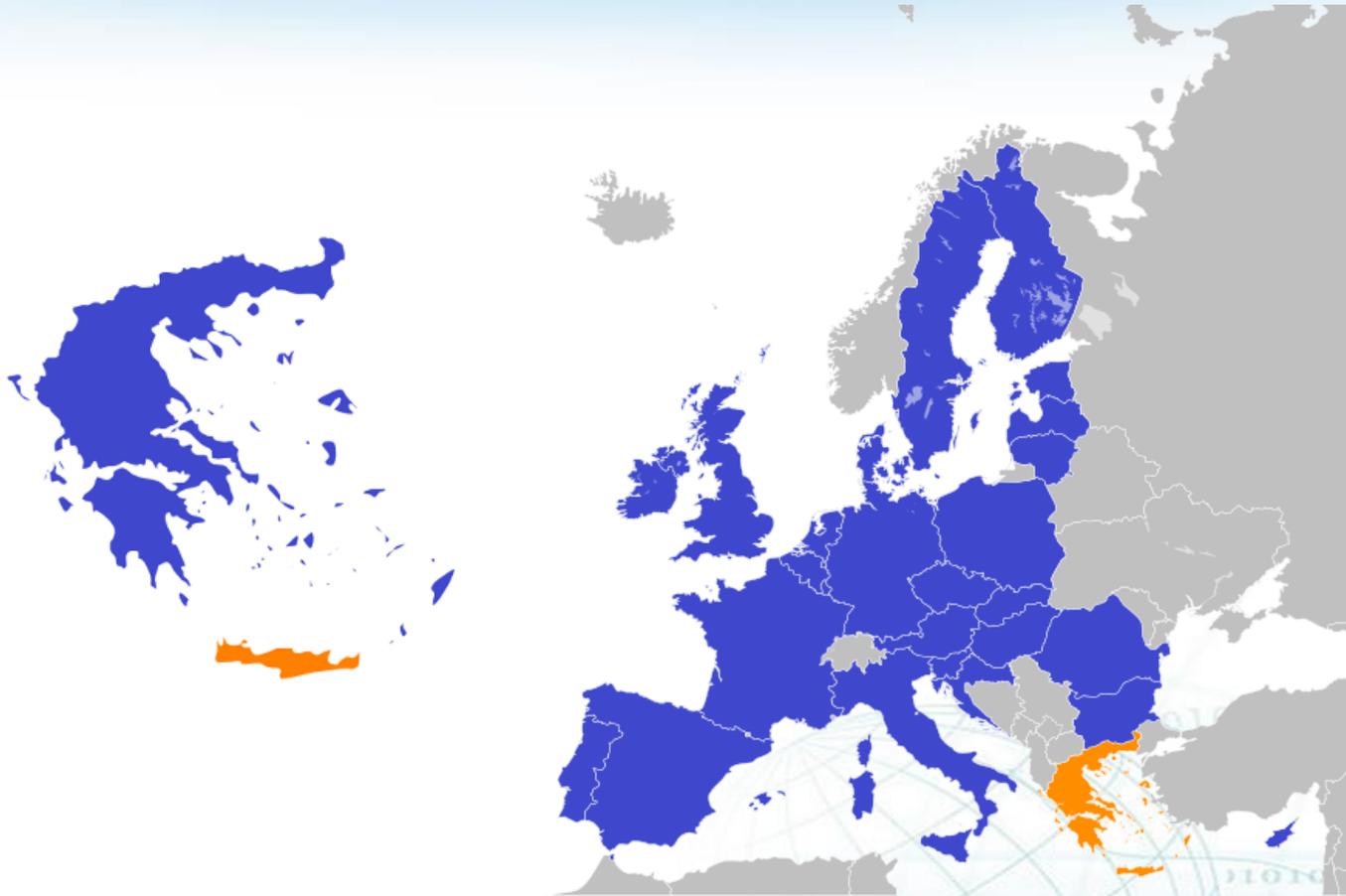
Maria Kasotaki
Head of the Managing Authority
of Crete Region

June 2018

Outline of the presentation

- ✓ A few words about RIS3Crete (Governance, Activation and Monitoring)
- ✓ RIS3 (Strengths / Weaknesses, Threats/Opportunities)
- ✓ Lessons learnt (six steps of RIS3 guide)
- ✓ Recommendations
- ✓ Capacity building

For those who don't know us



Crete at a glance

Intermediate Level of Development in EU.

- An intermediate level of development in EU.
- Part of a group of 76 regions with a GDP ranging from 80% to 99% of EU average.
- 5th in Greece in GDP per capita.
- Crete is in the 228th position in innovation and in the 250th position in competitiveness in EU.
- In terms of overall competitiveness Crete is recording a score right in the middle in Greece .
- Crete must cover a long distance in order to converge to the European average especially in entrepreneurship.

A Dynamic Regional Economy requiring transformation

- Strong agro food sector but limited transformation
- Strong tourism and Brand Name but mostly summer oriented
- Strong Academic and Research sectors but little interaction with the local economy in terms of innovative entrepreneurship.
- Crete has developed a more balanced structure of economic activities with considerable export and extrovert orientation.

RIS3Crete/ Priorities

Agro-food

- Upgrade /strengthen traditional agro food products
- Differentiate the products mix. New products development
- Food technology

Culture– tourism

- Conservation & promotion of archaeological places
- Upgrading offered services
- Development / exploitation of ICT tools
- High value alternative tourism products

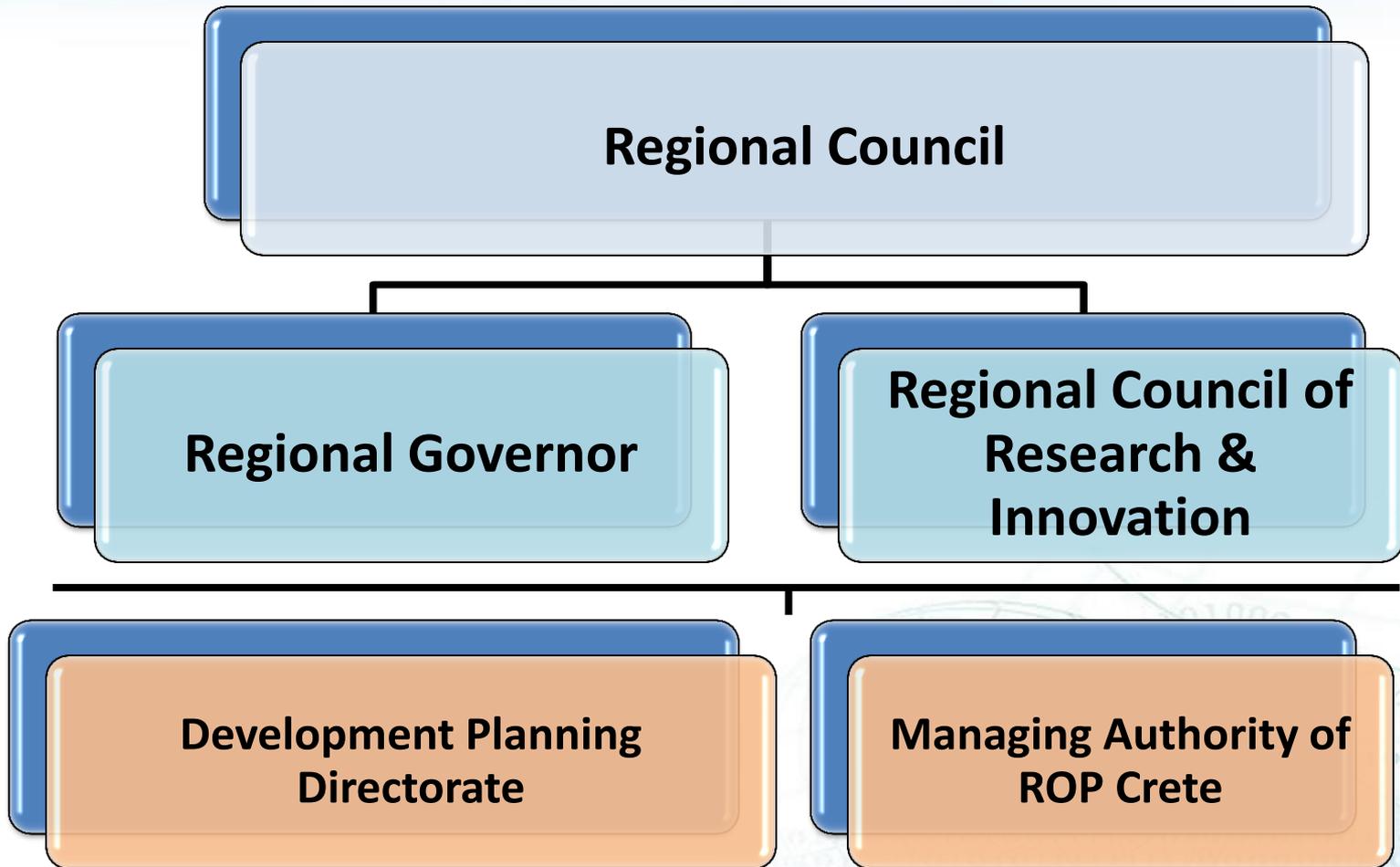
Environment- Energy

- Sustainable construction
- Energy saving
- Renewable energies
- Smart water and wastewater management

Knowledge complex

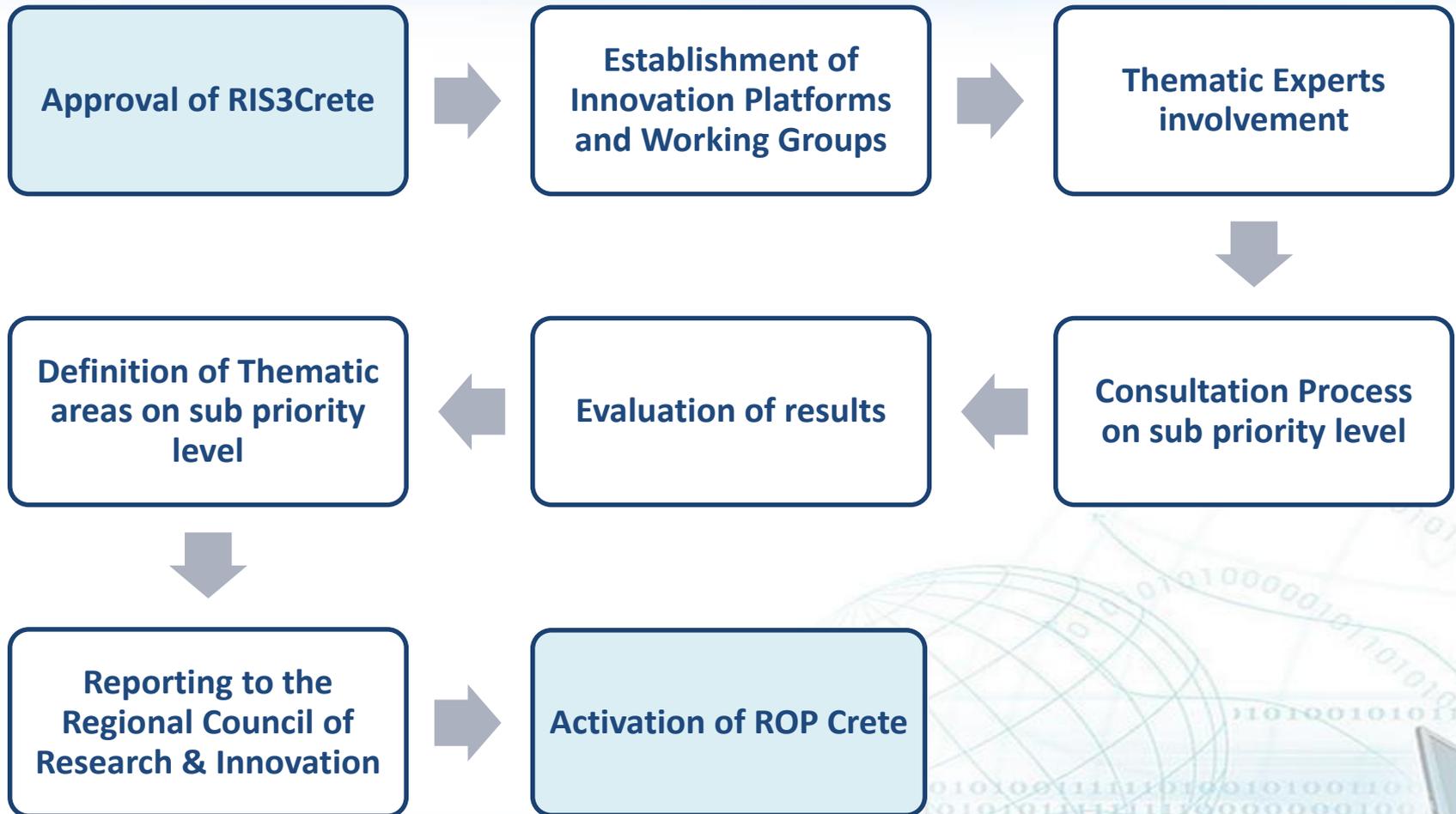
- Support start-up business on innovative sectors .
- Attract investment based on Academic & Research Institutes results.
- Exploit key enabling technologies

RIS3Crete / Governance



From Strategy Elaboration to Projects Selection and Funding

It's a long process!!!!



RIS3 CRETE (Strengths / Weaknesses, Threats/Opportunities)



S3 Process/ Weaknesses

- ✓ RIS3 is **one of the 24 "conditionalities"** applied to OP "CRETE" 2014-2020. Has it been considered as an obligation or as a challenge?
- ✓ RIS3 was elaborated by regional administrations with limited experience and limited skilled human resources. **Regional administrations capacity** to elaborate, implement and monitor RIS3 **was underestimated**.
- ✓ The planning period of RIS3 was rather short. Therefore priorities selection remained on a rather general level. Entrepreneurial discovery process followed the adoption of the strategy. Therefore **ROP activation was delayed** enough.
- ✓ **Surveys and data for indicators measurement** are not available at regional level.
- ✓ Business and Academic community **established attitudes** are changing slowly. Entrepreneurs mobilization still remains on low levels.
- ✓ Weak **coordination** between national and regional authorities.
- ✓ **State aid rules dominate** the Thematic Objectives 1, 2 and 3 actions (RIS actions) and therefore increase complexity.

S3 Process/ Strengths

- ✓ **Strong political will** to support RIS at regional level
- ✓ **Governance structures** adopted at regional level guarantee sustainability of the strategy
- ✓ **Experience gained** by regional administration concerning planning and implementation of RIS may improve the quality of the strategies reformation.
- ✓ **Young entrepreneurs** were actively involved in business discovery processes.
- ✓ Partnerships between Enterprises and Researchers are getting active. **Best practices** motivate entrepreneurs.
- ✓ Great potential of **innovative Ideas** in the Region.
- ✓ Strong demand for **simplified institutional framework** .
- ✓ Strong demand for **tools** to boost innovative entrepreneurship at regional level.

S3 Process/ Threats

- ✓ **Macroeconomic environment** remains difficult and dampens business expectations. Large primary budget balances required over the next 5-10 years lead to high tax rates and insurance contributions.
- ✓ **Business environment** has improved but key weaknesses undermine confidence. The main barriers to entrepreneurial activity in Greece are to a large extent stemming from the lack of a more general framework of national policies for entrepreneurship. Additional obstacles include: the difficulty of finding finance for business ventures, the high barriers to entry in the market, and the prevailing culture of entrepreneurship that is rather ambiguous.
- ✓ **Brain migration** compounds problems as highly specialized personnel is migrating to other more dynamic economies which provide more incentives for scientific high skill work.
- ✓ **Institutional framework** related to tenders and competition is putting pressure on the process and may lead to stakeholders disillusionment.

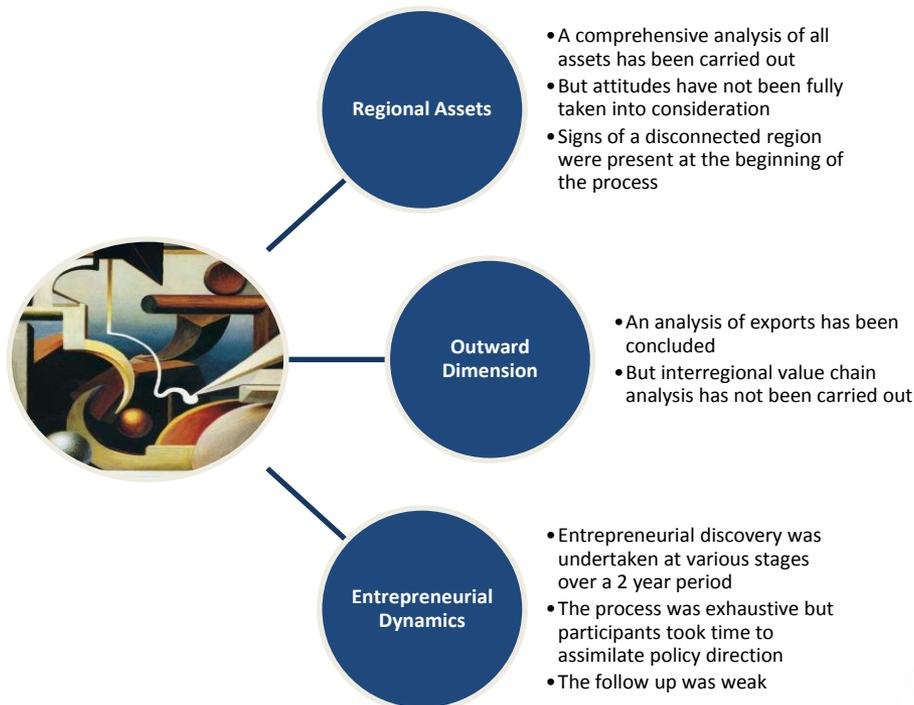
S3 Process/ Opportunities

- ✓ Exploit the potential of **new emerging Industries** (activities) especially in ICT and circular economy.
- ✓ The **repositioning of banks** away from over-indebted clients (with NPLs) to new clients will provide more opportunities for funding start-ups.
- ✓ The crisis creates **opportunities** as old firms die new ones can offer a better product/service based on innovative processes and technologies.
- ✓ Take advantage of an improved **business/research interaction**.
- ✓ Improvements in **cluster policies** and networks will provide a more solid basis for the elaboration and implementation of RIS3.

RIS3 CRETE LESSONS LEARNED



Analysis of the regional context and potential for innovation

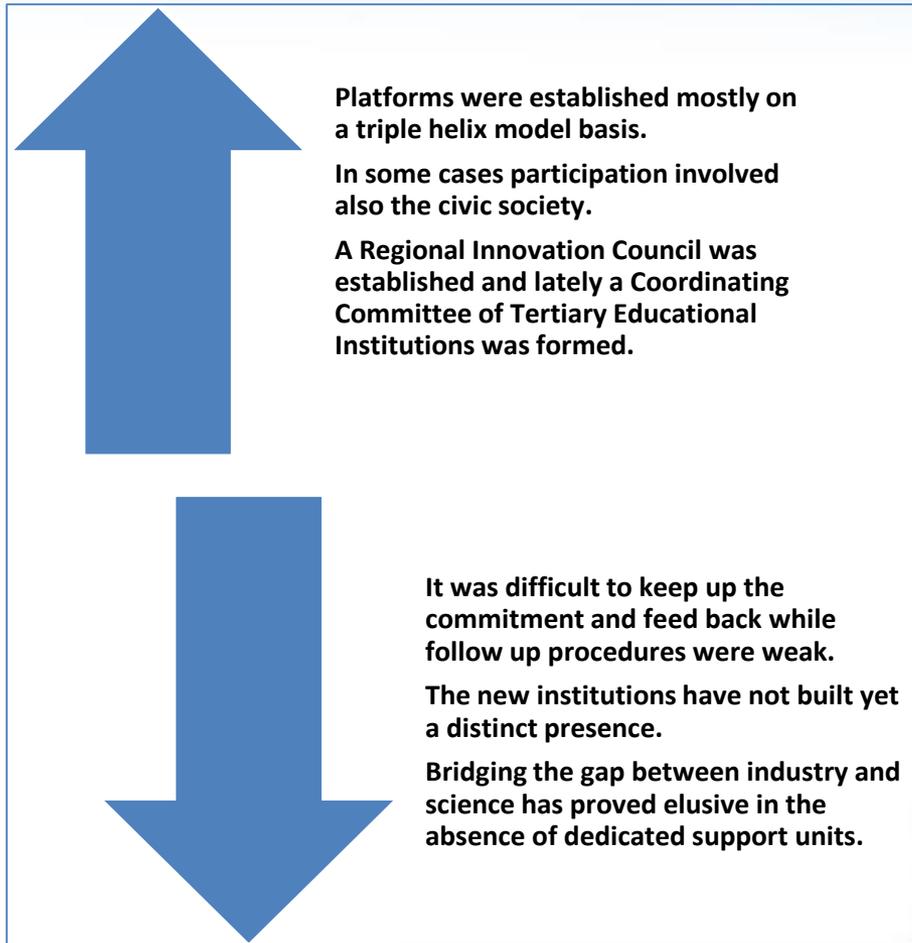


Updating RIS3 urgently required centering on covering gaps in analysis and surveying attitudes of stakeholders.

More work is required in educating and mobilizing stakeholders.

A new extensive consultation has to take place within existing platforms and beyond.

Governance: Ensuring participation and ownership



Improving governance is a priority in the new programming period. The Regional Administration is establishing a dedicated Business Support Unit which will coordinate and mobilize local actors.

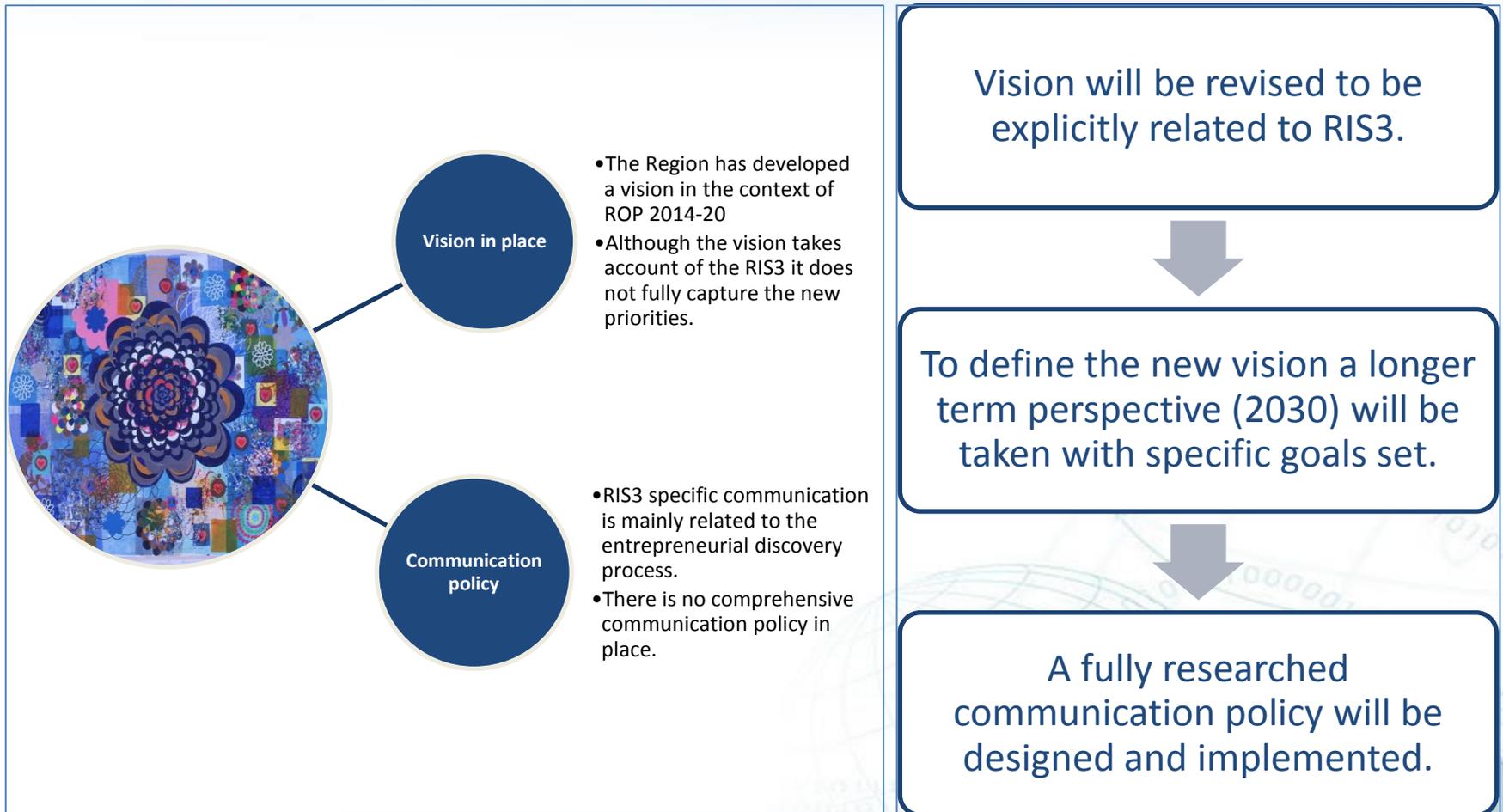


The establishment of incubators offering more “soft” support will help create closer links between science and industry.



The newly established institutions will gradually mature and take a more active role in the elaboration of RIS3 and its implementation. More coaching is required.

Elaboration of an overall vision for the future of the region



Identification of priorities

Priorities have been established and specific activities selected.

Consultation process and entrepreneurial discovery have partially confirmed priorities.

However certain actors in selected activities were unable to develop and present innovative ideas.

The gap between research and industry has started to be bridged and collaboration has increased at selected activities level.

Response to tendering process will be the litmus test for priorities and activities.

Priorities will be revisited following the closure of the tendering process.

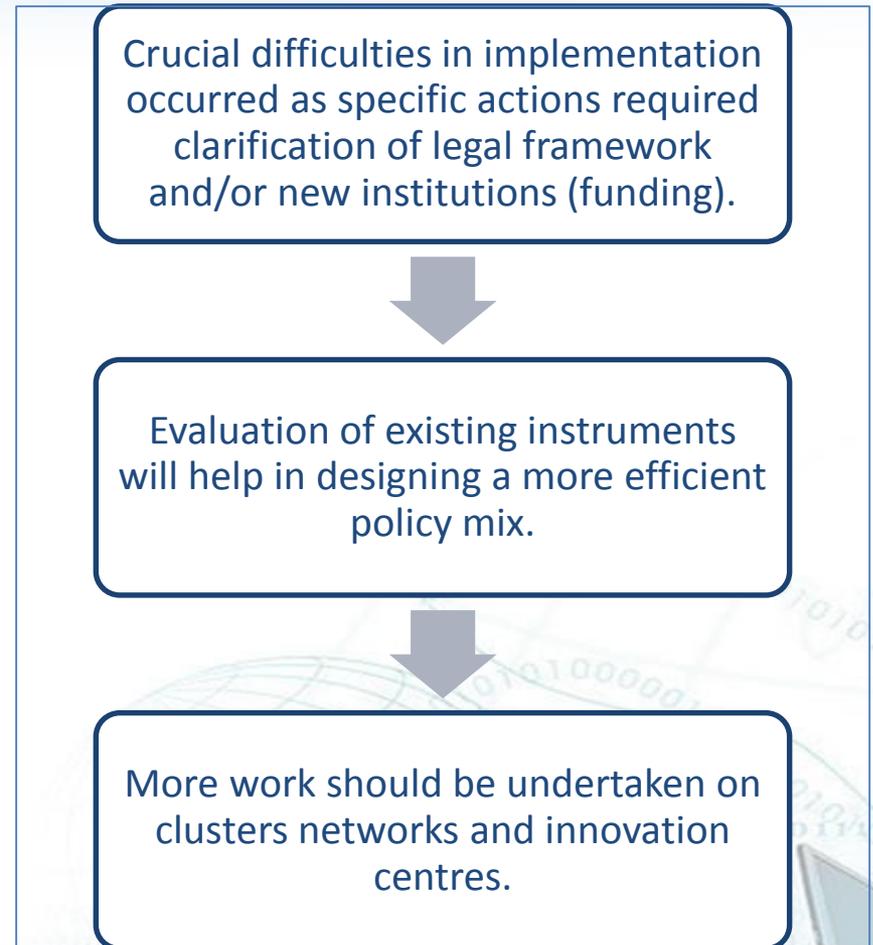
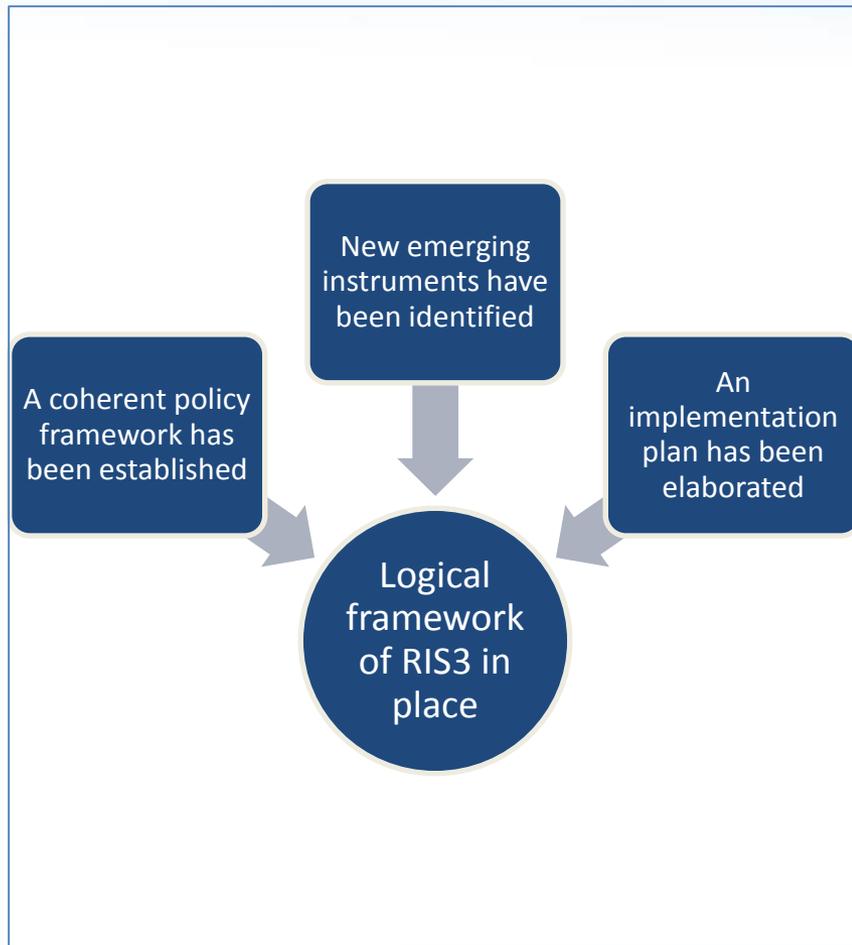


Evaluation of results will lead to new selected activities.

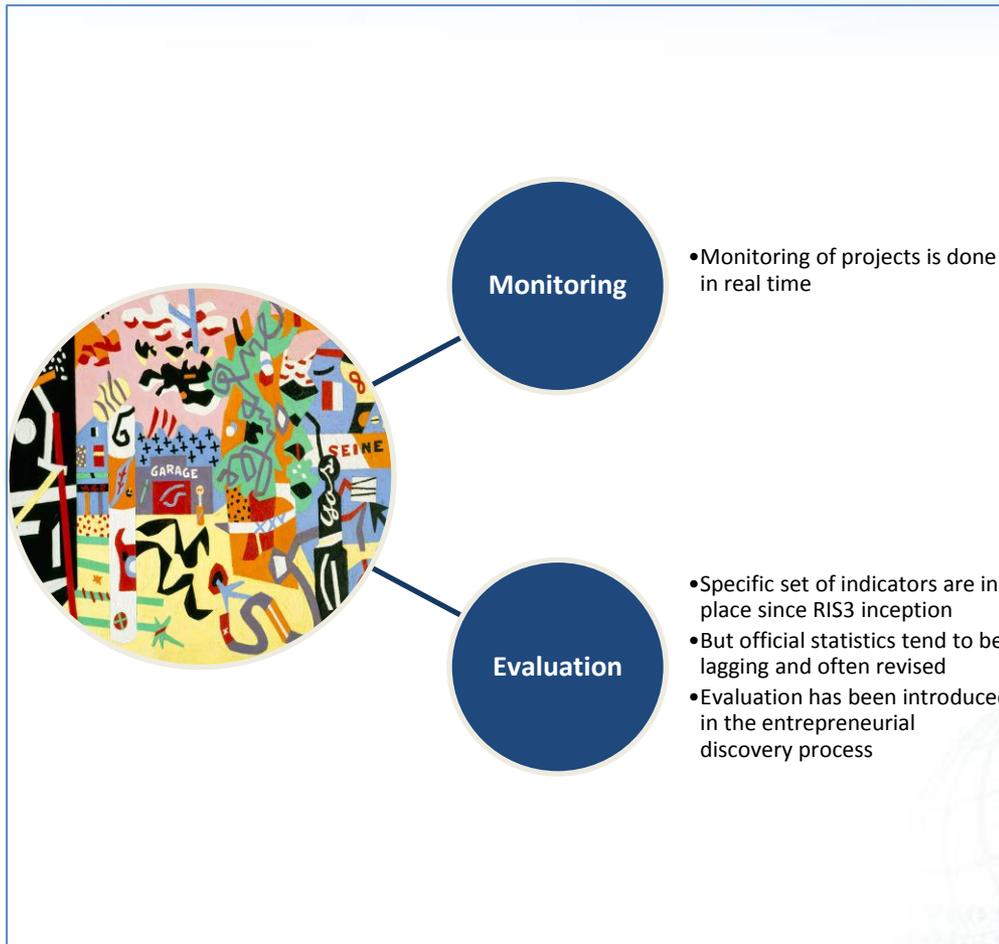


Rigorous analysis of value chains and more systematic consultation will result in better strategic focus.

Definition of coherent policy mix, roadmaps and action plan



Integration of monitoring and evaluation mechanisms



We are building a regional data base of business activity able to identify changes earlier than the official statistics.



A program of surveys has also been designed in order to follow changes in attitudes and perspectives.



A discussion of evaluation outcomes will be initiated at the Regional Innovation Council and the platforms.

Recommendations

RIS3 represents a paradigm shift in regional policies and as such requires a period of gestation with education of actors trial and error and rigorous evaluation.

New institutions require more time and resources to establish themselves in the regional context. Technical assistance is essential.

The long delays in the clarification of the implementation procedures is undermining the initial momentum. Built in preliminary stages and the credibility of the process. Explain clearly in order to create trust.

The national regional interaction requires more refinement. It is essential to set priorities in a coordinated fashion. But implementation must be wholly delegated to the regional level. Parallel competing tenders undermine efficiency.

Recommendations

Capacity building is the first step if we desire an efficient RIS3.

Involve the regional authorities actively at the highest level from the beginning of the process.

Entrepreneurial discovery process is not efficient without good governance structures and a strong coordination of stakeholders on regional level

Be aware that we are exploring a “new found land” so we have to accept failure.

Capacity Building remains a crucial factor for success

The regional authorities require a prioritization of the capacity needs for long term planning implementation and evaluation of RIS3.

Identify the right support tools and fund their development and use (data bases, ICT tools for analysis and interaction, training, peer-learning).

Engage key stakeholders and encourage increased coordination among themselves.

Build the necessary infrastructure for the support of the industry/research relationship with new type of incubators/technology centers.

Create international and cross regional networking channels along value chains.

Improve integration in multi-level governance in implementation (national regional international dimensions).

Thank you for your attention!

RIS3Crete Website: <http://ris3.crete.gov.gr>

ROP “Crete” 2014-2020 Website: <http://www.pepkritis.gr>

e-mail RIS3Crete: ris3@crete.gov.gr

e-mail ROP Crete: kriti@mou.gr