



FEEDBACK REPORT ON SKILLS FOR SMART SPECIALISATION POLICY MAKERS

21 May 2019

Peer eXchange & Learning Workshop **Perugia** (Italy)

Representatives from Umbria (IT), Lapland (FI) and Centro Region (PT) presented their current experience on the development of the necessary skills and capabilities in the Smart Specialisation policy context in a Peer eXchange & Learning Workshop (PXL) in Perugia (IT). The workshop was organised by the Smart Specialisation Platform (S3 Platform) of the Joint Research Centre (JRC) in collaboration with Region Umbria. 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

• Smart Specialisation is very demanding in terms of policy capacity for public authorities and relevant stakeholders. In the Smart Specialisation policy context, the abilities to effectively engage with the private sector, along with coordination and political capacities, are as crucial as analytical and operational capacities.

SKILLS MIX FOR SMART SPECIALISATION

- The development of the right mix of skills and resources to perform policy functions should be pursued at the individual, organisational and systemic level. For example, in the case of the analytical capacity, highly qualified individuals will be constrained in their activities if the organisational infrastructure for data collection and analysis is inadequate. Likewise, valuable available data for policy making will go unnoticed if there are no people capable of using it. Finally, at system level, the availability (or lack) of a good national statistical system, high quality public research institutes providing evidence on policies, etc. influence analytical capacities at organisational and individual level.
- The existence of a dedicated team, with sufficient personnel and mixed skills, is essential for an effective implementation of Smart Specialisation Strategies. Processes cannot and should not concentrate/rely on one person only. It can be extremely useful to understand whether already existing pocket of efficiency/excellence could be effectively used in the implementation of the strategies.

COORDINATION SKILLS

- To enhance the involvement of relevant stakeholders during the entire policy cycle, it is central to plan carefully their involvement and start working with them since the design phase. This implies the establishment of inter-organisational coordination mechanisms and the strengthening of relational competences across organisations.
- **Effective intra- and inter-coordination mechanisms** are also needed to facilitate information flows.

COMMUNICATION SKILLS

- It is important to **anchor and spread the Smart Specialisation concept beyond its inner circle to ensure continuity in the policy process**. For this, it is key to improve internal and external communication to go beyond the "usual suspects".
- **Information sharing and communication mechanisms need to be carefully planned**. This should be done at the outset of the policy process, following a systemic approach (involving different actors, expertise, tools, etc.). Information circulation requires specific communication



expertise. Besides, it is important to set up *ad hoc* "spaces" and organise specific events to share projects' results and information among regional actors.

 To get messages across to a wider audience and trigger a positive perception of the Smart Specialisation process, it is essential to **draft clear narratives**. Messages and the type of language should be adapted to target groups. It is important to avoid jargon and use projects' examples and results to build an effective narrative on the policy.

EVALUATION SKILLS

• There is a need to strengthen evaluation capacities and promote a culture of evaluation in public bodies and private organisations, so as to increase the possibilities of using evidence in decision making processes and policy formulation.

This report summarises the debate and outcomes of the PXL workshop on skills for Smart Specialisation policy makers held in Perugia, on 21 May 2019.

Smart Specialisation is very demanding in terms of policy intelligence, skills and capabilities for public authorities and stakeholders. It requires capacities that go well beyond those needed for other policy areas. The abilities to effectively engage with the private sector, along with coordination and political capacities, are as crucial as analytical and operational capacities.

These different issues were addressed in the workshop through the experiences of Umbria (Italy), Lapland (Finland) and Centro Region (Portugal)¹.

Before the peer-review sessions, presentations were given by the JRC team. These presentations provided some conceptual and empirical insights that helped to frame the workshop's topic, together with methodological information on the peer-review exercise.

Fabrizio Guzzo (Territorial Development Unit, JRC, European Commission) discussed some evidence on skills and resources for Research and Innovation Strategies for Smart Specialisation (RIS3) deriving from a survey carried out by the JRC and introduced a conceptual framework for analysing policy capacity.

The survey findings confirm that Smart Specialisation is very challenging for the government and all actors involved in the process. National and regional authorities see the integration of monitoring and evaluation mechanisms as the most difficult step of the strategy's design process, followed by governance arrangements and the definition of a coherent policy mix, roadmaps and action plans. According to respondents, the lack of skills and capabilities in some stakeholders and the lack of skills and capabilities within regional/national administrations constrain the effective executions of different policy functions – such as the analysis of the context, priority setting, policy mix and policy instruments design and monitoring. The difficulties in getting enterprises and civil society involved in the policy process depend, among other things, on ineffective coordination mechanisms and the lack of capacities within

¹ The presentations and background documents are available at: <u>http://s3platform.jrc.ec.europa.eu/-/skills-and-</u> <u>capabilities-for-ris3-management?inheritRedirect=true</u>

public administrations to design, structure and lead decision making processes. Overall, there is a need to further strengthen strategic and management functions of Smart Specialisation governing bodies as well as the skills and capabilities for strategies' design and implementation. Improvements are most needed in regions and countries where institutional and policy capacities are low. Moreover, a clearer attribution of responsibilities and better governance arrangements should be sought to overcome the coordination obstacles that are currently hindering the development of policy capacity in many territories. Finally, the survey shows a widespread need for integrating new skills and resources within the RIS3 management team to perform different policy functions. In particular, regions require more specialised expertise (IT, legal advice and economic analysis competences) and relational competences to effectively work with other organisations at the same and different territorial scale (Guzzo *et al.*, 2018)².

The discussion of this evidence was then followed by the presentation of a conceptual framework for analysing policy capacity within the Smart Specialisation context. More specifically, following the definition provided by Wu, Ramesh and Howlett (2015: 166), policy capacity can be considered as a "set of skills and resources necessary to perform policy functions". It concerns all the actors involved in policy processes and it is not restricted to a particular function of the policy process, but rather covers the whole policy cycle – design, implementation and evaluation. Policy capacity can be categorised into three types: analytical, operational and political. Each of these three capacities involves skills and resources at three different levels: individual, operational and political. Finally, this model relies on a nested logic, with the different levels interacting and affecting each other³.

In her presentation, Inmaculada Periañez Forte (Territorial Development Unit, JRC, European Commission) guided participants through the main features of the PXL methodology and the practical organisation of the peer-review sessions.

Several problems and challenges in relation to policy capacity for RIS3 emerged during the peer-review sessions: barriers to continuous stakeholder involvement in the policy process (e.g. strong stakeholders' involvement during the kick-off and design stages, but difficulties in keeping them engaged in the implementation phase; problems in getting newcomers on board; etc.); challenges in designing and steering decision making processes; lack of skills and resources in government, intermediary organisations and other relevant stakeholders to effectively engage in the policy process (e.g. Entrepreneurial Discovery Process, monitoring, evaluation, etc.); obstacles to the mobilisation of the existing capacities in regional innovation ecosystems; difficulties in developing a deep understanding of the main concepts of Smart Specialisation; and problems in planning, funding and implementing policy capacity-building measures.

² Guzzo F., C. Gianelle and E. Marinelli (2018), "Smart Specialisation at work: the policy makers' view on strategy design and implementation", JRC Technical Reports, JRC 114141, available at: <u>https://ec.europa.eu/jrc/sites/jrcsh/files/jrc114141.pdf</u>

³ Wu X., M. Ramesh and M. Howlett (2015), "Policy capacity: a conceptual framework for understanding policy competences and capabilities", in *Policy and Society*, 34, pp. 165-171.



Besides these criticalities, the peer-review sessions provided an interesting array of experiences and initiatives launched by regional authorities to identify the necessary skills and resources for Smart Specialisation and attempts to build policy capacity.

The design of an effective capacity-building strategy requires, as a first step, a clear understanding of the needs in terms of analytical, operational and political capacities and the obstacles that hamper their development. With respect to this, of particular interest is the skills' mapping exercise done by Centro Region.

The development of policy capacity depends on the existence of inter- and intra-organisational mechanisms and spaces to frame decision making processes, promote stakeholder engagement and build trust. Interesting in that respect are the thematic working groups established in Umbria to improve horizontal coordination among regional actors and facilitate the decision making process (analysis of the innovation system, priority setting, etc.); and the organisation in Lapland of roadshows and joint seminars to better communicate RIS3 main ideas, inform key actors on the policy process and build trust around the strategy. Similar objectives are pursued by Centro Region, which is currently designing a specific initiative to set up a regional network of territorial brokers in order to better engage local stakeholders in the Smart Specialisation exercise.

Finally, noteworthy are two initiatives experimented in Russia to promote the emergence of collaborative projects ("Boiling point") and skills development ("Metaversity") and the support to the development of policy capacity provided by the Policy Learning Platform managed by Interreg Europe.

The issues/questions posed by the representatives of Umbria, Lapland and Centro Region fostered a lively debate in the smaller group discussions. Specific recommendations and lessons learnt for each question are presented in detail in Part 2 of this report.

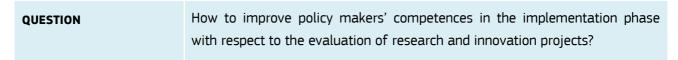
PART 2 | PXL QUESTIONS AND RECOMMENDATIONS

[Umbria]

Questions/issues posed by the region for peer discussion

QUESTION 1	How to improve policy makers' competences in the implementation phase with respect to the evaluation of research and innovation projects?
QUESTION 2	What skills are required for monitoring and evaluating Smart Specialisation Strategies?
QUESTION 3	What are the necessary skills to carry out an effective Entrepreneurial Discovery Process?

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 JRC was present to steer the work of each table. Each table was offered to choose one of the questions prepared by the representatives. A summary of these discussions is presented below.







RECOMMENDATIONS	Issue to be tackled
	Umbria Region intends to accelerate the selection process of collaborative R&D projects. Long evaluation processes represent a problem in fast changing markets, which require quick response times by companies. On average, the process takes up to 10 months, which is similar to the typical duration of selection procedures in other regions (Centro Region and Lapland). The following recommendations were provided to speed up the selection process and improve its overall quality.
	Suggestions
	Bring scientific expertise into selection committees to speed up the process and identify proposals with a potential greater impact.
	Build evaluation teams with different expertise and knowledge (multidisciplinary teams).
	Consider the involvement of universities. These entities could offer very valuable expertise in the design of the calls and in the definitions of the assessment criteria and evaluation procedures for project proposals (example from Lapland).
	Involve relevant stakeholders in the design of calls for proposals. An important caveat concerns the involvement of stakeholders in the design of the calls: the implementing body should have the necessary autonomy to avoid incumbents and powerful lobbies capturing most of the policy resources.

LESSONS LEARNTThe importance of involving stakeholders in designing calls for proposals to
enhance policy instruments' effectiveness.There is a need for a better integration of evaluators in the Smart
Specialisation Policy process. The expertise existing in research organisations
and universities could serve this purpose, allowing for a more effective and
quicker assessment of project proposals.

EVOLUTION OF QUESTION 2

 QUESTION
 What skills are required for monitoring and evaluating Smart Specialisation Strategies?

 RECOMMENDATIONS
 Improve internal coordination mechanisms to ensure a better and more effective exchange of information between the Managing Authority of the Regional Operational Programme and the body responsible for RIS3

monitoring.

In presence of scarce human resources and/or lack of analytical skills within the regional administration, it is advisable to outsource some monitoring and evaluation activities. However, this option should not be considered as a substitute for building in-house capacity. Internal (analytical and operational) capacities are necessary to: i) design and coordinate monitoring and evaluation activities, ii) assess the quality of evaluation studies performed by external experts and iii) use evidence for designing better policies.

Make evidence digestible for the target audience! Improve communication capacities, at individual and organisational level, to better present monitoring and evaluation findings.

Promote the development of an evaluation culture within relevant organisations and actors, by providing training sessions, seminars, working groups, etc..



LESSONS LEARNT	Given the often limited availability of skills and resources, public bodies should be able to have access to external expertise (provided by research institutes, universities and practitioners) for monitoring and evaluation activities.
	There is a need to strengthen evaluation capacities and promote a culture of evaluation, in public bodies and private organisations, so as to increase the possibilities of using evidence in decision making processes and policy formulation.
	The development of the right mix of skills and resources to perform policy functions should be pursued at the individual, organisational and systemic level. For example, in the case of the analytical capacity, highly qualified individuals will be constrained in their activities if the organisational infrastructure for data collection and analysis data is inadequate. Likewise, valuable available data for policy making will go unnoticed if there are no people capable of using it. Finally, at system level, the availability (or lack) of a good national statistical system, high quality public research institutes providing evidence on policies, etc. influence analytical capacities at organisational and individual level.
	To enhance the involvement of relevant stakeholders during the entire policy cycle, it is central to carefully plan their involvement and start working with them since the design phase. This implies the establishment of effective inter-organisational coordination mechanisms and the strengthening of relational competences across organisations.

QUESTION	What are the necessary skills to carry out an effective Entrepreneurial
	Discovery Process?





RECOMMENDATIONS	An open-minded and learning attitude to learn from mistakes and others (e.g. other regions, international institutions, etc.).
	Interpersonal skills, networking capacities and abilities to identify the right actors. Collaborative methods should be used more extensively to work with public bodies and other actors.
	Technical knowledge to better understand regional needs and guide the Smart Specialisation process (e.g. the role of highly qualified moderators in the case of Centro Region in Portugal).
	Communication skills to explain complex concepts in an understandable way to different actors. For example, in the case of North-West Region in Romania, different types of communication were identified for carrying out the Entrepreneurial Discovery Process (EDP): a more technical communication for the RIS3 team, experts, etc. and a less complicated, jargon-free, type of communication to interact with the political level and other stakeholders.



LESSONS LEARNT	The relevance of experience sharing at different levels.
	The existence of a dedicated team, with sufficient personnel and mixed skills, is essential for an effective implementation of Smart Specialisation Strategies. Processes cannot and should not concentrate/rely on one person only. Information should be constantly shared among the members of the RIS3 technical body.
	The involvement of clusters in EDP is crucial because of their important intermediary role. They represent key stakeholders (companies, start-ups, service providers, etc.) in the Smart Specialisation process.
	The importance of having a clear methodology and conceptual framework to frame policy discussions.

[LAPLAND]

Questions/issues posed by the region for peer discussion

QUESTION 1	What skills are needed for policy makers to keep the Smart Specialisation process going?
QUESTION 2	What competences are necessary for Smart Specialisation policy makers to ensure regional benchmarking and common learning?

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 JRC was present to steer the work of each table. Each table was offered to choose one of the questions prepared by the representatives. A summary of these discussions is presented below.

QUESTION	What skills are needed for policy makers to keep the Smart Specialisation
	process going?



RECOMMENDATIONS	 Networking skills to engage stakeholders in the Smart Specialisation process. Centro Region organises joint capacity-building sessions with relevant stakeholders. It also provides information on project results and feed-back on RIS3 implementation. Look at interesting examples of cluster involvement in the Smart Specialisation process (e.g. the role of clusters in identifying and developing transformative activities, in the S3-4AlpClusters project).
	Management skills to:
	 empower and share responsibilities with stakeholders (Umbria); grant successes (Region Gävleborg); focus on intermediaries and research and technology transfer organisations; look beyond borders to create critical mass; ensure sufficient funding for Smart Specialisation coordination (if there are no people, there are no competences).
	Analytical skills. On many occasions, they are provided by external participants, who are knowledgeable on specific topics. They may guide the Smart Specialisation working groups (Centro Region invites experts as



moderators of the Smart Specialisation working groups).

Communication skills to keep the story rolling and ensure coherence of the process (e.g. information about funding).

Negotiating skills to keep key decision-makers informed and engaged (e.g. North-West Region in Romania).



LESSONS LEARNT	It is important to anchor and spread the Smart Specialisation concept beyond its inner circle to ensure continuity in the policy process. For this, it is important to improve internal and external communication to go beyond the usual suspects.
	It is relevant to build ownership through shared responsibilities.
	Language and messages need to be adapted to target groups (politicians, businesses, etc.). Avoid RIS3 jargon, use projects examples to build an effective narrative on the policy.

QUESTION	What competences are necessary for Smart Specialisation policy makers to
	ensure regional benchmarking and common learning?



RECOMMENDATIONS	Issues to be tackled
	Lack of a systematic collection of information and knowledge, poor information sharing, low "absorption capacity" (i.e. use of valuable knowledge to introduce changes) and concentration of knowledge in few key persons.
	Suggestions
	Design and implement a strategic plan dealing with internal and external communication issues.
	Map all data sources as a first step in the organisation of a more systematic collection of information.
	Target invitations to key actors for specific events to build interpersonal networks.
	Strengthen the RIS3 technical body by employing new personnel.
	Organise periodic meeting to share information within the regional administration and with relevant stakeholders.
	Get external expertise to overcome obstacles and improve information circulation.

Engage more actively with key stakeholders (e.g. cluster managers).

Introduce specific provisions for beneficiaries on the dissemination of project results in the calls for proposals.



LESSONS LEARNT	Information sharing and communication mechanisms need to be carefully planned, engaging relevant stakeholders. This should be done at outset of the policy process, following a systemic approach (involving different actors, expertise, tools, etc.).
	Good information circulation requires effective intra- and inter-coordination mechanisms and specific communication expertise.
	It is important to set up ad hoc "spaces" and organise specific events to share projects' results and information among regional actors.
	To get messages across to a wider audience it is important to draft clear messages and narratives. This cannot be improvised but needs to be carefully planned.



[CENTRO REGION]

Questions/issues posed by the region for peer discussion

QUESTION 1	How to identify the skills needed and how to map the existing ones in the ecosystem?
QUESTION 2	How to design a capacity-building system to develop the missing skills to allow a better integration of the regional economy in international value chains?

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 JRC was present to steer the work of each table. Each table was offered to choose one of the questions prepared by the representatives. A summary of these discussions is presented below.

QUESTION	How to identify the skills needed and how to map the existing ones in the ecosystem?	
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RECOMMENDATIONS	The list provided by Centro Region is long and complete (see presentation and background document). The group discussion focused on the following missing elements and provided some suggestions:	
	 Skills for networking and engaging stakeholders. <i>Suggestion:</i> Promote soft policy instruments to increase stakeholder's participation (methodologies to promote participatory workshops). Ability to set a long term vision, which can be translated into quantifiable goals. <i>Suggestion:</i> Working with stakeholders can help to identify future and common goals and how to measure them. Capacity to select and define RIS3 priorities. <i>Suggestion:</i> Identification of technological trajectories to define the priority areas. In the case of Umbria region, the region hired experts to define some technological trajectories which helped the region to select their priority areas. Ability to identify new opportunities and potential synergies with other Smart Specialisation Strategies. <i>Suggestion:</i> It is very important to be "visible" at international level. This 	

requires participating in international meetings and being active in international networks.
• Expertise on combining different funding streams/instruments, namely
European Structural and Investment Funds and Horizon2020.
Suggestion: Check the JRC Stairway to Excellence project, promoting R&I
systems excellence with an emphasis on complementary use of different
financial resources. The project also provides other capacity-building
initiatives specifically shaped for Managing Authorities (e.g. H2020 for
RIS3 Working Group and Joint Undertakings in the RIS3 context).



LESSONS LEARNT	Skills and resources for the smart specialisation process need to be actively sought outside public administrations as well.
	Participating in peer-review workshops is important and useful for the further development of participatory methodologies.
	Networking is crucial to reach those people who have the necessary skills.

EVOLUTION OF QUESTION 2

QUESTION How to design a capacity-building system to develop the miss allow a better integration of the regional economy in interna chains?	-
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RECOMMENDATIONS	Identify and gather existing expertise already available in different organisations. Make a better use of the (scattered) resources that are already available.
	Use ERDF resources for policy capacity_building initiatives targeting for example intermediary organisations (see support measures for "innovation poles" managing bodies experimented in some Italian regions) and the development of "innovation assistants" professional profiles (see experience of <u>Berlin, Brandenburg</u>).
	Create spaces and promote events to share knowledge (e.g. project results, etc.) and nurture collaborations and exchanges among different actors (see for example the "boiling point" initiative in Russia).
	Promote the development of relational and communication capacities (see example of the capacity_building measures financed in Spain to enhance participation in EU programmes) and broker-type profiles.
	Identify skill gaps and introduce measure to overcome them (example from Russia: the <i>Metaversity</i> online platform provides a self-assessment tool for skills and the matching of skill needs with available training provided by university and other organisations).





LESSONS LEARNTCapacity-building measures require more flexibility in funding schemes.It is important to take a fresh look at things (tools, resources, etc.) and use
what is already available in a different way.National authorities should put more efforts in creating a favorable
environment for capacity-building initiatives.

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 will be drafted and circulated by the S3 Platform team as a final output of the workshop.