

# Common elements and lessons learned from RIS3 processes

Analysis of Project Partner Regions.  
Project Synthesis Report.



EUROPEAN  
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Common elements  
and lessons learned from  
RIS3 processes

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**Project Synthesis Report**

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# 1 Introduction

This review describes RIS3 processes and implementation, with a focus on Blue Growth perspectives, and with the purpose of being a baseline for the exchange of experiences. It is a synthesis of the functional reviews and multi-level implementation systems developed by the partner regions during the course of the project and which you can find online on the project website [www.submariner-network.eu/projects/smartblueregions/publications](http://www.submariner-network.eu/projects/smartblueregions/publications), as well as conclusions based on the reviews and additional bilateral dialogues during partner meetings such as in Riga in November 2017. The functional analyses and multilevel implementation systems of the partner regions have quite a broad approach, and also differ concerning where focus has been set.

## Background

The purpose of “Smart Specialisation” and the RIS3 process is to identify areas of the economy where the potential for growth and the value added are above average, and where competitive advantage can be achieved by investing in R&D. The European Commission has placed Smart Specialisation in the spotlight among R&D activities and innovation strategies and turned it into a precondition for receiving some ERDF funding. The growth areas selected in the course of the Smart Specialisation identification process are prioritised at EU, national and regional (NUTS II) levels in the 2014–2020 financing period.

This constitutes a significant challenge for many regions in the Baltic Sea Region (BSR). Great variations in regional capacities to implement RIS3 have already appeared in the early stages of priority setting. Furthermore, RIS3 is not the only new policy instrument; “Blue Growth,” initiated by DG MARE, is also still a relatively new concept. Whereas European, national and regional policies have for decades targeted traditional maritime activities such as shipping and fishery, projects such as blue biotechnology/blue life science, maritime surveillance/technology, or new propulsion technologies intended for maritime use, and possibly also based on marine energy resources, still only have a limited base of experience of proven policy measures. Even at the European level, there

is no specific RIS3 guidance for blue topics.<sup>1</sup> Blue growth is R&D intensive but with a high potential for sustainable innovations that require targeted support measures.

## Regional context and innovation potential

The regions Schleswig-Holstein, Pomorskie, and South West Finland and, to a certain extent also, Skåne, have an outspoken “blue” profile, with a highly significant shipbuilding/repair sector.

**Schleswig-Holstein** has a large maritime economy, including specialized shipbuilders and their suppliers. Marine/offshore technologies represent another important blue sector. The region has a well-developed research infrastructure for blue topics. The research institutes are internationally well connected and also enjoy a good reputation. Cooperation is promoted specifically in the German-Danish border region, and there are well-developed clusters related to blue sectors. Cross-innovation exchange relations exist between the technology fields of health sciences/medical technology & ICT, biotechnology & nanotechnology and materials technology, as well as between maritime economy and technology & civil security research. The region, however, has a low level of funding acquisition from EU and national programs, as well as a low patent intensity. Big companies with significant R&D activities are missing as large enterprises only run subsidiary plants in SH.

In **Pomorskie**, the maritime sector is the leading industry. Historically, the region was an important centre of traditional shipbuilding and ship repair in the Baltic Region. Pomorskie also has the largest maritime university in Europe. Nowadays, since shipbuilding and ship repair orders do not adequately use existing capacity, there is a need to expand into new blue subsectors. To do this, international collaboration, especially entrepreneurship and innovation capabilities, needs to be improved. The region has a solid base of competence to grow from, having the largest maritime university and experience of building and upgrading vessels to top environmental and economic performance.

In **SW Finland**, the maritime industry is the major

1. There is however a JRC Technical Report on Blue Growth and Smart Specialisation: How to catch maritime growth through ‘Value Nets’, S3 Policy Brief Series, No. 17/2016.



employer and represents global top competence, i.e., building the world's biggest and most environmentally-friendly cruise ships. The forecast for orders in forthcoming years, going by the order books, looks excellent for the cruise ship industry. However, the competition from Asia is expected to increase in the years ahead and impact the entire European maritime industry. Great efforts will be required to keep the region at the top level.

**Riga Planning Region** has a vision for the blue economy of tomorrow, by making use of the natural resources of the Gulf of Riga, i.e., developing health products and services, as well as crosscutting links between blue fields and flourishing sectors in the region such as ICT and (bio-) pharmacy. Ports and harbours are the development hubs for blue growth activities, especially boat building and maintenance, including cooperation with universities for new technologies and materials.

**Skåne** has a considerable maritime technological sector of high diversity. It is not comparable, however, to the high-profile blue regions of Schleswig-Holstein, Pomorskie, and SW Finland. Nevertheless, having the biggest repair yard in Northern Europe, Skåne has facilities for environmental updating, repair and maintenance

of ships, links to a large number of suppliers and subcontractors, as well as companies delivering high-quality components to a broad palette of players, non-blue as well as blue. It also has a diversity of modern ports. As in the case of the Riga planning region, the cross-disciplinary aspects are of high relevance, i.e., amongst nanotechnology, ICT and the maritime sector.

In **Ida-Virumaa**, the current blue economy is relatively undeveloped and has the potential for further development. Making use of the RIS3 concept is, for Ida-Virumaa, a way forward to find alternatives and new ways for an economy that today depends too much on oil shale mining, oil extracting, energy production, and other heavy industries. The region considers tourism, and health and wellness as important sectors, as they fit well within its framework conditions and existing business compositions. Due to the economic structure and historical background of the region, Ida-Virumaa is also suitable to contribute to the adaptation of new RIS3 implementation measures in the participating regions; especially in the blue value chain of machinery, technology, and energy.

Ida-Virumaa has the highest level of unemployment in Estonia despite the growing labour shortage in the country. This unemployment also includes structural unemployment and mismatch in skills. Regarding industrial composition, the region still has quite a large share of labour-intensive industries. There is need for a renewed focus on the so-called "smart" jobs to avoid losing competitiveness even further. The region needs to move up in the production chain and concentrate more on higher value-added roles such as innovation and development. One problem with this is the lack of capital and foreign direct investments. The large investments made in power and oil plants in the 2010s have not substantially increased employment, which is significantly due to the difficulties caused by volatile energy prices since 2014.

It is a fact in all partner regions that large blue enterprises lack research departments and the ability to push innovation within their industries. In all the six regions, the companies trust in their skills, but also expect support from scientific institutions. The extent of this support very much depends on the individual company and ranges from extensive co-operation to very loose contacts.

A general issue shared by companies in the partner regions is the lack of skilled workers and specialists, even in SW Finland, which still needs more highly-competent and highly-skilled people to match the booming cruise-ship building sector in the region.

## 2 RIS3 governance, functional processes, and implementation systems – Description and reflections from the regions

In this section, we briefly describe the processes and implementation of RIS3. This is based on the regions' functional analysis, their multilevel implementation schemes, as well as reflections at partner meetings held in Riga in November 2017.

### Schleswig-Holstein

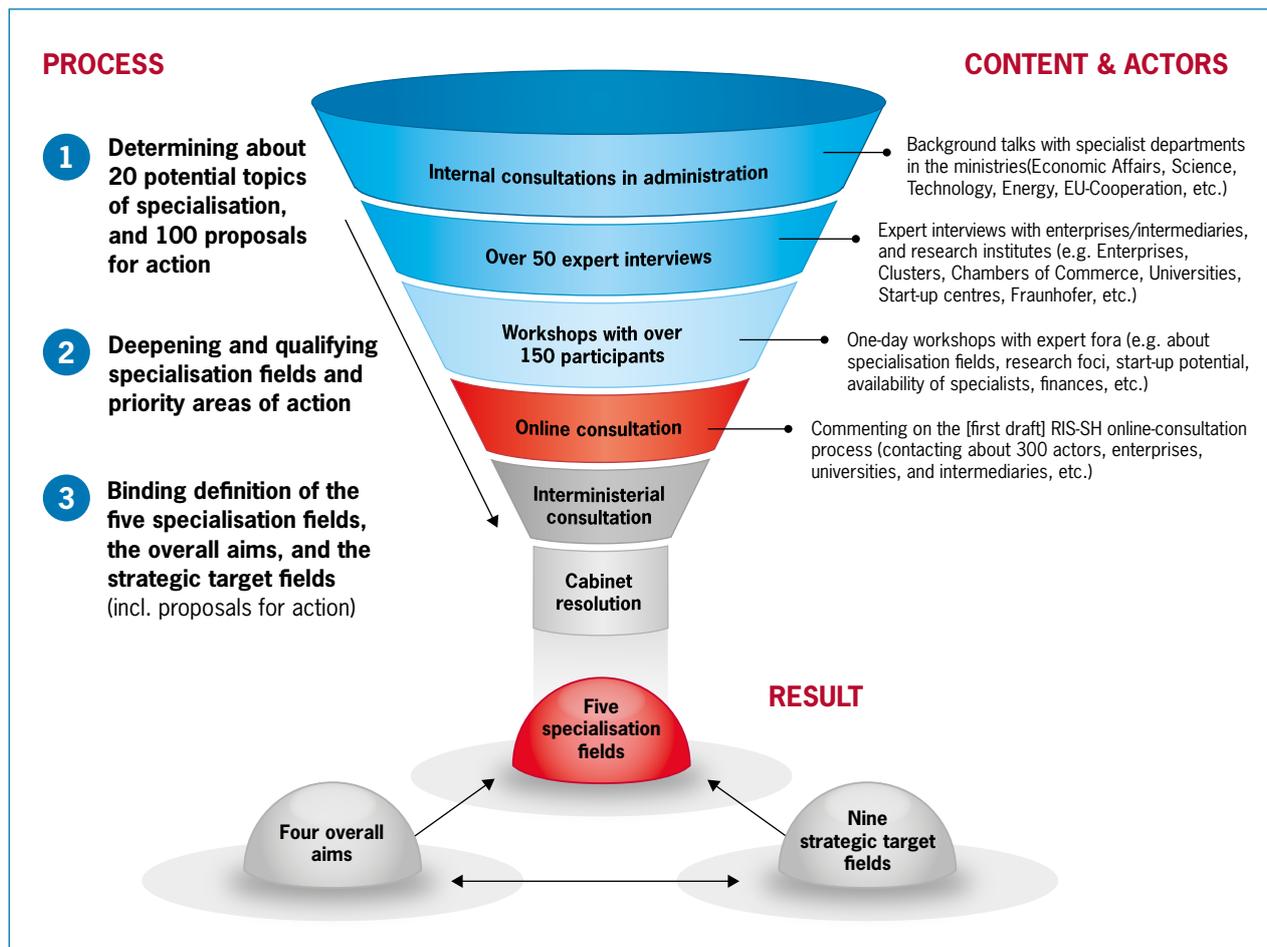
In Schleswig-Holstein (SH), a RIS3 was developed in 2013 for the ERDF program for the period 2014-2020.

This RIS3 was elaborated by an external consultancy during an intensive discussion process with different

stakeholders in Schleswig-Holstein as can be seen in the figure below.

The result of the process is that Smart Specialisation is focusing on 5 areas:

- Maritime Economy
- Life Sciences
- Renewable Energies
- Food Industry
- Information Technology, Telecommunications, and Media



Blue Growth elements can be found in each of the 5 focus areas.

To monitor the RIS3 process, the following governance structure has been developed:

<p><b>The Innovation and Technology Forum, Schleswig-Holstein</b></p>	<p>This event should take place once or twice a year, and should be open to all stakeholders of the innovation process in Schleswig-Holstein.</p>
<p><b>The steering committee of the Innovation and Technology Forum</b></p>	<p>This small board consists of one representative from each group of stakeholders: universities, research institutes, chambers, unions, environmental agencies, and the involved state ministries.</p>
<p><b>Interministerial working group</b></p>	<p>The involved ministries are additionally part of the interministerial working group, established to exchange and match their positions.</p>

The Ministry of Economic Affairs, Transport, Employment, Technology, and Tourism is the entity responsible for RIS3 in SH and, therefore, organizes and coordinates the structures mentioned above. Intermediaries such as clusters and supporting organizations are important to link the central innovation actors, such as enterprises and universities/research institutes with the administration. Enterprises do not participate in the Innovation and Technology Forum as much as the organizers desire. Therefore, intermediaries are vital as information channels between business and administration. Six cluster organizations have been established (one per specialization field, and tourism). They are financed from different sources, but connected by one cluster agency, which coordinates the implementation of the cluster policy in Schleswig-Holstein and enhances the exchange amongst all six cluster organisations.

The RIS3 Schleswig-Holstein does not include specific measures to implement the aims and visions formulated in the strategy. Instead, the OPERDF describes the measures. The RIS3 is a strategy, defining corridors in which to use the measures of priority axis 1 of the OPERDF. The actions listed in the OP ERDF are not sector specific, but the RIS3 specifies which fields are eligible regarding innovation projects.

The Innovation and Technology Forum is meant to be a monitoring tool for the RIS3, with the aim to both inform and learn from actors about how to improve the RIS3 and its implementation. The region reflects that clusters have gained visibility and importance in SH and will play an even more significant role in the next period. For example, the Maritime Cluster, Northern Germany, has organised their first trade fair which attracted 100

exhibitors (mainly enterprises, but also universities and projects). This Maritime Cluster, Northern Germany, first started activities with regard to internationalization.

An adverse effect of the RIS3 is that some fields, not being a part of any specialization field, can no longer be funded by ERDF innovation funding.

### Southwest Finland

In Southwest Finland (SWF), Smart Specialisation has been included in the regional strategy and regional programme. Recently, the Smart Specialisation Strategies in SWF was updated, and Blue Growth and industrial modernization were added to the strategy. The themes included in RIS3 for the programme 2018-2021 are:

- Blue Growth and Industrial Modernization
- Innovative Food Chains
- Medicine and Health technologies

The regional strategy is managed by the Regional Council of Southwest Finland, which is a local authority representing the municipalities. The Council's main tasks include regional development and regional planning, as well as promoting regional interests. It creates cooperation over municipal and sector borders and is responsible for administering the EU programmes implemented in the region. Also, the Regional Council is responsible on a regional level for land use planning and for formulating a 20-year Regional Plan and Regional Programme, which is reviewed every four years. National legislation governs the Council's tasks.

The Regional Council's highest decision-making body is its 101-member Assembly. The members of the

Assembly are municipal councillors, and the Managing Board is the executive body. The Council and the Managing Board are chosen every four years, according to the results of the municipal elections. The Regional Management Committee (MYR) decides on the policies of developmental projects. The management committee is made up of 41 representatives from various regional organizations. The Regional Management Committee forms a cooperative platform that also functions as an information channel and network.

In Southwest Finland, the amount of the ERDF is low. Therefore, the RIS3, as an ex-ante conditionality for the use of ERDF funding, is not as important. SWF, thus, created other ways to support the business environment. The ERDF projects, however, are to a large extent, according to Smart Specialisation priorities.

For SWF, Smart Specialisation means cooperation (public/private), better information flow, and increased partnership at regional, national and international levels. In the current RIS3, an important implementation measure is the Partnership Forum, which is a new approach and the main body of the implementation of the regional strategy. The Partnership Forum is a platform for, e.g., meetings, seminars, networks, and utilisation of open data. Its meetings and networks reflect the strategic priorities in the regional strategy. It is both a tool and a network for actors working to reach the goals stated in the Regional Strategy. The forum is however not stable but continuously developing according to the needs of the partners. The present priority areas and themes that the forum operates are open data, development of environment programme, smart specialisation, regional and urban planning, an international centre of Baltic Sea region, cooperation in education, circular economy, the creative economy, and nature and tourism. Several of these themes can link to Blue Growth.

There is a specific network for Blue Growth, which focuses on the maritime industry. It has, for example, created a website as a tool to bring together actors around the region. Within this network, there are several smaller networks such as those run by Turku Science Park and Finnish Maritime Industries.

There are other networks within the Partnership Forum concerning, for example, cooperation in the Baltic Sea, environmental issues, open data, regional planning, cooperation between authorities for educational needs, and tourism, etc. Upcoming networks are innovative food chains, medicine, and health technologies. The activities of the networks vary depending on the needs of the participants. Each network decides how to work most

efficiently towards the goals set in the strategy. There have been networks previously, but the Partnership Forum approach has made them more visible, more concrete, and given them a lot more focus than before.

The Partnership Forum is evaluated yearly by a Partnership Barometer. The latest survey was in November 2017, and it was sent to a total of 750 respondents in Southwest Finland, of which 176 (23%) responded. According to the survey, the methods and operations of the Forum are accepted and supported among the actors in the area. The regional strategy is written using a bottom-up approach, and the implementation is beneficial for the actors. Most of the respondents represented municipalities or joint municipal boards, but companies and business support organizations also provided answers. Beyond that, there is no specific monitoring and evaluation system for smart specialisation strategy, except for yearly monitoring of EU funding for each of the Smart Specialisation priorities.

The regional council acts as a facilitator and coordinator of the Partnership Forum and its networks. The region reflects that the RIS3 process and governance has been more efficient over the years. It has been more focused on priorities and avoided duplications in activities; there are improvements in the communication channels, and a network for each priority has been set up.

However, businesses do not fully know or adopt the concept of Smart Specialisation. Beneficiaries find it difficult to understand the concept, as well as what is new compared to previous strategies. Businesses, therefore, find it difficult to understand their possibilities and how they can use them within the ERDF funding opportunities.

## Ida-Virumaa

In Estonia, RIS3 has been developed on the national level since the country is small enough to count as a single NUTS2 region in the EU. The process of identifying growth areas in Estonia started in 2012 and included analytical reports, interviews, meetings, and seminars to engage stakeholders.

The Estonian government chose the following Smart Specialisation areas for Estonia in 2013:

- ICT horizontally via other sectors;
- Healthcare technologies and services;
- More efficient use of resources.

All three are applicable in Ida-Virumaa but most notable is “More efficient use of resources”. However, none of these directly link with blue growth.



Photo: News Øresund - Johan Wessman.

The EU Structural Funds has two implementation bodies that are responsible for actioning national Smart Specialisation measures. They are the Estonian Enterprise Foundation for measures related to entrepreneurship, and the Archimedes Foundation for measures about R&D. Competence centres, evolved from strategies by the Ministry of the Interior Regional Development Department, are relevant for regional innovations systems, as well as platforms for collaboration, support organisations, and local authorities. There is no clearly defined platform related to RIS3, but there are various other platforms that support regional growth. Currently, however, neither university colleges nor the competence centres are working with Blue Growth themes.

In Ida-Virumaa, there is currently no institution actively developing RIS3. The RIS3 process has been slowing down in Estonia since the Development Fund, the institute responsible for it, closed. A new national institutional framework for RIS3 process management has been developed, and the Ministry of Economic Affairs and Communication is now in charge of steering the national level Smart Specialisation strategy. The evaluation of the current growth areas and the methodology for selecting and adjusting the future growth niches is ongoing and should be completed by the end of 2018.

The Ida-Viru County Government has approved a county development plan for 2014-2020, which underscores the importance of Smart Specialisation. However,

the county governments closed at the beginning of 2018, due to territorial administrative reform in Estonia. The responsibility of the county governments shifted to the Ministry of Finance. Hence, the administrative structure on the county level, which influences the operational practices and implementation of the measures has changed considerably.

One reflection of the region is that both Ida-Viru and Estonia in general, are missing two main aspects needed to implement their Smart Specialisation properly:

- The existence of an innovation network in Ida-Viru and Estonia connected to RIS3.
- An institution in charge of the RIS3.

Furthermore, the ERDF funding capacity is rather low, which limits the interest for Smart Specialisation in the country.

RIS3 focuses on a national level, and it has been found that this makes it difficult to address regional specificities. One reflection from the region is that a top-down approach does not work, and a bottom-up approach is a better way to proceed. They would need a more collaborative and cooperative process of policymaking.

The implementation of national RIS3 lacks coordination – both between the regional and national level, as well as horizontally between ministries. Evaluation and feedback mechanisms are missing as well. To tackle this problem, the Smart Specialisation Steering Committee

was created at the beginning of 2017 to steer the national process of RIS3. This committee incorporates the representatives of the relevant ministries, as well as the Estonian Chamber of Commerce, and other relevant bodies.

It is a problem that the regional enterprises, the key stakeholders of the RIS3, have their headquarters located outside the region, which makes it hard to incorporate them into the implementation of RIS. The business structure of Ida-Viru region is a challenge regarding securing stakeholder engagement. However, over the past years, some steps have been taken to involve stakeholders by organising cluster-like collaborations and working groups.

Regarding Blue Growth, maritime issues are important since industry and business activities in Ida-Virumaa are mainly situated along the coast or at least close to the sea. So far, environmental and nature conservation issues have been dominant. However, the importance of tourism is growing.

## Riga

Riga Planning Region (RPR) consists of 30 municipalities, including capital Riga and seven coastal municipalities.

Development Council is the decision-making body and Administration is the executive body. It consists of 35 members, and the General Meeting of Chairmen of Local Governments approves them every four years. Administration of Riga Planning Region is responsible for development planning, regional public transportation, support for entrepreneurship development, and regional and international projects financed by EU.

There is no single RIS3 strategy document in Latvia, but it spreads across several different documents. On a national level, RIS3 aims to increase the innovation capacity and establish an innovation system that supports the technological progress of the national economy. Riga Planning Region has elaborated and approved Sustainable Development Strategy 2030 and Development Programme 2020, Research on the Potential for Smart Specialisation of Riga Planning Region, Economic Profile of Riga Planning Region, as well as Spatial Development Plan 2025. The regional development planning documents noted above consider RIS3 principles and priorities. The following table sets forth RIS3, Blue Growth, and strategic priorities:

<p><b>Latvia RIS3</b></p>	<p>Specialization areas:</p> <ol style="list-style-type: none"> <li>1. Knowledge-intensive bio-economics</li> <li>2. Biomedicine, medical technologies, bio-pharmacy and biotechnologies</li> <li>3. Smart materials, technologies and engineering systems</li> <li>4. Smart energetic</li> <li>5. Information and communication technologies</li> </ol>
<p><b>RPR Long-term Sustainable Strategy</b></p>	<p>Strategic objective:</p> <ol style="list-style-type: none"> <li>1. SM 1 Socially involving cohabitation in prosperous communities</li> <li>2. SM2 Knowledge based green, innovative and flexible economics</li> <li>3. SM3 Ecologically tolerant way of living and areas</li> </ol>
<p><b>RPR Development Programme</b></p>	<p>Priorities:</p> <ol style="list-style-type: none"> <li>1. P3 Flexible and outstanding education</li> <li>2. P4 Globally competitive areas</li> <li>3. P5 High-quality transport and logistics</li> <li>4. P8 Smart development</li> </ol>
<p><b>RPR Economic Profile</b></p>	<p>Knowledge – based business services (finances, programming, consulting), cultural services, production in different spheres (pharmacy, biochemistry, wood processing) and transport services are part of the global economic mainstream and demonstrate gradual growth.</p> <p>Radially concentrated traffic infrastructure connected with logistics nodes (ports, airports, railway stations) form the basis of the economic networks.</p>
<p><b>RPR Research on the Potential for Smart Specialisation of Riga Planning Region</b></p>	<p>Research focuses on defining smart specialization from the public sector point of view thus analyses potential for smart specialization of local municipalities in the region.</p>

At the regional level, the Riga Planning Region’s Long-term Sustainable Strategy, and the Development Programme are the most important development planning documents and include regional policies relevant for “blue” priorities and “smart” specialisation. A common monitoring and evaluation system is elaborated for both strategic planning documents and is approved by the Development Council as a part of the development planning system.

There is no formal structure for implementing RIS3 in Riga Planning Region, but there is an informal division of responsibilities. At the national level, the Ministry of Education and Science is responsible for the science part of RIS3, while the Ministry of Economics is responsible for innovation, entrepreneurship, and industry. Blue Growth development issues are covered by different ministries such as Economics, Agriculture, Transport, Defence, and Environmental Protection and Regional Development, depending on the subject.

Riga Planning Region provides a platform for discussions and stakeholder-involvement for local governments. The region facilitates thematic working groups and an advisory group of specialists from local governments dedicated to specific areas of common interest for municipalities, e.g., public transport, metropolitan area development, and others. Business support organizations, as well as educational institutions and research institutions (private or public), are also active on their initiative.

Recognition of Blue Growth concept as a cross-cutting policy axis in RIS3, or other national policy development planning document, would facilitate broader stakeholder and sectorial cooperation to foster blue growth innovation in general. Currently, few regional projects corresponding to smart blue specialization topics are implemented.

## Pomorskie

Pomorskie Region does not have a separate RIS3 document. The RIS3 policy is anchored in the Pomorskie Regional Development Strategy (PRDS) with accompanying regional strategic programme on economic development, i.e., “Pomorskie Creativity Port” (one of six strategic programmes).

The governance structure of the Pomorskie Regional Development Strategy is presented below. There is no separate structure dedicated to the RIS3. The unit responsible for the implementation of RIS3 is the Regional Development Department of the Marshal’s Office. The Regional Operational Programme is the main

implementation measure of blue growth and RIS3 for the Pomorskie Region; however, some also consider several national Operational Programmes as being important for Blue Growth and RIS3 development.



‘Defining Smart Specialisation’ was developed in a bottom-up process together with partners in the regions. The regions’ profiles were analysed, and partners invited to present activities to strengthen their potential and improve both them and their region’s competitive position. The process involved more than 400 entities, 300 of which were companies. Other applicants were schools and higher education institutions, business support institutions, municipalities and associations of municipalities, and numerous non-governmental institutions.

The process resulted in four Smart Specialisation fields for Pomorskie, and the first one- ‘Off-shore, port, and logistics technologies’ is dedicated to the “Blue” sectors. This bottom-up approach has brought together 104 entities in partnership. All Smart Specialisation Fields share the same systems of implementation as the partnerships. Below is a scheme of Pomorskie Smart Specialization (PSS) partnership:



Implementing RIS3 is built on Knowledge and Mentoring (i.e., analysis, facilitating activities, business advisory services, promoting internationalization), Financing (for example, national, European funds), joint undertakings (for example, horizontal projects), R&D, Human Capital, Promotion (for example fairs, trade, and investment missions).

The region reflects that Smart Specialisation in Pomorskie (and the process to develop the Smart Specialisation fields), increased cooperation with and between businesses. Nevertheless, however, one weakness is that big industries and big companies usually do not take a substantial interest in the region's Smart Specialisation. Another weakness of this system is the lack of cross-sectoral cooperation amongst the different priorities of Smart Specialisations.

Every two years, the Region's Board develops "Information on the progress of the implementation of the Strategy," and at least once during the term of the regional parliament – it draws up an "Evaluation of the implementation of the Strategy." The regional territorial forum will review both of these documents, and then present them to the regional parliament. Conclusions and recommendations from these documents may serve as input for updates of the Regional Development Strategy towards 2020.

Recent (2017 and 2018) self-assessment and evaluations indicate that PSS1 is not mature enough. Cooperation and coordination are low; monitoring is difficult, interventions and policies are not adjusted, there is a lack of ability to conduct activities, and companies are too far outside the processes. Several steps have been taken to address these problems. It has been pointed out that although regional authorities own the process, they do not have to implement the RIS3 themselves. The main drivers in the process are those who execute the implementation.

Based on the findings of the SBR project, proposed are a few modifications to the implementation process. It is necessary to finance the PSS administrative and coordinative tasks for implementation purposes. Other modifications concern the council as the driver of the entrepreneurial discovery process. It is argued that a network, with the Council as the formal leader, is preferable. Also proposed is a direct contract between the Council and the Marshall instead of the current partnership agreement.

## Skåne

Region Skåne is responsible for healthcare and public transport, business development, culture, infrastructure, and planning for the region. Together with the 33 municipalities in Skåne, institutes of higher education, organisations, and trade and industry, Region Skåne operates on a broad front to create health, development and sustainable growth in Skåne. Region Skåne is responsible for the Regional Development Strategy, which is written in coordination with all relevant stakeholders.

Region Skåne adopted its 'International Innovation Strategy for Skåne' in 2011. It also took on board the principles of Smart Specialisation at the same time. The previous, rather broad, cluster approach was channelled and concentrated in three strategic priority areas of strength, i.e., smart materials, smart sustainable cities, and personalized health. Blue growth is not a focal area by itself in the innovation strategy but is of relevance according to the region's potential.

The innovation strategy and cluster policy are evaluated on a regular basis, and the latest evaluation was done in 2016. Some findings were that the Regional Gross Product is still low compared to other regions. Lack of basic financing and competence in project making is still a challenge for smaller companies. There is still a lot to do for comprehensive external analysis, market research, and business intelligence.

Clusters are essential in the implementation of the Regional Strategy in Skåne. There should be more methods for cooperation between clusters, but models are still lacking. There is also a need for more developed methods within the clusters. The RIS3/innovation strategy is still primarily an instrument in the hands of Region Skåne. Coordinated action is still needed. Although having a RIS3 helped to gather different sectors (research, business, and public authorities) together and make them collaborate to some extent, the Smart Specialisation approach is not fully used. In addition to these weaknesses, there is a high administrative burden when dealing with EU-projects, which reduces the interest of the companies.

# 3

## RIS3 governance, functional processes, and implementation systems – Comparative analysis

### Processes and governance of RIS3

In the Smart Blue partner regions, **intensive processes involving relevant stakeholders**, including businesses elaborated on the regional development strategies. According to the requirements of the EU, this is to be expected, to some degree. It was more pronounced in some regions than in others, such as in Pomorskie and, more recently, in South West Finland. In Pomorskie, for example, Smart Specialisation was developed in a bottom-up process together with about 400 different regional organizations. In general, the development of new strategies and implementation measures seem based on increased stakeholder engagement.

Even with well-structured and ambitious processes, **it is difficult to engage the stakeholders** and beneficiaries of the RIS3. The concepts of RIS3 and Blue Growth are not widespread among businesses and entrepreneurs. However, it might be that these concepts are not necessary for the stakeholder to know, as long as the implementation measures are considered relevant and beneficial. One significant challenge is to make the implementation measures so beneficial that they are considered attractive enough. Small businesses often find they do not have enough time to participate in regional implementation measures and large companies are either too large to need them or are in the hands of a headquarters somewhere else. It is often a challenge for a regional administration to be close enough to the companies to know their needs. Intermediaries such as clusters are, therefore, essential. At the same time, the regional administration has a vital role in analysing, coordinating, and initiating cross-sectoral activities. For intermediaries that succeed in attracting companies' participation, a valuable knowledge exchange amongst regions is a best-practice measure.

In many regions, the RIS3 process is **added**, in the **beginning, to the existing work with the regional development strategies** and regional policy-making in the partner regions. The regions may continue to work in the same way as before. For example, Region Skåne, which had a relatively elaborate innovation system, named an

existing strategy as a RIS3. Riga Planning Region, on the other hand, spread the RIS3 across several different documents. Therefore, in some regions, there is at first no separate governance structure dedicated to RIS3, although it may be embedded into existing strategies. When strategies are updated, new processes and structures of governance usually evolve, which are more consistent with the requirements of RIS3.

A consequence is that the regions' **RIS3 reveal quite substantial differences**, as they are added to or integrated within complementary, existing regional documents, or are developed by an entirely new process. The circumstances for developing the RIS3 differ substantially amongst the regions, and so does the RIS3 itself (although implementation measures may still be similar). In Schleswig-Holstein, there is a specific RIS3 strategy. However, in Riga Planning Region, for example, there is no formally separate RIS3 document; instead, the elements of RIS3 are all located in several documents. Pomorskie made an extensive bottom-up process to formulate smart specialization priorities. Skåne included the RIS3 within existing regional strategies and programmes while South West Finland added both Blue Growth and new implementation tools when it recently updated the RIS3. For Ida-Viru, the RIS3 was developed at national level, although the county approved a county development plan, which underlined Smart Specialisation. The county government in Ida-Viru has now closed; a new national institutional framework for RIS3 process management is currently undergoing development.

In Riga PR, the RIS3 process has been defined separately at the national level in Latvia. For Riga PR, the economically predominant region in Latvia, the national RIS3 matches the regional conditions quite well. This is, however, not the case for Ida-Viru, with a national RIS3 that is only to some degree in line with the regional situation.

In the typical structure for the RIS3 governance, **the regional government is the RIS3 process leader**, except for Ida-Virumaa and Riga PR where the national level is

in charge of the RIS3 as a whole. In the other regions, the regional administration provides political direction and ensures the management of RIS3 by running a steering team as well as an administrative organisation. Connections with key stakeholders are managed by a forum or a council, or by partnership agreements, thus allowing the stakeholders to give input on a regular and structured basis, and also to find ways to collaborate. Furthermore, there are typically working groups implementing and revising the RIS3 and the priority areas.

**The RIS3 concept is still developing** in many regions. In Schleswig-Holstein, for example, the visibility of the clusters is increasing. Skåne, which started RIS3-related processes in 2011 (however, not blue), is building the RIS3 concept within an elaborate innovation system, including Smart Specialisation. SW Finland has developed its process and governance and has recently established new tools. It has also profited from a history of co-evolution between universities and the maritime industry, both sides relying on one another's successes and achievements. Industry and academia are connected by regional labour markets, institutional agreements, and

increased mobility of experts. In Pomorskie on the other hand, even with an advanced RIS3 on paper, academia and industry are distinctly different worlds with different rules, linked into widely different knowledge networks.

## Implementation of Blue Growth

In the Smart Blue partner regions, there is generally an **implementation structure for regional development and innovation** including incubators, business parks, clusters, financing, and business development support, as well as platforms enabling meetings between business and academia in the blue sectors. There are however differences, and often difficulties, as regards the degree to which the actors involved are anchored in the business sector, and also to what extent these players connect to the regional government and the RIS3 process.

**RIS3 implementation differs amongst regions, but similarities are growing.** For example, while in Schleswig-Holstein and Pomorskie the RIS3 is an essential prerequisite for allocating ERDF funds to R&I, in Southwest Finland and Skåne the ERDF funds are of little importance and the RIS3 serves other purposes (e.g.,



Photo: News Øresund - Sofie Paisley.

alignment of bodies working in R&I). Since the RIS3 generally grew out of the regional strategy framework, so has its implementation. However, implementation systems seem to have expanded in recent years. Common implementation measures to engage stakeholders and fulfil the strategies goals are partnerships, clusters, and forums with networks, seminars, and other activities. Some regions, such as Southwest Finland, Schleswig-Holstein, and Pomorskie have developed specific structured systems for implementing the RIS3. In others, the implementation systems from earlier regional strategies continue to a certain extent, and in Ida-Viru's case, together with changes in the organisation.

There are considerable **differences but also similarities with regards to cluster initiatives**, which play a crucial role in the RIS3 governance system in most of the partner regions. Many regions suffer from (a lack of) project funding for clusters. In Skåne, a change has been executed to an approach with systematic, basic financing for all clusters to enable long-term stability and planning. Schleswig Holstein<sup>2</sup> also discusses basic financing, whereas Riga PR, for instance, has no specific funding for clusters, only smaller, project-based funding. In Schleswig-Holstein, there are cluster organisations related to ICT, Renewable Energies, Life Science, Food, Tourism, and Maritime Economy. Pomorskie regards the Polish Maritime Cluster Organisation (being a member of the PPS1 partnership) as important, both in the field of innovation, as well as regarding international strategic relationships. It suffers, however, from low engagement on the part of heavy industrial actors in the region. In South West Finland, the co-operational innovation network, Turku Future Technologies (TFT), contributes to strengthening research cooperation between SMEs and universities. TFT supports companies' strategic development projects by speeding up the development of know-how related to product, production, and business, as well as market entries. In Skåne, the Swedish Maritime Technology Forum (SMTF), as a cluster organisation, plays a vital role in shipbuilding, and offshore activities, as well as ports/sea transports and operations. It focuses on long-term strategy and policy, business development, education and recruitment, rules and regulation, research, development and innovation, export, environment, professionalism, and cooperation of maritime sectors, as well as innovation project support. SMTF works at regional, national and EU/international levels.

**The concept of Blue Growth needs to be more established.** There is often a lack of specific strategies and activities for Blue Growth, although it is essential for the region. The concept is not in focus and sometimes not known at all. Southwest Finland and Pomorskie have specifically pointed out blue growth in specialisations and RIS3 priorities. In Schleswig-Holstein, for example, Blue Growth is involved in all priorities, as the blue economy is so crucial for the region. In other regions, such as Skåne, the blue economy is essential as well, but is not mentioned within the RIS3, and is not a well-known concept.

**The system of blue intermediaries is fragmented,** i.e., the structure of actors established to support the development and commercialization of blue innovations, from innovation /idea to market varies between regions, and is usually not in focus. Added to this is the fact that many intermediary players do not have a critical size, are underfinanced, and also dependent on short-term project funding; all these lead to unstable systems. As a consequence, there is limited ability to support players in reaching out to the enterprises and engage them in blue development projects.

**The international dimension of blue RIS3 is still insufficient** in the partner regions. However, interregional cooperation within the regions of the partner countries is mostly developed. In some regions, such as Skåne, EU-projects, which strengthen the international perspective are running (e.g., The Vanguard Initiative), but generally, there is a lack of network building and connections for Blue Growth that may benefit stakeholders.

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2. Except for the Life Science cluster, which has long-term institutional funding.





**Recommendations**  
based on lessons learned

## Recommendations based on lessons learned

This section aims to summarize the lessons learned from some of the project activities, namely the reviews made by each region, and the identification of effective Blue RIS3 implementation measures, as well as to draft some recommendations to the EU based on the lessons learned. The discussions and presentations made at the partner meeting in Riga in November 2017 also form the basis for this section.

The lessons learned from the Smart Blue Region project provide the following recommendations:

**The priority fields should include measurable goals** to know precisely where the region wants to go. Create measures for regional specialization fields. At the same time, the RIS3 concept should also be able to include visionary approaches.

**RIS3 should be living documents** with the possibility to adapt to changing circumstances during the planning period, to ensure that the strategies are kept alive and updated. The RIS3 implementation should be made more flexible during its 7-year implementation. Acknowledge that changes will occur during such a long period.

**Working with RIS3 should include a broad and frequent dialogue with stakeholders.** It is a challenge to get more ownership and cooperation. We need stronger legitimacy of both RIS3 and blue RIS3, especially in the business world. Identifying priority areas, as well as methods to enhance growth, benefits from having a “bottom-up” approach. The companies create the growth. If they are not heavily involved and do not understand and accept the benefits of RIS3, the whole RIS3-ambition will only be of academic interest.

**The concept of RIS3 and Blue Growth should be more well-known, understood and accepted amongst stakeholders.** Blue Growth, particularly, is often not known, either in the business world or among regional planners. It is necessary to spread the message of what the RIS3 and strategies for Blue Growth are intended to accomplish for regional development and growth within the Blue sector.

**Activities and methods used by the intermediaries to create growth should be more focused and expanded,** to make a difference for stakeholders and increase their interest. Reinforcement of the user-driven/outcome-driven approach may help to put businesses in a more central role of RIS3 and Blue Growth.

**Clusters are crucial, and their role should be further developed.** They should be an arena for regional cooperation, as well as for the exchange and development of knowledge. They should aim to match businesses with each other, as well as match business and research. They should be a forum where public and private money converge for the same goal. All these require further developed methods of working, both within clusters and together with other sectors.

**Long-term financing for clusters and other intermediaries should be developed** to enable stability and planning for cluster management.

**Cross-sectoral interaction in the RIS3 process needs to increase and requires more facilitation.** There is not enough collaboration between different RIS3 objectives and different sectors. Clusters, as well as working groups, need to work across sectors when it would be beneficial, and there should be facilitation and routines for this kind of interaction. Identifying appropriate models and methods for cross-sectoral cooperation is an important focus.

**More resources should be dedicated to inter-regional collaboration, as well as international collaboration. The RIS3 process should promote transnational cooperation within the EU.**

There are many lessons to learn from one another. Partners noticed that the same difficulties occur in each region, such as the challenge of involving stakeholders, and that there is a need to improve the methods and measures used by working groups and clusters for business development, to be more beneficial for the stakeholders. Furthermore, many projects and measures running in the different regions are similar and face similar challenges. Exchanges should be established between the projects and measures from different countries. For example, Riga Planning Region can learn from Finland, Sweden, and Schleswig-Holstein about the development, management, and financing of smart blue clusters. Skåne would like to learn from Schleswig-Holstein about collaboration amongst clusters.

**Particular importance should be given to cover the rural areas,**

and the EU should think of how to include those areas in innovation processes. RIS3 tends to increase the importance of urban regions further and thus contributes to the urban-rural divide. Innovation should be promoted more outside the cities and should not focus on high-tech only; it is also necessary in, for example, agriculture, tourism, etc. Innovation in business development should be encouraged just as much as innovation in the various technologies.

**Countries should be able to decide by themselves whether to develop the RIS3 for NUTS 2 or NUTS 3 regions,** whichever is relevant, especially for smaller countries. This would, in turn, require ERDF for the NUTS 3 level.

**Use RIS3 to strengthen and broaden the support structure for innovation.**

Traditionally, many regions have experienced close cooperation between certain parts of industry and the academic world, such as between pharmaceutical, and automotive industries and the ICT sector. However, to enhance Blue Growth, other sectors and small and medium-sized enterprises need more active cooperation with the research sector to strengthen their innovation capacity. New methods that focus on strengthening innovation capacity within industries connected to the blue sector and cooperation between large and small companies within the blue industries play a crucial role.

For more information about the Smart Blue Regions project:

**[www.smartblueregions.eu](http://www.smartblueregions.eu)**

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