



Implementing RIS3: from Strategy to Action Plan



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The facts:

There is an urgent necessity for immediate activation of the implementation process of the Regional RIS3, and the new Operational Programme (2014 – 2020), which has been conditionally approved by the European Commission – **end of Dec. 2014**.

Thus, there is a need to design Calls for Proposals, targeting the achievement of specific Objectives, as well as, Output and Result Indicators.

Question 1:

Having selected priority sectors / areas, how to proceed (*methodologically*) into concrete action plans?

What does exactly an action plan include (*examples from other EU regions to see the level of detail contained in action plans*) ?



Implementing RIS3: from Strategy to Action Plan



The Theory:

(according to JRC's Scientific and Policy Report (No.01/2013) "The Goals of Smart Specialization")

Granularity (principle n°1)

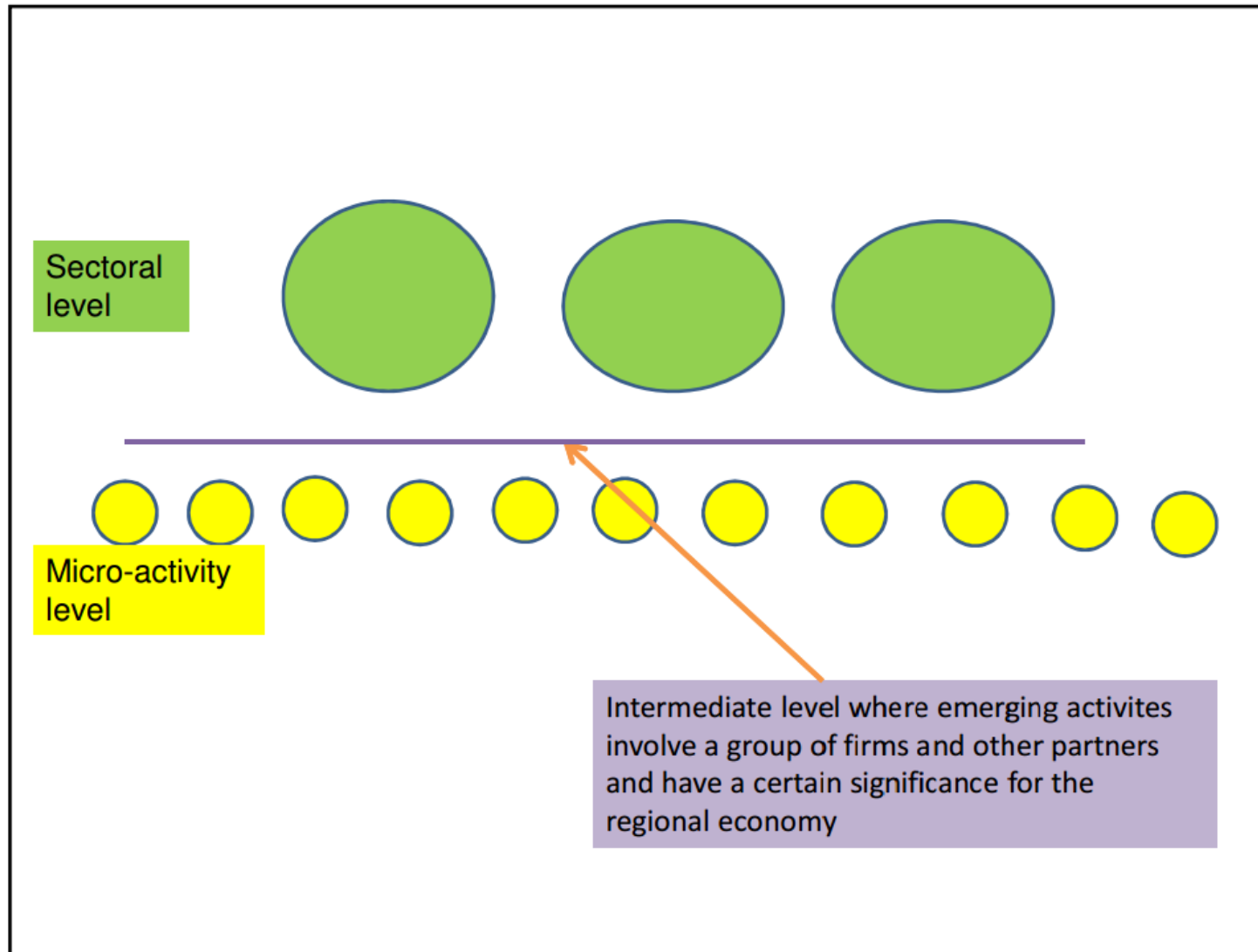
The level at which priorities are identified, assessed and supported should not be too high, otherwise smart specialisation transforms itself into a sectoral prioritisation and - as stressed many times - there is no rationale to prioritise sectors in terms of innovation policy. Sectoral level prioritisation is what old-fashioned industrial policy did, based on a very weak and controversial rationale, particularly in the area of innovation policy

The point here is to identify the right level, between sectors and very micro-activities, at which it is possible to observe in detail the pieces of the knowledge economy that a region can take as a basis for smart specialisation. The relevant level is of "mid-grained" granularity.

What governments would support in these cases is neither whole sectors nor single firms but the growth of new activities. The notion of a new activity is somewhat fuzzy.



Implementing RIS3: from Strategy to Action Plan



Question 2:

How do you design a call for proposals to support a newly identified activity?



Implementing RIS3: from Strategy to Action Plan



The new Framework: Expectations and limitations

(Framework for state aid for research and development and innovation – 2014/C 198/01)

4.6.2. Aid schemes

106. In order to be compatible with the internal market, notifiable aid schemes must not lead to significant distortions of competition and trade. In particular, even where distortions may be considered limited at individual level (provided the aid is necessary and proportional to achieve the common objective), on a cumulative basis aid schemes might still lead to high levels of distortions. Such distortions may for instance result from aid that negatively affects dynamic incentives to innovate on the part of competitors. In the case of a scheme focusing on certain sectors, the risk of that kind of distortions is even more pronounced.

Question 3:

The question (to DG-REGIO and / or DG-COM), relates to the very detailed degree of the regional economy analysis in RIS3, which, potentially, could lead to “photographing” specific businesses (enterprises), and thus restrict unbiased – open participation of businesses, as well as, distort the competition.

Or else,

At a Call for Proposals, how to maintain the balance (i.e. *apply the 2nd principle of “granularity”*), in order to avoid the outdated logic of Sectoral Analysis Aid, and over-specialization which may end – up drilling down to a specific project?



Implementing RIS3: from Strategy to Action Plan



The Theory:

(according to JRC's Scientific and Policy Report (No.01/2013) "The Goals of Smart Specialization")

Priorities emerging today will not be supported forever (principle n° 3)

While at t_0 some priorities emerge and subsequent activities will be supported, it is expected that three or four years later other discoveries will be made in other parts of the regional system and the subsequent emerging activities will also be supported. **This implies that the now "old" priorities should no longer be part of the smart specialisation strategy.** Rodrik (2004) suggests the design of some kind of sunset clause for withdrawing support after an appropriate amount of time so that new priorities can be funded. The rationale is very simple: after four or five years, 'new activities' are no longer new. Whether they have failed or whether they have successfully reached maturity, they should no longer be a priority for the smart specialisation strategy. Smart specialisation entails strategic and specialised diversification. **This principle is important to help policy makers make choices and decide priorities.** These choices are not so difficult since activities not currently selected, still retain a chance of being supported in the future.



Implementing RIS3: from Strategy to Action Plan



Question 4:

What methodological tools should be used in order to reduce the risk of investing in vertical sectors, whose growth rates may vary significantly in the future, taking into account the rapidly changing global economic conditions?

Question 5:

It would be useful to see (*examples from other EU regions of*) a grid of project selection criteria, e.g. in an open Call for Proposals, which would incorporate all basic principles of a RIS3 Strategy.

How are specific criteria applied in the evaluation and project selection process? E.g. although it might be relatively easy to set criteria related to the impact of a project to Income and Employment, it is substantially more difficult to estimate objectively these effects, at a project level.



Implementing RIS3: from Strategy to Action Plan



Question 6:

Which assessment (*evaluation*) methodology will EU regions implement in order to select projects that will contribute to the successful implementation of their Regional RIS3?

Note that, according to EU Regulations, the selection criteria should be approved by the Monitoring Committee of each ROP, so they ought to be specific, ensure transparency and the equal treatment (inclusivity) of participants.



Implementing RIS3: from Strategy to Action Plan



Question 7:

In terms of applicability and compatibility with the principles of RIS3, please comment on the results of the Entrepreneurial Discovery Process Workshop for the Wine Value Chain, which took place in Drama on 18 – 19 November 2014.

<http://s3platform.jrc.ec.europa.eu/documents/10157/651997/DRAMA%20SUMMARY%20short.pdf>

Does this methodology, lead to calls and project selection (*new activities*), in accordance with the principles of RIS3?

If not, what should be changed / corrected / supplemented?



Implementing RIS3: from Strategy to Action Plan



The Theory:

(according to JRC's Scientific and Policy Report (No.01/2013) "The Goals of Smart Specialization")

Smart specialisation is an inclusive strategy (principle n° 4)

are conceived and experimented" (Phelps, 2012). **Smart specialisation needs to be inclusive. This does not mean that the strategy will support a project in every sector (the last word is given to the entrepreneurial discoveries!) but inclusive smart specialisation means giving every sector a chance to be present in the strategy through a good project.** Inclusiveness will imply different paces and tempo of the policy because identifying and prioritizing good projects in the less dynamic parts of the economy will be more difficult and more costly than in the most dynamic parts. This practical dimension of implementation will be further developed in the next policy brief.

Clarification 8:

A basic principle of RIS3, which refers to the need for hierarchy and prioritization, contradicts with DG-REGIO's request, to incorporate in the Operational Program, the statement that, the "1st Thematic Objectives will fund exclusively areas / sectors resulting from regional RIS3"; thus, clarification is required.



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Thank you for your patience...

... now let us search for answers!

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