European Parliament Preparatory Action
"RIS3 support to Lagging Regions"

European Commission
Joint Research Centre

Summary of Key Findings
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Targeted Support to RIS3 Implementation in Slow Growth and Low Income Regions

The JRC Lagging Regions project has centred on the provision of targeted support to selected EU regions to refine and implement their smart specialisation strategies (RIS3) and more generally to support and enhance their innovation ecosystems. It has also sought to generate wider practical and policy lessons. The current report describes the implementation of a preparatory action of the European Parliament, which targets specific regions in eight member states: four low-growth regions (in Greece, Italy, Spain and Portugal) and five underdeveloped regions (in Bulgaria, Hungary, Poland and Romania).

Building on recent JRC work with a single region (Eastern Macedonia and Thrace) the Lagging Regions project goes further in providing appropriate and specific support for activities in selected regions, refining the methodologies developed previously in line with a wider range of regional needs and contexts, while also developing a more cross-cutting approach to key issues regarding growth and governance in those regions and beyond.

More specifically, the project has taken stock of the current state of RIS3 implementation in each of the selected regions and worked with local stakeholders to design and implement targeted support activities. In particular, this work has a focus on catalysing and sustaining the Entrepreneurial Discovery Process in the partner regions. This has brought together significant numbers of key stakeholders from across the regions and beyond, to generate project ideas in the S3 priority areas. In addition to developing project ideas, this work seems to enhance understanding of and increase commitment to the RIS3 process in the region.

The project has also provided more transversal support aimed at addressing cross-cutting issues facing all the partner regions. Dedicated working groups, have brought the regions together to share experiences and to work together with external experts in topics such as monitoring the development and implementation RIS3 and the governance of RIS3.

This combination of different types of stakeholder activities provides a much more nuanced understanding of the process of RIS3 design and implementation, as well as opportunities for targeted capacity building. It also provides the basis to draw wider based policy lessons, and to further develop practical support and valuable lessons for regions across Europe, with specific regard to the development and enhancement of territorial innovation ecosystems and the design and implementation of relevant innovation policies.

1 A closely complementary project on RIS3 in Romania has been implemented concurrently.
2 Boden et al. (2016), Implementing RIS3 in the Region of Eastern Macedonia and Thrace: towards a RIS3 toolbox, JRC S3 Policy Brief Series No. 20/2016
Supporting and Sustaining the Entrepreneurial Discovery Process

The ‘entrepreneurial discovery process’ (EDP) is a core concept to smart specialisation. The term originally referred to the identification of areas for investment in research and innovation (i.e. priority-areas), through an inclusive and evidence-based process grounded in stakeholders’ engagement from the Quadruple Helix (universities and research institutions, companies, clusters public authorities and civil society). However, the concept has evolved from being a process limited to the identification of investment-priorities, into a continuous activity, taking place throughout the strategy’s implementation. Such continuous EDP implies that stakeholders are kept engaged in the refinement of priority-areas, the identification of instruments that would implement them, as well as the RIS3 governance and monitoring mechanisms that would allow the expected competitive advantages to emerge. This project has addressed both issues.

The Lagging Regions project has advanced the conceptual understanding of the process, with a EU wide survey developing testing the notion of continuous EDP and analysing the involvement of different stakeholders in the process.

The project has also helped set in motion, in all the regions covered, a methodologically sound EDP process that can ensure a continuous engagement of regional stakeholders in joint projects throughout a project’s lifecycle, from design to implementation. To that end, a specific EDP methodology previously developed by the project team, and first applied in the Greek region of Eastern Macedonia and Thrace, was shared with the regional project partners (e.g. regional development agencies in Romania, Marshall’s office in Poland, Regional Commission for Coordination and Development in Portugal, etc.), where it has been further refined and adapted to the local conditions. A specific element of the EDP methodology was the participation of external experts (national and international) supported by JRC, who contributed not only through keynote presentations, but also to the generation of business ideas and concrete opportunities for collaboration.

The JRC has supported the organisation of several EDP-related events in the project regions, such as:

- **EDP focus groups**, which brought together stakeholders from the Quadruple Helix to propose and develop ideas for innovative projects, building on the strengths of the region, as well as on international trends and estimated future market potential. For example, over 15 EDP focus groups have been organised in the RIS3 priority areas of the North West and North East regions in Romania during 2016-2017, one in the Centro region of Portugal in 2017, one in the Warminsko Mazurskie region of Poland and one in the Severen Tsentralen region of Bulgaria in 2018. The events gathered a significant number of local stakeholders and led to a shared understanding of RIS3, as well as a list of project ideas that could potentially be implemented within the respective RIS3 strategies.

- **Project Development Labs (PDL)**, which aimed to further develop the project ideas emerged in the focus groups by introducing them to appropriate funding sources (e.g. national and regional

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3 The horizontal perspectives developed also include evidence and insights from the concurrent and closely complementary project on RIS3 in Romania.
experts in national and EC funding, National Contact Points for Horizon 2020, etc.) in order to move from idea to implementation. For example, a first PDL was organised in the North East region of Romania with JRC support in April 2017, and several others were subsequently organised by the local regional development agency. Another PDL was organised in the Centro region of Portugal in June 2018.

One notable impact of the EDP events carried out in the North East and North West regions of Romania, working in close cooperation with JRC, was the generation of a large number of RIS3 project ideas of a multi-disciplinary and integrated nature that determined a revision of the Regional Operational Programme in 2017 by introducing a new Specific Objective under Priority Axis 1 that allocated for the first time funds to North East and North West (€25M each) specifically for such RIS3 projects.

The EDP events that have been conducted so far in the project regions have demonstrated that the EDP has significantly contributed to the development of regional innovation systems in several ways:

- By increasing the coordination role and visibility of the regional government agencies, while improving their competences in the management of RIS3 projects
- By strengthening the governance of regional R&I/RIS3 and the national-regional coordination of RIS3
- By increasing the visibility of the regional innovation policies encompassed by the RIS3 strategies
- By promoting an innovation-driven regional development, more closely linked with R&I strengths.

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Monitoring Smart Specialisation: Perspectives from Lagging Regions

Working with a variety of regions and experts, the Lagging Regions project has identified the key aims and characteristics of monitoring S3 and consolidated such knowledge into a free MOOC (Massive Open Online Course). ¹

Before attempting to understand monitoring S3, there are three points to keep in mind.

1. Monitoring Smart Specialisation Strategies means monitoring S3 priority areas, whichever way the region or member state has defined them. In other words, monitoring S3 is different to monitoring the ERDF Operational Programme.
2. Monitoring serves several functions at once: monitoring is a tool for measuring and accountability, but is also for communication and learning.
3. There is no simple recipe, easy generalisation or short-cut to monitoring. Building a good monitoring system requires significant knowledge of the territory and its strategy in all its complexity.

Monitoring is not as an administrative burden, but a tool integral to the design, implementation and ultimately the success of the strategy. At the very technical core of monitoring Smart Specialisation lie a set of so-called output and result indicators which provide quantitative information on both the policy measures implemented and their effects. To interpret indicators requires “targets,” which signal both the realistic and the desirable objectives that the policy seeks to accomplish.

Gathering the data to build monitoring indicators is often a challenging task. For output indicators, data collection is largely linked to the administrative processes. The data generated by the implementation of a given policy measure should be collected through information systems that facilitate or support statistical treatment. Results indicators, on the other hand, rely often on primary data sources such as surveys (e.g. surveys of applicants, potential beneficiaries, non-applicants).

Whilst a good set of indicators and quantitative analysis is indispensable, it may be necessary to complement this information with qualitative data. Interviews with key informants, or focus groups, can reveal the stories behind the monitoring numbers and enrich understanding of how the strategy is evolving. Monitoring S3 is also a participatory process. Stakeholders’ views are necessary to identify shared measurable objectives that regions or countries want to pursue. More importantly, engaging stakeholders in monitoring is crucial to support policy learning: reflecting jointly on how the strategy is evolving is necessary to draw solid conclusions and embed them in future policy decisions.

Finally, there are two important caveats. First, without proper communication, links to decision-makers and –importantly – political support, it will be difficult for monitoring to be successfully used in the policy cycle.

Second, whilst the Lagging Regions project has developed a sound understanding of S3 monitoring, providing regions with a first tool to face this challenge, some aspects require further elaboration. In particular, whilst we have stressed that monitoring systems need to be region specific and

¹ The MOOC is available here: https://iversity.org/en/courses/monitoring-smart-Specialisation-strategies
the local logic of intervention, it is also important for regions, or member states, to compare themselves with their peers (along the same lines, it is also important for member states to be able to harmonise the monitoring results emerging from its regions). Such trade-off specificity and comparability remains to be explored, presenting a key challenge for a new phase of the Lagging Regions work.
The Lagging Regions project addressed the issue of governance of smart specialisation strategies, using three approaches:

- A quantitative survey addressed to all regions in the EU
- A set of qualitative case studies of the nine Lagging Regions partner regions
- A set of two workshops based on role-playing methodologies, engaging lagging regions, external experts, and staff of DG REGIO and JRC.

The convergent outcomes of these different activities have led to the following observations:

- S3 governance poses very different challenges in regions that have a high degree of autonomy as compared to regions from highly centralised countries. This is particularly evident in countries whose spatial organisation includes planning regions established on pure statistical purposes before accession to EU.

- Where present, the regional structures in place in highly centralised member states typically have a regional development mission (e.g. Regional Development Agencies), which is not necessarily or historically associated with research and innovation. These regions need to engage in a deep process of institutional capacity building to respond to S3 needs.

- Where operational territorial intermediaries in highly centralised member states are absent, the situation is even more complex and engaging stakeholders proves extremely hard. The creation of bodies mediating between stakeholders and central government and encouraging the creation of local innovation networks appears as a necessary first step to respond to S3 demands.

- In regions with greater capacities for R&I and regional development, the challenge lies mainly in the difficult coordination between different regional and national government bodies. For instance nationally defined priorities do not always capture key regional needs, and consequently, national and regional funding flows often fail to have a synergetic effect.

- RIS3, in the Lagging Regions partner regions is funded mainly through Cohesion funds. This means that, although various regions have devised specific (formal or informal) S3 bodies, they have limited room for manoeuvre. S3 governance succumbs to the needs of the (national or regional) OP management structures and processes.

- An efficient S3 governance system is one able to harmonise the use of different resources (either coming from EU cohesion funds or from national policies). However, except in cases where operational programmes -by construction- combine European Social and European Regional Development Funds, it appears extremely difficult to coordinate policies for regional development with policies for skills and employability. Furthermore, in some regions the support to S3 initiatives comes from different funds (e.g., Research and Competitiveness) that refer to different ministries (e.g. Education and Economy) that do not frame joint funding programmes in S3 areas.
- Stakeholders are often involved in S3 governance either through bottom-up bodies, steering bodies or as consultees of decision makers. However, it is often difficult to sustain their engagement and to effectively translate their input in the decision making process. This particularly evident in regions where national strategy is the only existing one and no formal representative local bodies for S3 have been established.

- The S3 governance process is considered demanding and requires a learning period. Currently the S3 governance structures are often not considered effective by regions and Member States. Nevertheless, the S3 policy framework is considered positive and worth retaining by the region. The current EC regulation proposal, foreseeing the formal identification of a S3 governance body appears an important step in the right direction.

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### Summary of key outcomes and recommendations

The following table provides a synthetic overview of the objectives and key outcomes of the project (further details of project activities are provided in report and its annexes), the issues addressed and identified, and the recommendations for further addressing these issues. The issues set out range from broader structural issues, to more weaknesses and bottlenecks.

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| **Trust building and developing working relationships** | - Extensive interaction from exploratory visits to share expectations, co-organisation of various stakeholder events in regions and active participation in horizontal activities.  
- Creating trust and momentum among stakeholders at various occasions through participatory and collaborative working methods | - Limited capacity of authorities to engage and to foster the dialogue between quadruple helix actors  
- Lack of dialogue between local authorities and business/universities and business  
- Cultural change towards collaboration only happens in the long run  
- Risk of losing the 'momentum'  
- Lack of a shared territorial vision  
- Lack of leadership among stakeholders Low political "buy-in" | - Sharing expectations through ad hoc events, meetings, public consultation, work of intermediaries  
- Dissemination and awareness of project activities through revision of communication strategy and the use of tools (a dedicated portal, clear announcement of calls and meetings to promote the calls)  
- Improve regional communication strategies for initiatives, call, EDP activities etc.  
- Engagement with a range of interlocutors by identify leaders in each priority |
| **Enhanced understanding of RIS3**         | - Involvement of regional managing authorities in horizontal activities and peer learning meetings  
- Promotion and communication on RIS3/S3 concepts, strategies, good practices and methodologies  
- Dissemination of policy briefs and tailored recommendations | Perceptions as bureaucratic burden  
Innovation perceived exclusively as R&D | - Dissemination and awareness activities  
- Promote the exchange of practices at EU level  
- Promote understanding of broad-based view of innovation and role of skills |
| **Catalysing the EDP**                     | - Development of EDP focus groups methodology based on local specificities  
- Establishment of a network of leading | Need to sustaining momentum and interest as well as interaction between stakeholders – and follow-up (PDL, calls, | - Complementary measures to support project development  
(PDL, training, mobility, funding) |
| **Developing RIS3 Monitoring:** | stakeholders  
Co-organisation of EDP focus groups  
– mobilisation of stakeholders and - generation of ideas  
the "pipeline"
Low interest and closed-mindedness towards transnational collaboration, project and entrepreneurship skill development, and thematic priority 'management'
Need to improve involvement of business in local development dynamics
Roll-out to other regions  
awareness)  
-Stakeholders mapping exercise  
-Planned roll out to other regions based on a structured joint working plan  |  |  |
| **Enhance Governance of RIS3:** | -3 meetings of monitoring working group  
(all partner regions and experts)  
-Development of Monitoring MOOC  
(>1000 subscribers)  
-Low monitoring capacity and need to diffuse monitoring practices  
-Need for evaluation guidance  
-Use work to date as a basis to move towards evaluation  
-Revise and develop appropriate indicators  
-Promote monitoring training  
-Relate project work to monitoring and evaluation fulfilment criterion  | -2 meetings of governance working Groups  
(all partner regions, experts, DG REGIO)  
-Complementary Expert analyses  
-Capacity issues  
-Lack of structure in charge of RIS3  
-In case of national strategy, lack of regional involvement  
-Centralised management of local development strategies  
-Management of RIS3 implementation beyond ESIF very limited  
-Mutual learning/working group approach  
-Increase Interactions with central government  
-Enhance the role of intermediaries, or promote the creation of innovation support intermediaries where currently non-existent  
- More horizontal and vertical collaboration in RIS3 governance  |  |
| **Capacity building for RIS3 implementation** | -Organisation of specific and horizontal events, working groups , training and analyses  
-Limited/constrained institutional role  
-Lack of appropriate human resources working on S3 management  
-Training, mutual learning, resource allocation  
-Awareness of funding for administrative resources in ERDF  
-Enhanced synergies with Stairway to Excellence  |  |  |