



ONLINE WORKSHOP

IMPLEMENTING S3

16 March 2022

Short Report

On Wednesday 16 March 2022 from 14:00 to 17:00 (CET), the Policy Learning Platform organised an online workshop on Implementing S3. Allowing for networking opportunities during breaks, the event was organised around three distinct sessions: a panel discussion with keynote speakers, learning from practices, and thematic working groups.

Smart Specialisation strategy (S3) is a **place-based** innovation policy concept to support **regional prioritisation** in innovative sectors, fields or technologies through the '**entrepreneurial discovery process (EDP)**', a bottom-up approach to reveal what a region does best in terms of its **scientific and technological endowments** ([Foray, David, Hall, 2011](#)). **Smart Specialisation strategy (S3)** requires regions to have a comprehensive understanding of their regional institutional contexts **to identify their strongest research, innovation and entrepreneurial assets so that they can select a limited number of priorities** where they can build critical mass in areas of comparative advantage. The terms of specialisation can be confusing for policymakers, as the **S3 policy concept is not a sector or cluster-like policy concept** to reinforce regions in their most advanced industrial sectors, **but rather to diversify their economic bases in a smart way**, that is, in the most promising areas with the most socio-economic potential ([read our policy brief on Smart Specialisation Strategy](#)).

Some key insights from the workshop

This workshop explored the **main regional challenges that resulted from the implementation of S3** during the programming period 2014-2020 and shared insights on the implementation of the S3 for the programming period 2021-2027 (see also [our policy brief on Smart Specialisation Strategy](#)). **The S3 concept was developed also with an emphasis on less-advanced regions** to develop certain capabilities within specific fields, technologies, sub-systems to build competitive advantages in a few market niches rather than developing generic capabilities ([Foray, 2014](#)). **Less-advanced regions, however, have faced S3 implementation challenges** due to their weaker institutional capabilities, especially regarding S3 governance and S3 monitoring and evaluation ([JRC S3 Platform](#)).

Fernando Martin, JRC Sevilla S3 Platform, reflected on the implementation of the S3 during the programming period 2014-2020 and its main implementation challenges for regional policymakers. The first challenge was related to identifying sectoral priorities and organising the S3 around the novel concept of the EDP. It was about implementing a complex new policy concept within cohesion policy rules. The implementation of S3 depends on the right skills, expertise, and specific capabilities among regional policymakers—training and capacity-building are key. The implementation of S3 has reinforced public-private collaboration, communication among agents, and the use of new tools such as digital platforms for stakeholders' engagement. However, it was difficult to maintain stakeholders' engagement in the EDP to pursue a continuous EDP.

Elisabetta Marinelli, Pr-i: policy-research interface, presented the shift in innovation policies towards transformative changes and responding to societal challenges that will greatly affect how regions implement their S3 in the programming period 2021-2027. This shift is highlighted in the policy concept of **smart specialisation**



strategies for sustainable and inclusive growth (S4+) that was introduced in the Joint Research Centre (JRC) report written by Philip McCann and Luc Soete titled '**Place-Based Innovation for Sustainability**'. The report highlights that the regional policy focus must shift to **transformative changes**. Innovation must not blindly follow competitiveness logic but must respond to broader regional and societal challenges and be an 'intermediate step towards the longer-term goals of fostering sustainability and inclusiveness'. **Moving to S4+ is essential to address societal challenges**, such as climate change, and that, to do so, regions must embrace policy experimentation while taking advantage of recovery funds (see figure 1). This is a fundamental element for the next programming period 2021-2027.

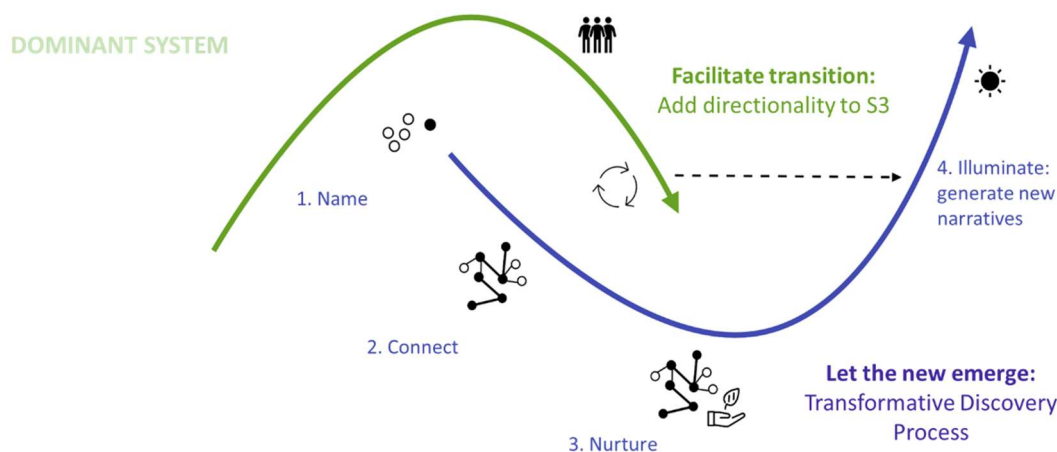


Figure 1. Transformative S3 and towards S4: some reflections. Source: Elisabetta Marinelli.

S3 can be implemented at the cross-regional level. In **S34GROWTH**, the good practice **Cross-Border Smart Specialisation Strategy of Galicia – Northern Portugal (RIS3T)** is the first cross-border S3 in the European Union (EU). The cross-border S3 is coordinated by the Galician Innovation Agency (GAIN) and the Regional Coordination and Development Commission in Northern Portugal (CCDRN). The good practice points out the importance **to identify common goals and synergies in both regions**. The cross-border S3 aimed to build on opportunities and synergies by providing a common policy framework to respond to common challenges under a related institutional context and institutional proximity between the two regions.

The Basque Country illustrates the importance of multi-level governance. In **RELOS3**, the good practice **Multilevel governance in RIS3 Basque Country** shows the importance **to facilitate the construction of multi-level governance** to define the role for public organisations and procedures for collaboration in order to limit institutional complexity. In **COHES3ION**, Lea Artibai, a county in Bizkaia, Basque Country, illustrates how sub-regional governance can foster the **S3 implementation** based on a collaborative and multi-level governance model. The sub-regional S3 takes into account 4 key areas for the deployment of S3, namely, quadruple helix participation, clear governance model, aligned to the regional S3, and building working groups to define specific projects. The good practice points out the importance to empower local economic development agents in the deployment of RIS3.



Some insights on how to better implement the S3 were shared with participants:

- For the implementation of the S3, there needs to be shared commitment and trust among stakeholders, which requires consistency in the implementation of the strategy and subsequent policy actions.
- S3 must focus on delivering transformative regional changes and not focus on low-hanging fruits and quick wins.
- Regional policymakers must learn to be less risk-averse. Indeed, there is an increasing need to be bold and experiment with new policy tools to address regional challenges.
- There must be more systematic policy learning regarding good practices that effectively use quadruple helix involvement beyond pilot actions.
- For the implementation of the S3 at the sub-regional level, it is important to define a clear Territorial Governance Model, to design an inclusive participatory process to participate in common regional projects, to design and offer value-added services and create working groups with businesses, and to empower local stakeholders to act as thematic group leaders and connect to other regional innovation ecosystems.

Future Policy Learning Platform activities

Several follow-up activities were discussed with the participants:

- Regions that are interested to learn from peers to better implement their S3 can consider applying for a [Peer Review](#) or [online matchmaking](#) from the Policy Learning Platform.
- The Policy Learning Platform offers an on-demand expert support through the Policy Helpdesk. Please do not hesitate [to reach out to us](#) if you have further questions regarding the implementation of S3 and moving towards S4+.
- Please do not hesitate [to contact the Policy Learning Platform](#) to share ideas for policy briefs, stories, topics for online discussions and online workshops.

Other useful materials

- [Policy brief on Smart Specialisation Strategy \(S3\)](#)
- [News from S3 to S4+: smart specialisation strategies for sustainable and inclusive growth](#)
- JRC Report on [Place-Based Innovation for Sustainability](#)
- OECD Report on the [inequalities-environment nexus](#)
- Policy brief on [Clusters in driving the digital and green twin transitions](#)
- MOOC on [Promoting Innovation for sustainability transitions in the MED: an introduction](#)