

Position Paper Smart Specialisation Consultation

Introduction

This document reflects the opinion of the European Association of Development Agencies in the context of the public consultation on Smart Specialisation of the European Commission¹. Replies to the consultation will be used by the European Commission to prepare a communication on Smart Specialisation that will be published in the next months. This consultation process contributes to the discussion of the future of the EU cohesion policy for the next programming period.

Regional Development Agencies and RIS3

All EURADA members have welcomed the concept of Smart Specialisation. Since its launch, lot of efforts have been invested to ensure that the RIS3 of their respective region was designed with the principles of Smart Specialisation. Nevertheless, the role of EURADA's members was not the same in all EU regions because of the different national contexts and the diverse understanding of the governance principle of national administrations. Indeed, if numerous development agencies can be considered as the penholders of the drafting of the RIS3, others were more or less deeply involved in some parts of its design, while some only were considered as a stakeholder like many others. The latter situation is mainly noticed in Member States which only drafted a national RIS3. It is worth to know that a few regional development agencies in EU13 countries have taken the initiative to draft a RIS3 even if they knew that their work would not be taken into consideration by their national authorities. It is also important to mention that most of EURADA's members were not associated with the translation of the RIS3 conclusions into the first Investment Priority² of regional Operational Programmes (OPs) of the ERDF. This is the major weakness of the ex-ante conditionality principle.

¹ The public consultation is available for any regional stakeholders and individual practitioners of economic development until March 24th through the following link https://ec.europa.eu/eusurvey/runner/smart_spec_consult.

² Strengthening research, technological development and innovation as it is described in the Art. 5 of the Regulation (EU) No 1301/2013 on the European Regional Development Fund (ERDF), and on specific provisions concerning the Investment for growth and jobs goal.

Central role of development agencies in Smart Specialisation

Development agencies are relevant actors for the effective implementation of the Cohesion Policy and the appropriate use of the European Structural Investment Funds. Most of the members of EURADA have been leading the preparation of the Smart Specialisation Strategies in their territories and are now driving their effective implementation. Regional Development Agencies are effective interfaces between public authorities, private industry and social stakeholders.

The work carried out by development agencies implies the use of the principles of Smart Specialisation. On a daily basis, development agencies establish place-based activities of strategic potential, set priorities to leverage private investment, design efficient support services to have an appropriate policy mix of the regional programmes, implement mechanisms for enterprises in order to maximise the knowledge-based development potential of a region and, finally, development agencies have to involve multi-stakeholder governance mechanisms to engage local actors.

Smart Specialisation strategies are key instruments for regional development

EURADA's overall assessment of the Smart Specialisation Strategies is extremely positive. There is a consensus among the professionals of development agencies and regional practitioners about the suitability of the S3 tool to engage a multiplicity of stakeholders in a common transformation agenda. The process is inclusive, bottom-up, brings new actors to a shared decision process that is relevant for the economic growth of the countries and regions. Despite the complex governance that implies, the regional stakeholders have invested their best efforts to accomplish the ex-ante conditionality for the current programming period and have continued working with this relevant tool.

For the future development of the Smart Specialisation Strategies, in the interest of the regional development of the EU regions we kindly recommend to the European Commission and other EU institutions to consider the following aspects:

- Smart Specialisation is a key pillar of the EU policies for economic growth
Smart Specialisation should be placed on the highest level of the political agenda of the EU Institutions. It should be a central aspect to shape future policies and initiatives in the field of economic growth. Smart Specialisation gathers overall support of regional economic practitioners because it has proven its impact to design economic reform agendas, to restructure regional innovation systems and it is an instrument for interregional governance. This has implications for the EU industrial, research and innovation and cohesion policies.
- The complex governance of Smart Specialisation requires continuous policy support:
We consider that just good strategies will not generate the expected results. Regions have to implement sophisticated governance structures for the Smart Specialisation

Strategies. Particularly challenging are the selection of activities with the appropriate granularity to provide impact, as well as the use of advanced monitoring and evaluation mechanisms for a continuous entrepreneurial discovery process and the full engagement of private sector to leverage investments. It is important to continue with the tailored support provided to consolidate the application of the strategies. The support given by the S3 platform of the Joint Research Center of the European Commission has been especially relevant.

- Smart Specialisation is a good opportunity for interregional cooperation:
Smart Specialisation Strategies have created a community of practice of experts in regional development with a clearly prioritised agenda. This is a unique opportunity to strengthen interregional cooperation. Initiatives like the thematic platforms in agro-food, energy and industrial modernisation are good initiatives that should be reinforced to provide an appropriate framework for investments in innovation across borders.
- Deployment of Smart Specialisation in all territorial levels
There are already examples of the application of Smart Specialisation Strategies for cities. The deployment of Smart Specialisation at city level should be promoted because most of the economic activities currently happen in cities and they are relevant for Smart Specialisation. Cities have an appropriate size to establish a good prioritisation. Municipalities and local authorities have several instruments to support the policy mix, with local development agencies, the possibility of establishing living labs, innovative public purchases, workspace provision, investment attraction mechanisms, support to new entrepreneurs, etc. The different strategies in all levels (local, regional and national), should have a perfect coordination to guarantee an increased impact.
- Further alignment between Smart Specialisation Strategies and Operational Programmes to leverage private investments
Adopting the appropriate measures to reinforce the concentration of resources to exploit the competitive advantages is necessary. There should be measures in place to assure the perfect coordination among the Smart Specialisation priorities and the operational plans of the Structural Funds to secure an effective use of public funds.

CONCLUSIONS

The European Association of Development Agencies (EURADA), considers that Smart Specialisation Strategies are very valuable tools for regional economic development. We ask the European Commission and other EU Institutions to continue their leadership providing the appropriate framework for the correct deployment of Smart Specialisation Strategies as the best possible way to have an economic transformation agenda through innovation. Effective Smart Specialisation Strategies are essential for future EU policies for economic growth.

Brussels, 21st of March 2017