

# **Key considerations for a regional approach to Smart Specialisation (S3)**

**Position paper for Northern and Western Regional  
Assembly (NWRA)**

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# Structure of presentation

- **A stimulus for awareness-raising and dialogue concerning the relevance of S3 to support N&W's innovation direction and economic recovery**
- **Spotlight on the regional economy and the relevance of S3 to place-based policy making**
- **Insights into key EU policy drivers linked to S3**
- **Outline proposals to guide a regional dialogue ('EDP') and framework conditions for a regional approach to S3 across N&W**

# What is Smart Specialisation (S3)?

- **S3 adopted by the European Commission in the 2014-2020 programming period**
- **Specific ‘conditionality’** (i.e. requirement) to secure EU Cohesion Policy funds (ERDF)
- **Research and Innovation Strategies for Smart Specialisation (RIS3 or S3)** - R&I policy frameworks (e.g. industrial priorities, investment sources, governance structures) to build innovation capacity and scale-up potential for improved innovation performance
- **S3’s place-based focus:**
  - highly differentiated and tailored innovation approach
  - Based on local endowments, industrial structure and innovation strengths and challenges.
  - Aligned to national and EU priorities for innovation, economic growth and competitiveness
- **S3 = a broad definition of R&I**
  - regional ‘quadruple helix’ innovation community (public policy; research / science / academia; social sector; industry)
  - EDP - avoid undue ‘capture’ of innovation priorities by the most influential ‘voices’
  - Balancing technology-driven innovation with incremental / social innovation

# Post-2020 S3 'enabling conditions'

1. Up-to-date analysis of **bottlenecks** for innovation diffusion, including digitalisation
2. Existence of **competent regional / national institution or body**, responsible for the **management** of the smart specialisation strategy
3. **Monitoring and evaluation tools** to measure performance towards the objectives of the strategy
4. Effective functioning of **entrepreneurial discovery process (EDP)**
5. Actions necessary to **improve national or regional research and innovation systems**
6. Actions to manage **industrial transition**
7. Measures for **international collaboration**

# Context – Recommended priorities for Ireland’s post-2020 S3



# The regional economy – N&W

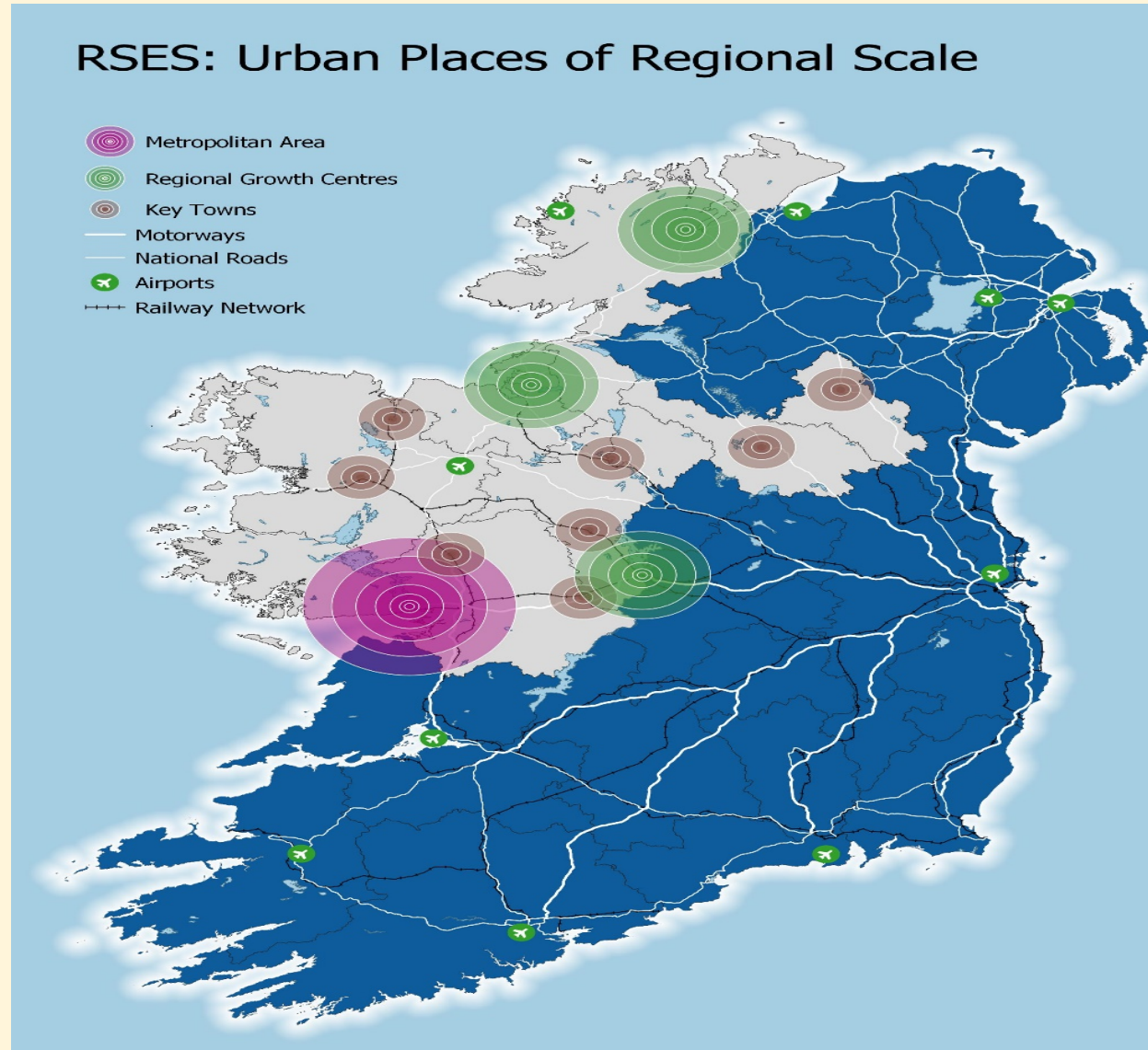
- Mainly **rural territory** of the N&W creates very specific economic challenges for the region
- **Downgraded economic performance** - shifting from 'more developed' to 'transition' status, and reclassified as a lagging region (new research)
- N&W can be expected to experience a **more complex and long-term recovery from the crisis**

**Need for a place-based and opportunity-driven response, with targeted investment**

# The regional economy – strengths and opportunities

- **N&W compact growth strategy** - connecting growth centres to the wider rural territories of the region
- A strengthened approach to **clusters and industry collaboration** – ‘outreach’ and collaboration within region, across country and into the EU → upscaling efforts, upgrading and renewal of industry strengths.  
Examples:
  - **Ireland’s Med-Tech sector**
  - **The Institute of Technology in Sligo** (‘IT Sligo’)
  - **Atlantic Economic Corridor**
  - **Offshore Renewable Energy Test Hub** and (connections to) SmartBay
  - **Monaghan Bio-Connect Innovation Centre**
- **Infrastructure renewal and upgrading** - quality of life; future skills and jobs; connectivity (people, places and ICT); EU Green Deal and transitions (energy, digital and industry)
- **Experimental learning networks** – connecting innovation actors and communities

# N&W: Approach to Compact Growth





# A new EU policy and investment landscape for recovery and renewal

- **Challenges:** Covid-19; international trading environment; climate action; Brexit
- **Responses:** REACT-EU; post-2020 Budget; Recovery and Resilience Facility
- **Remaining tension** – EU now has an improved place-based narrative but enduring ‘top-down’ orientation
  
- **Value of S3:**
  - Bottom-up approach and place-based evidence of innovation challenges and opportunities
  - Promotes territorial rationale, visibility and profiling for internal and external audiences
  - ‘Convening power’ for:
    - Innovation policies (EU, national and regional)
    - Strategic positioning in the EU policy framework (e.g. Cohesion Policy, Territorial Just Transition Plans, European Digital Innovation Hubs, Industrial Strategy)
    - Innovation actors - EDP
  - A ‘compass’ for innovation policy renewal and pervasive ‘greening’ of innovation investment (S3 to S4)

# Key messages from report

- The health pandemic has laid bare a highly differentiated capacity to recover from the crisis, at global, EU and national levels
- Emerging from the crisis will require very strong multi-level governance
- N&W region has recently invested in a number of detailed data gathering exercises...
- ...these could form the basis of a new N&W regional recovery framework
- The EU's S3 policy has particular salience for N&W
- N&W should consider a tailored, place-based approach to working with S3 principles

## 5 Recommendations to get off the S3 starting blocks

1. Generate a **more granular level of data** to support the intended direction for targeted, innovation-driven investment
2. Generate momentum and consensus for N&W to lead nationwide discussions from the Ireland / S3 report, building to a **targeted S3 pilot action**.
3. Explore priorities to **improve the region's innovation 'connectivity' potential**
4. **EDP** supported by a **vision and dialogue for shared prosperity** through the 'reach' of N&W's compact growth measures
5. Review appetite, capacity and options for **innovation-driven risk-taking / and experimentation** to promote economic recovery

# Illustration of an S3 Roadmap – governance, key actions and sequencing

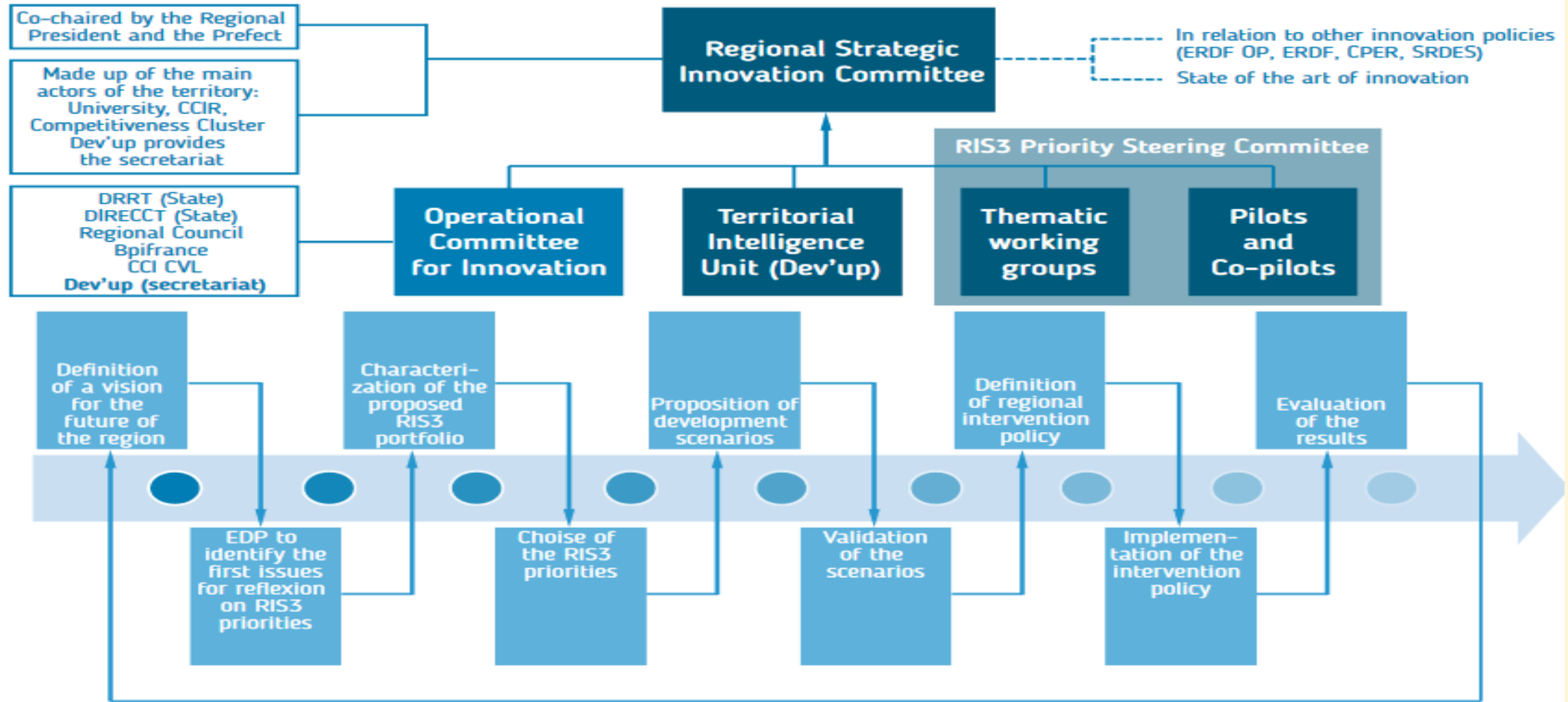


Figure 5: DEV'UP Centre Val de Loire – role in the Regional Operational Committee for Innovation

## Outline vision for N&W to drive an S3 approach

***“The region’s upgraded evidence base could form the basis for a new N&W regional recovery framework (within the context of a wider national and EU setting) to deliver a renewed, holistic and joint innovation effort, underpinned by a clear place-based dynamic. There is significant opportunity to apply new, territorial evidence and insights regarding both gaps / vulnerabilities and strengths / opportunities to upgrade the regional innovation system. Such an exercise could see the N&W taking a lead role in setting out parameters for a regional pilot action linked to Ireland’s post-2020 S3 agenda. This effort cannot be delivered in isolation. An holistic innovation ecosystem stance is required – domestically and at EU levels”.***

Question, reactions and reflections?

Thank you