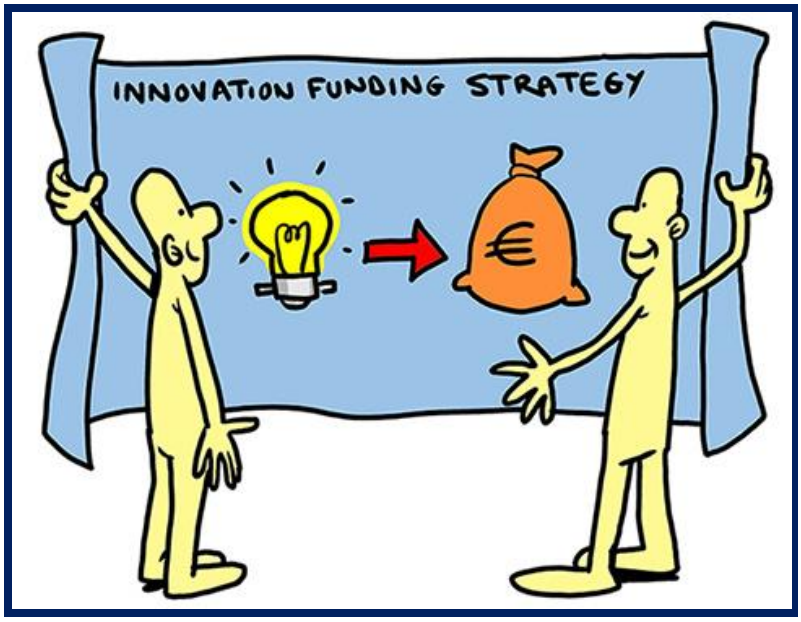
Report on attendance at: Thematic Workshop on Better Monitoring, Evaluating, and Designing RIS3 (Regional Research and Innovation Strategies for Smart Specialisation) - 25th September 2019, Brussels



What is RIS3 (Research & Innovation Smart Specialisation Strategy)

'Europe 2020' requires policy makers to consider how the different aspects of smart, sustainable and inclusive growth are interrelated. Integrated smart specialisation strategies respond to complex development challenges by adapting the policy to the regional context. RIS3 supports the creation of knowledge-based jobs and growth not only in leading research and innovation (R&I) hubs but also in less developed and rural regions.

Evidence based data

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Place-based assets

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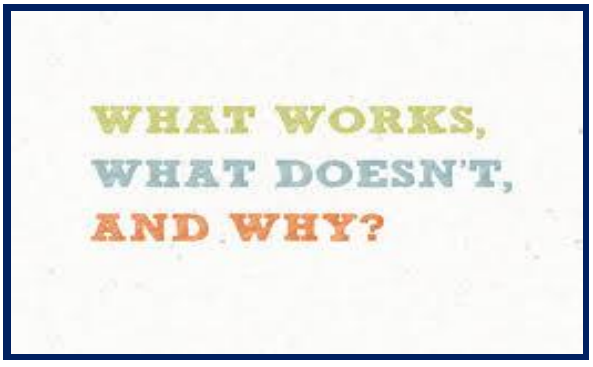
Results oriented strategy

Main Learning Points

- The importance of involving stakeholders in the process and design was emphasised. Establishing an effective stakeholder group is an essential element in achieving policy improvement
- There will be a shift in the future version of RIS3 with a move away from formal compliance to a collaborative process, when developing don't do so with regulation in mind but on how to effectively deliver innovation
- There are big changes in the legal framework:
    - Reinforcement of governance lies at the very heart of things;
    - Underlying principle is to build the strategy as an on-going process;

  - Future RIS3 should be a living document to reflect the ever-changing landscape of innovation;
  - There is an acknowledgement that while this strategy will be in place for ten years it needs to be flexible to respond to changes.
- Emphasis on how to make monitoring and evaluation relevant to RIS3. Don't just focus on governance but consider 'good' functioning innovation
- Be clear on what you want to achieve through the RIS3, make it relevant for the region
- Ensure you have an eco-system in place to support RIS3 and allow innovators to deliver
- Move away from purely quantitative, build qualitative elements into your RIS3
- Collaboration between regions is a vital learning tool
- Build on synergies – find ways of combing markets and look at how to develop products or industries emerging from these synergies
- Create positive envy by capitalising on interim results, entice those that are not involved to want to be involved
- Support the creation of innovation communities
- Ensure there is an established link between R&I and the regions – RIS3 can't work without this link
- Must be evidence-led with input, adapt based on experience
- Reflexive learning

Key learning point: Reflect on the basic questions – what is working and why/why not, how to embed the process of learning into RIS3



New Dimensions:

- Diversification: Do you have the capacity and system in place to support diversification – are the mechanisms in place to drive innovation?
  Be aware that diversification can also mean scaling-up not just changing industry
- **New does mean start from scratch.** A basic understanding of how regions diversify is needed, each time you diversify look at new capabilities. Why bother with policy in this area if diversification is happening anyway? Detroit was raised as an example of having great success in the engineering field but as a result it is unable to get support for diversification. When supporting an unrelated driver there is a need for new capabilities which intensifies the need for a strong policy in this area. It is acknowledged that there is a high-risk of policy failure and needs flexibility to experiment to best reap the rewards.
- Link RIS3 to international consideration. Reflect on the strategy, is it too inward-facing, be prepared to look outside of the region/country
- Link to industrial transition (which will be dealt with in the report coming out in November). Consider the links between the innovation system and challenges which is a crucial element of smart specialisation. Don't just hit the indicators it must be transformative
- Triple helix and EDP are key components it is no longer sufficient to mention EDP at the start of the process it needs to be incorporated throughout the lifetime of the RIS3
- Need to understand policy intervention – how strategies are implemented must be reflected in projects and public spending
- Requirement to comply with GDPR regulations, supply targeted information

3 elements to change geometry and introduce into the RIS3 discussion

1) Industrial transition – challenges and opportunities linked to carbon to be seen in context to the region
2) Tech & innovation diffusion – review what is not working. The opportunities are not being exploited as the links are not established. Look at whether HEI's are working well for the region
3) What are the opportunities in international links, this could be particularly important for peripheral regions. Peripheral regions could be rich in natural resources and must explore the opportunities around this.

Main challenges in designing RIS3

- Lack of awareness around the implications of new technology which has the potential to threaten current industry e.g. car industry in Detroit their main industry but they are not capable of producing e-drive, self-drive cars so danger of becoming obsolete
- Establishing or prioritising new industries can be perceived as a risk to industries currently or traditionally relied on, it requires a leap of faith and strong financial

backing which may require a shift in funds to facilitate. Most regions will be slow to risk jobs in current specialism, challenge lies in getting others to take a long- term view

- There may be a need to encourage behavioural change within organisations, be mindful an increase in R&D in smaller companies may take time. This can also lead to challenges in monitoring
- RIS3 may span political election times which may have an impact so needs to be taken into consideration when planning
- Lack of targeted regional objectives and finding the right indicators to make the policy work
- Conceptual 'blurredness'
- Lack of clarity between research and academia
- These is a general leaning towards being risk-averse which leads to missed opportunities
- Motivating actors - getting stakeholders involved to understand the roadmaps so they know where they are going
- Lack of foresight – there needs to be an awareness of building for the future
- Not everyone is familiar with the technicalities of the RIS3 - Brokers may be needed to translate technicalities into practical information
- Lack of linkages between regions in other countries - Emphasis on cross-border collaboration to exploit the value in strategic collaboration with other regions
- There is a huge challenge around the availability and use of data
- GDPR – actors need access to relevant data to make effective policy recommendations/decisions.
- Economy can sometimes move slower than innovation
- Policy implementation on diversification is not clear, a related diversification policy would be more effective as it builds on capabilities e.g.
    - Major urban area can have a lot of unexploited specialisms
    - Old industrial region may not have much opportunity to diversify and get stuck in low-complex economy
    - Peripheral region – related diversification presents an opportunity but may also become trapped in low-complex economy

How can these be addressed?

- Diffusion of knowledge – raising awareness of issues

- Simplify view of S3 platform for R&I viewer
- Don't give policy-makers an excuse to say no! Address the knowledge gaps - measure the potential against the gap in policy to isolate where intervention is needed
- Provide evidence base for recommendations
- Look to best practices that are working in similar regions in other countries e.g. Tuscany's RIS3 is cluster driven, OSLO (One Stop Liaison Office) in Macedonia which will act as a point of mediation between the academic community and the final beneficiaries of the S3 in their case SMEs
- Look at how to attract investment to the region
- Investigate how to make sure the economy keeps apace with innovation and be aware of the next generation of investment that is needed – what equipment could be financed to drive the region
- There may be capabilities in other regions to tap into for example a gap in skills (there is a project looking into the feasibility of this).
- Be specific e.g. mapping of technology specific complementarities between regions – suggestion of compiling a vector listing of all regions ranked by relatedness complementarity
- Ask yourself where/who do I connect with to be successful. There are so many opportunities to diversify in less-developed regions and this needs to be addressed. Exploit these opportunities, S3 policy can make a huge difference if the capability is there
- Look at less obvious opportunities it is not always just agri-food and tourism in the rural or less-developed areas. Manufacturing and services have huge potential also.
- Reconstruct S3 logic of intervention, target indicators set in OP and S3 according to how designed and budget earmarked for it
- Ask how the toolkit fits in with what you are trying to do – clusters are part of the toolkit
- Consider how best to use available data to bring in people at all levels of this discussion. Don't ignore the 'low-hanging fruit' such as data held by the MA on projects but has not been made publicly available. There needs to be consideration on how to leverage this data better and publish information on beneficiaries. Suggestion to develop better classification systems to aid understanding. Look into how to link databases

Main challenges in Monitoring & Evaluation

- It's a long-term process but flexibility is needed in the short-term
- Flexibility is also essential when setting indicators which is not always incorporated into policy
- Monitoring the behaviours and effects of specialisation
- Establishing continuity
- Establishing effective governance
- The information systems in place

- Resistance to monitoring and evaluation

How to address the challenges

- Anticipate how information could be used in the future and build in from conception
- Determine the operational questions that need to be answered. Keep the questions practical looking at what actually works e.g. what can clusters contribute to S3?
- Encourage learning state to build broader experience database
- Change from information systems to smart specialisation
- Redesign the instrument with needs in mind, be very clear in defining what you want to measure
- Consider how to select priorities, map your competencies and create a methodology to assess these.
- Build in quantifiable indicators to be able to analyse effectively
- Key question to ask is what works and what doesn't
- What works through evaluation
- Raise awareness of the value of monitoring and evaluation, it facilitates effective public spending
- There are very strong monitoring and evaluation regulations which are focused on outputs so use these to best advantage
- Consider reporting and effectiveness in tandem – there is currently a lack of granularity to answering questions
- Looking at how best to exploit what is already there to meet the needs of the region is a key element even though there is no regulatory requirement – can also facilitate flexibility and experimentation
- One size fits all approach is no longer sufficient the EC will support what makes sense
- Know what are the actual needs of the region are – how best to use public money to achieve public benefits
- Have support in place for evaluating S3. Help lagging regions in implementation working group
- Use CGE model to measure Impact assessment i.e. CGE (Computable general equilibrium) models use actual economic data to estimate how an economy might react to changes in policy, technology or other external factors.
- Consider how to overcome lack of data availability
- Monitor synergies between EU funding within areas of specialisation. Measure alignment of R&I project allocation
- Benchmark regions with each other for reference point
- ID key players both domestically and within wider EU context
- Within the R&I viewer two key fields are themes and geographical information
- Characterise key challenges of each project

Three good practices were featured during the workshop:

1. **Monitoring RIS3:** Interreg Europe project **MONITORIS3**
   Region: Norte Regional Coordination and Development Commission (Portugal)
   Monitoring RIS3 should be comprehensive and indicators associated to the priority domains are the nodal point of the monitoring model. One example of such indicator is 'the number of enterprises cooperating with research institutions, by RIS3 priority domain (output)'.
2. **Evaluating RIS3**: Interreg Europe project **BEYOND EDP**
   Region: Dev'up Centre-Val de Loire (France)
   In evaluating RIS3, policymakers should select at the beginning of the process a panel of companies to monitor for formative and summative evaluation exercises.
3. **Designing RIS3**: Interreg Europe project **HIGHER**
   Region: Central Macedonia
   Designing RIS3 should include foresight activities, motivate regional stakeholders to develop long-term strategies, boost internal capacity in all RIS3 stages, and have national authorities invest in gathering evidence for strategic evaluation.