

# 04 Organisational development for Smart Specialisation

## Type of support / service available

This activity supports organisational development in the public sector in EU enlargement and neighbourhood countries. It aims to improve the evidence base of innovation policies, thus contributing to develop smart, sustainable and inclusive economies with clear priorities. Mutual learning and targeted trainings build critical capacities in these countries for effective economic policies that improve local well-being.

## Relevance for regional authorities

MAIN CHALLENGES FOR SMART SPECIALISATION ORGANISATIONAL DEVELOPMENT			
KEY ACTORS' CHARACTERISTICS		CONTEXTUAL ASPECTS	
EDUCATION/HUMAN RESOURCES	GOVERNANCE	POLICY SIDE	KNOWLEDGE
Weak or non-existing vocational training	Political instability	Innovation-unfriendly context	Lacking experience with Innovation policy instruments
Outdated school curricula	Unclear competences	Limited access to finance	Dearth of Monitoring and Evaluation results
Brain drain	Lack of Policy-making/Science coordination	Fiscal/economic crisis	Low level of internationalisation of R&I and Higher Education
Role of Higher Education in regional development	Lack of structured dialogue with stakeholders	Difficult socio-economic transformation	Lack of integration in transnational R&I communities and value chains
Too few experienced innovative managers	Lack of strategic thinking	Rural poverty	
Firms shunning innovation activities	Low priority given to innovation	Weak infrastructure	
	Poor financial management	Underdeveloped innovation system	
	Line Ministries w/o dedicated innovation units	Bumpy harmonisation with EU law	
	Insufficient analysis of policy impacts	Sluggish GDP growth	
		Low GERD	

This activity offers regional authorities guidance to establish an institutionalised process to generate evidence-based innovation policies

Many countries and regions neighbouring the EU have historical ties with EU Member States. Cross-border regions are conducting projects to address common challenges and embark on joint policy learning. While administrative capacities in some of the countries neighbouring the EU may be limited, designing participatory and evidence-informed innovation policies in such contexts can provide important insights for regional authorities in the EU. It provides new perspectives on how local and regional authorities can design innovation strategies following a 3-step approach:

1. [http://ec.europa.eu/regional\\_policy/en/policy/cooperation/macro-regional-strategies/danube/](http://ec.europa.eu/regional_policy/en/policy/cooperation/macro-regional-strategies/danube/)  
The Danube region covers parts of 9 EU countries (Germany, Austria, Hungary, Czech Republic, Slovak Republic, Slovenia, Bulgaria, Romania and Croatia) and 5 non-EU countries (Serbia, Bosnia and Herzegovina, Montenegro, Ukraine and Moldova).

1. Map and analyse the economic, scientific and innovation potential to identify possible priority domains with critical mass
2. Mobilise and involve relevant stakeholders in these domains
3. Jointly agree on the priority domains and define how to develop those domains.

This activity can provide recommendations and be the basis for standardised templates for a continuous improvement of innovation strategies in the EU.

### Policy context

Inside the EU, smart specialisation is a legal requirement for public authorities investing European Regional Development Funds to support research and innovation (Regulation (EU) 1301/2013). While neighbouring countries have no similar legal rationale to prepare innovation strategies for smart specialisation, several key documents and regulations underline how important this process is also in those places. The EU Strategy for the Danube Region<sup>1</sup> mentions smart specialisation specifically as a milestone for reaching the targets for creating a Knowledge Society. The funding regulation for enlargement countries specifically refers to smart specialisation as a driver of growth, job creation and cohesion (Regulation (EU) No 231/2014). At the Trieste Summit in July 2017, Western Balkan countries and the European Commission committed to support the design and implementation of smart specialisation strategies. Eastern Partnership countries have committed to adopt at least one such strategy by 2020. To support participatory and evidence-based processes outside the EU, JRC, through the S3 Platform, supports the development of innovation strategies for smart specialisation in a pilot project covering Serbia, Moldova and Ukraine.

### How to use

The different stages of organisational development can be followed through a dedicated website<sup>2</sup>. As the activity progresses, regional authorities will find here succinct guidance documents on how to prepare and execute a mapping of a territory’s economic fabric, how to draw actionable insights to identify and involve stakeholders and how to define priority domains and related roadmaps for their development. This guidance will spell out recommendations to establish an institutionalised process so that these kinds of activities can be repeated periodically with minimal efforts. A conceptual description of this approach can already be read in a recent policy report *“Promoting innovation in transition countries: A trajectory for smart specialisation”*<sup>3</sup>.



Organisational development focuses on how to define priority domains and roadmaps for their development.

<sup>2</sup> <http://s3platform.jrc.ec.europa.eu/s3-beyond-eu>  
<sup>3</sup> <http://publications.jrc.ec.europa.eu/repository/handle/JRC106260>

## Impact

The objectives of the activity related to EU enlargement and neighbourhood countries are:

- To focus on the process of strategic management and policy design and contribute to the organisational and staff development of relevant bodies for territorial development and innovation
- To provide support in the identification of economic competitive advantages and in the exploitation of the innovation potential, building on a process of entrepreneurial discovery and stakeholder dialogue
- To ensure a coherent, coordinated and sustainable approach to secure, develop and enhance engagement of all relevant stakeholders (business, academia, research organisations and civil society).

For EU regional and local authorities two relevant lessons can be drawn. First, many regions inside the EU are also undergoing a multi-faceted transition: from traditional sectors to more knowledge-intensive domains, and from top-down policy-making to more participatory approaches. An external perspective from countries where these transitions are much more pronounced can help manage these transitions in EU regions.

A second and related impact is hands-on guidance for continuously improving and updating innovation strategies. Given that non-EU countries are less bound by legal provisions for smart specialisation, they are freer to experiment with different approaches and think outside the box. At the same time, the JRC activity pays particular attention to codify what is being done so that it could be replicated elsewhere.