



S3 Conference – Launch of the Smart Specialisation Community of Practice

Thursday 30 of March 2023

S3 Conference report

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Introduction

The online **Smart Specialisation Strategies (S3) Conference**, Thursday 30 March 2023, was the first in a series of events that the European Commission's Directorate-General for Regional and Urban Policy (DG REGIO) and the Smart Specialisation Strategies Community of Practice (S3 CoP) Secretariat, will organise for stakeholders from EU regions. The S3 Conference, a full-day online event broadcasted live from a Brussels-based studio, was the launch event for the S3 CoP, DG REGIO's major source of support for S3 implementation.

The S3 Conference gathered practitioners, experts, policymakers, and other key stakeholders to discuss on the S3 role in driving local economic development and EU priorities. Speakers from the European Commission, managing authorities and governmental bodies implementing S3, coordinators for granted projects under the Interregional Innovation Investments (I3) instrument and the European Innovation Ecosystems (EIE) instrument, as well as the S3 CoP Secretariat, Joint Research Centre (JRC) and the Organisation for Economic Co-operation and Development (OECD) participated. The S3 Conference will be followed by the S3 Forum in 2023, the S3 Conference in 2024, and the S3 Forum in 2025.

Welcome and introduction

Chris Burns, the moderator of the event, welcomed the participants and provided the overview of the agenda (see Appendix A). He highlighted the following points to the audience in his introduction:

- The S3 CoP is the central node on guidance, networking, support, and peer-learning on S3, covering its conceptual development and its implementation.
- The S3 CoP provides practitioners with a broad set of strategic services, by understanding their needs and co- designing solutions on any relevant S3 aspect.
- The S3 CoP aims at reaching out to all quadruple-helix stakeholders interested in Smart Specialisation and creating a space for learning and advancing together.
- Flagship 3 of the New European Innovation Agenda¹ on accelerating and strengthening innovation in European innovation ecosystems across the EU focuses on addressing the innovation divide across the EU ecosystem.
- The Interregional Innovation Investment (I3) Instrument² supports interregional collaboration.
- The presented initiatives support more connected and efficient European Innovation Ecosystems (EIE)³.
- An update provided by the Committee of the Regions (CoR) and JRC inform about the pilot action on Partnerships for Regional Innovation (PRI)⁴.
- The multi-year collaboration between the OECD and the European Commission has fostered Foreign Direct Investments – Small Medium Enterprises (FDI-SME) links for productivity and innovation⁵.

Keynote speech

Elisa Ferreira, Commissioner for Cohesion and Reforms at the European Commission, provided a keynote introduction, accompanied by the moderator, Chris Burns. **Commissioner Ferreira's** speech focused on:

- The future of S3, and the efforts to encourage research and innovation across Europe, by combining research and practice and by building synergies within the S3 CoP.
- The S3 strategy, which is to identify the regions' strength and to help them reach their full potential for innovation.
- The S3 role in tackling the innovation divide and bringing new opportunities, new jobs and new sectors.
- The S3 Conference as an occasion to define strategic directions, and to debate on how to boost local development.
- Commissioner Ferreira reminded the audience that *"all regions have to succeed for the EU to succeed"* and wished S3 CoP every success to provide the tools much needed by the regions.

¹ https://research-and-innovation.ec.europa.eu/strategy/support-policy-making/shaping-eu-research-and-innovation-policy/new-european-innovation-agenda_en

² https://eisma.ec.europa.eu/programmes/interregional-innovation-investments-i3-instrument_en

³ https://eisma.ec.europa.eu/programmes/european-innovation-ecosystems_en

⁴ Partnerships for Regional Innovation: <https://s3platform.jrc.ec.europa.eu/PRI>

⁵ www.oecd.org/industry/smes/fdi-sme.htm

FDI-SME links in Portugal : https://www.oecd-ilibrary.org/finance-and-investment/strengthening-fdi-and-sme-linkages-in-portugal_d718823d-en

FDI-SME links in Slovakia: https://www.oecd-ilibrary.org/finance-and-investment/strengthening-fdi-and-sme-linkages-in-the-slovak-republic_972046f5-en

Panel discussion: Smart specialisation and the new S3 Community of Practice - creating win-win opportunities for local economic development linked to EU priorities

Table 1 Panel composition on the new S3 CoP

Speaker	Role
Chris Burns	Institutional communication journalist, event and panel moderator
Wolfgang Munch	Deputy Head of Unit, Smart and Sustainable Growth, Directorate-General for Regional and Urban Policy of the European Commission
Niki Dandolou	Special Secretary for the management of EU Programmes, Ministry of Development and Investments, Greece
Gabriela Macoveiu	Director for Communication, Innovation and External Cooperation, North-East Romania Development Agency, Romania
Myriam Martín	Head of Project Unit at Ticbiomed in Murcia, Spain, and coordinator of the I3 project HealthChain ⁶
Vanessa Sanson	Coordinator of BLUEAIR ⁷ Interreg Adrion funded project, and project manager, Research Valorisation and Business Support Institute of Area Science Park, Italy

Key interventions and lessons learned from speakers in the panel were:

- S3 has been from its inception a unique occasion for regions to develop projects, to discuss, to build networks, and to reinforce the will to move forward irrespective of the starting point.
- S3 CoP will support local strategy managers and provide a direct line for support to define strategic projects and documents. It will help to transition from strategy objectives to implementation.
- Diversity can be a chance which allows every region to bring its own advantage.
- Improvement of administrative capacity is a priority, together with the need to have continuous training, and the digitalisation of information for monitoring and revisions.
- A co-creational approach is key to achieve impactful innovation. It can be created by bringing together different stakeholders in ecosystems, understanding their specific needs and priorities, and learning how to work together.
- S3 interlinks different strategies and can help to mix top-up and bottom-up approaches, both in terms of regional and local strategies.
- There are expectations connected to the creation of a “five-fold” helix, with artificial intelligence as a tool to be used in addition to the existing four helixes.

⁶ HealthChain I3: <https://ticbiomed.org/en/proyecto/healthchain/>

⁷ Blue Growth Smart Adriatic Ionian S3: <https://blueair.adrioninterreg.eu>

- S3 CoP is an umbrella to introduce sustainability and legitimacy to projects by ensuring that these aspects are supported and recognised as important in the regions, and by giving continuity after the end of financing.
- For border regions, it should guarantee a macro-regional approach considering regional differences, while acknowledging the effort of third countries.

Key conclusions from the speakers in the panel were:

- S3 creates added value for the regions; it allows to learn from good practices; and avoids the need to start from anew.
- The S3 CoP can help to address the innovation divide among regions.
- A focus on the social dimension is essential for the success of S3.
- There is a need for coordination across regions, across funding sources, and across EU programmes.

Morning session: Introduction to the Smart Specialisation Strategies Community of Practice (S3 CoP)

Presentation of the newly launched S3 CoP and its activities

Ms. Elisabetta Marinelli and **Ms. Margrethe Steinert**, S3 CoP Secretariat, presented the opportunities and services provided by the S3 CoP, which are articulated across three dimensions:

- **Policy advice** where three expert groups have been set up to better understand lesson learned, to inform on the S3 policy design, and to identify needs and challenges.
- **Targeted support** to regions with tailored assignments and support.
- **Community engagement**, through the new S3 CoP websites, as the platform to discuss S3 topics and launch S3 CoP events.

S3 Expert Group: analytical studies on S3 policy and implementation

Mr. Matthieu Lacave, S3 CoP Secretariat, presented on the **S3 Expert Group**, which:

- Carries out analytical studies on S3 policy and implementation.
- Takes stock of existing academic knowledge, draws operational lessons and informs policy design.
- Is composed by twelve experts coming from different backgrounds.
- Will produce 6 to 8 policy briefs, each focused on a specific topic.

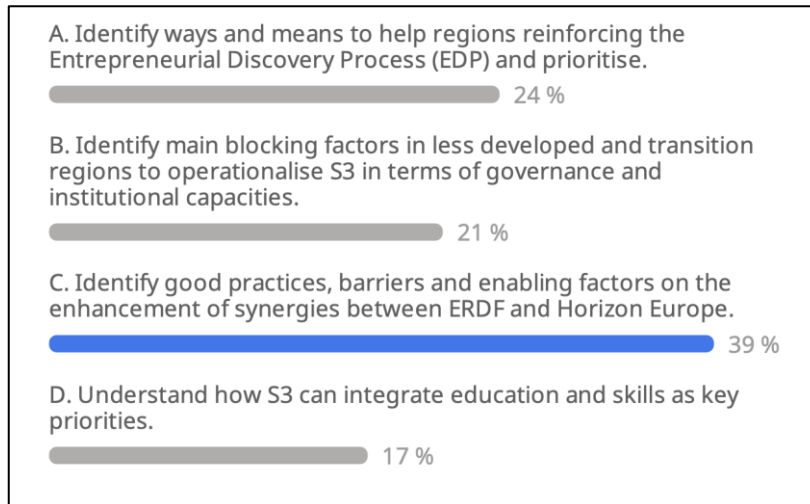
The first meeting was held on the 17 February 2023, covering the topic of *Policy instruments to be used to help policymaker to make stock of different policy tools*.

Input from the audience: Feedback from the audience was received via Slido. The audience ranked four potential themes to be discussed in the next meetings, as illustrated in Figure 6 below. The results show that 39% of the respondents identified good practices, barriers, and enabling factors on the enhancement of synergies between ERDF and Horizon Europe as the next topic to be addressed. This was followed by 24% who believed that identifying ways and means to help regions reinforce the Entrepreneurial Discovery Process (EDP) and prioritise is important. Lastly, 21% and 17% respectively

⁸ S3 Community of Practice website: https://ec.europa.eu/regional_policy/policy/communities-and-networks/s3-community-of-practice_en

believed that identifying main blockings factors in less developed and transition regions and understanding how S3 can integrate education and skills as key priorities, should be prioritised.

Figure 1 Sli.do question: Which topic should be addressed next by the S3 CoP? N=153



Source: Sli.do

Additionally, the audience was about other topics to be addressed by S3 CoP in the future, as illustrated in Figure 7 below. The response **‘Monitoring and evaluation’** emerged as the most chosen topic in the word cloud. Additionally, topics such as interregional cooperation, output capitalisation, evaluation, skills, and S3 were also highlighted.

Figure 2 Sli.do question. Do you see any other topics to be addressed by S3 CoP in the future? N= 66



Source: Sli.do

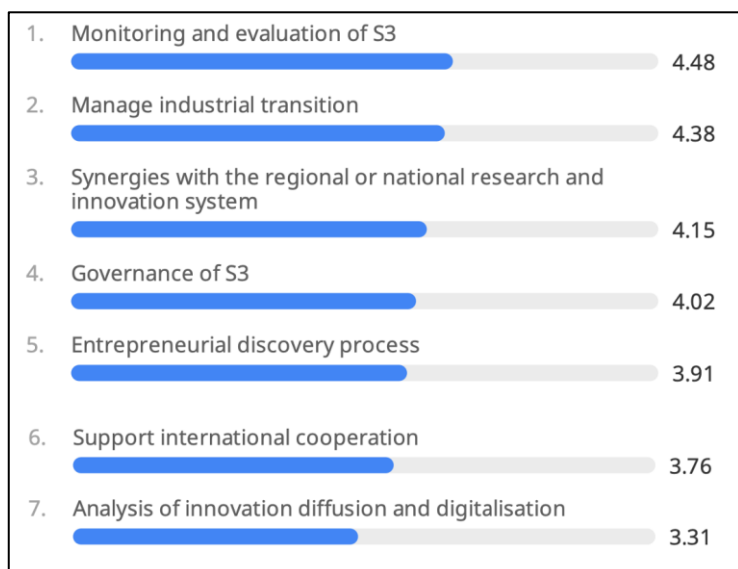
Expert support to S3 development and implementation on the ground

Mr. Nikos Maroulis from the S3 CoP Secretariat presented an overview of the **type of support** that the S3 CoP provides to regions and highlighted that:

- In the current S3 period all the regions need to prove that they respect the enabling condition, composed by **seven fulfilment criteria**⁹.
- The S3 CoP Secretariat will support the regions by offering **tailored support**, either on (one of more) of the seven criteria or on different specific challenges (e.g., integration of clusters in the local landscape), by responding to urgencies, by building implementable strategies.
- The **tailored support** will be carried out through the following steps:
 - Regions request a service through their Country Desks.
 - Selection of an expert is carried out using the S3 CoP Expert Database.
 - The chosen country expert visits the region, collecting and analysing information.
 - Practical recommendations and guidance on how to implement the recommendations is provided.
 - The country expert follows up to provide additional guidance, if necessary.
- Potential experts can register through the **Expression of Interest** available on the S3 CoP website¹⁰.

Input from the audience: the audience was asked to rank via slido S3 implementation issues in terms of difficulty. The responses illustrated in Figure 8 show that the respondents find that monitoring and evaluation of S3, managing industrial transition, and synergies with the regional and national research and innovation system are the top three issues. Mr. Maroulis recognised the importance and difficulty of building Monitoring and Evaluation systems, from the impossibility of having a group, to the necessity to build solid indicators.

Figure 3 Slido question: Please rank the following implementation issues in terms of difficulty to address. N=128¹¹



Source: Slido

⁹ More information about the seven fulfilment criteria can be found here:

https://ec.europa.eu/regional_policy/policy/communities-and-networks/s3-community-of-practice/about_en

¹⁰ Expression of Interest to join the S3 CoP pool of experts: https://ec.europa.eu/regional_policy/policy/communities-and-networks/s3-community-of-practice/expression_join_working_groups_en

¹¹ Participants were asked to rank the proposed implementation issues, in terms of difficulty to address. Topics are ranked from the most difficult to address to least difficult, with a corresponding score from 7 to 1. The number on the right of each topic indicates the resulting average score.

The audience was also asked what they believe to be important for the success of the tailored support. The complete set of answers can be found in Appendix B, while key responses were as follows:

- Visible and practical results for success in implementation and sharing of good practices and cases to ensure sustainable practices.
- Involvement and engagement of regional stakeholders, where expectations from different stakeholders beforehand have been clarified.
- Workshops and dialogue with other regions.
- Awareness and knowledge about local context, practical relevance, and pragmatic approaches.
- Support at administrative and political level as well as open and continuous communication with the ecosystem.
- Ensure 'absorption' of the process supported by government.

Working groups on innovation diffusion, industrial transition, and interregional cooperation

Ms. Susana Elena Perez, Mr. Yari Borbon Galvez, and Vincent Duchene from the **S3 CoP Secretariat**, presented the Working Groups (WGs):

The WGs will help the regions to comply to the enabling condition and to support S3 implementation. The topics of the three WGs correspond to three of the seven fulfilment criteria: *innovation diffusion, industrial transition, and interregional collaboration*.

The **innovation diffusion WG** will:

- Identify innovation diffusion bottlenecks and deliver actionable recommendations.
- Explore thematic topics such as the adoption of new technologies, the collaboration between universities, research, and technology organisations (RTOs) and businesses, and the role of innovation agencies.

The **industrial transition WG** will:

- Analyse the (regional) capacities to assess and manage transitions.
- Investigate industrial strategies, societal and environmental needs.
- Take stock of lesson learned, to be shared across Europe, and avoid staying siloed.

The **interregional cooperation WG** will:

- Co-develop a new approach to stimulate and promote interregional cooperation.
- Explore strategies to initiate cooperation, by joining or identifying existing opportunities and partners.
- Ask questions such as: what is preventing current partnership to develop further? What key impact can be expected?

Next steps for the WGs are:

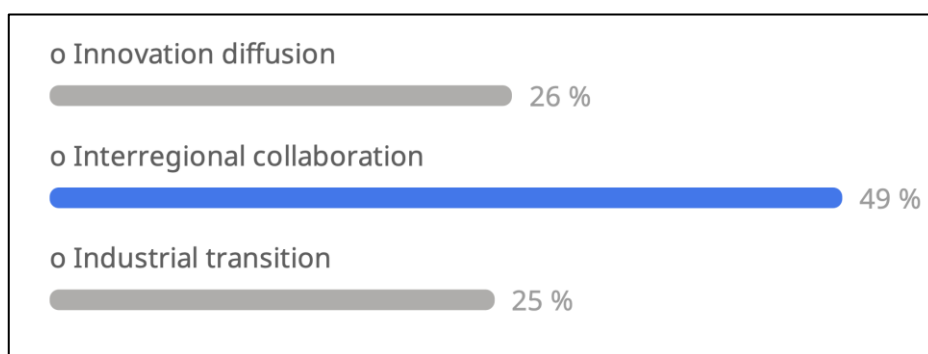
- All interested participants are invited to register as members of the WGs through the Expression of Interest¹² published on the S3 CoP website.
- Members will be selected in the upcoming weeks, and the kick-off is expected in May 2023.
- For each WG, two meetings a year will be held - one virtual and one in person.

¹² Expression of Interest to join the S3 CoP Working Groups: https://ec.europa.eu/regional_policy/policy/communities-and-networks/s3-community-of-practice/expression_join_working_groups_en

Input from the audience: A question from the audience asked what can be expected by the three WGs. The response clarified that the experts would keep up to date with policy trends, discuss recommendations, showcase, bookmark good practices, and test implemented solutions with the regions.

Additionally, three questions were posed to the audience through the interactive tool Sli.do. The results show that 49% of the respondents mentioned that they were most interested in participating in the WG of interregional collaboration. This was followed by an interest of 26% for innovation diffusion, and lastly, 25% for industrial transition. The results are illustrated in Figure 9 below.

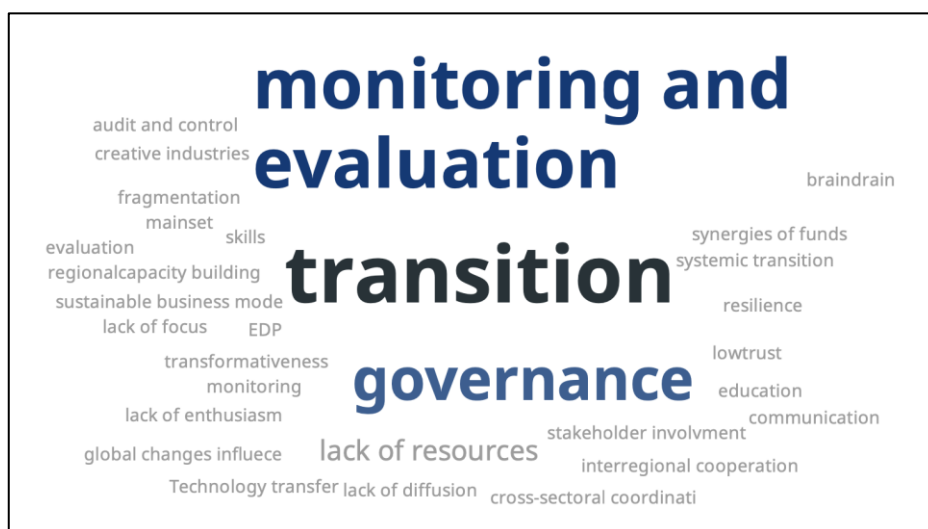
Figure 4 Sli.do question: In which WG would you like to participate? N=117



Source: Sli.do

Moreover, regarding input on the main implementation challenges facing their region, the responses show that monitoring and evaluation, transition, and governance are the three main challenges. Other challenges mentioned are illustrated in Figure 10 below.

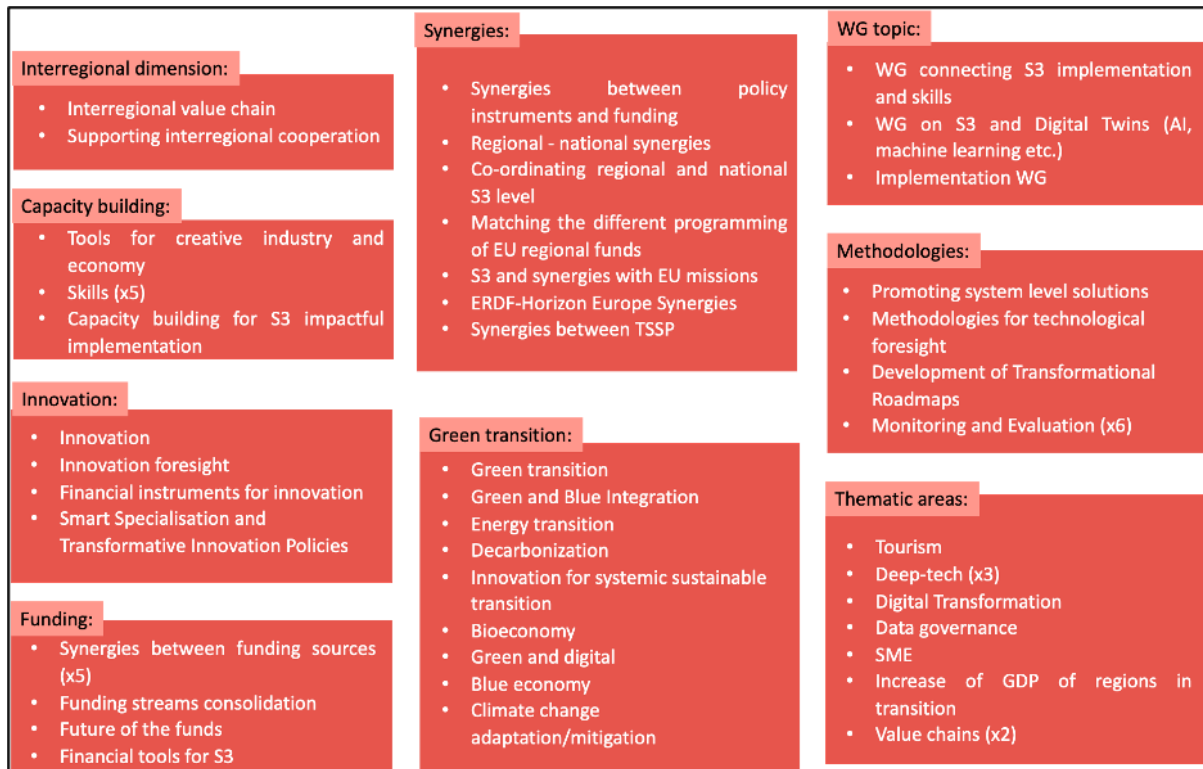
Figure 5 What is the main implementation challenge your region faces? N=42



Source: Sli.do

Further, the respondents answered which other WGs they would like to see in the future. The respondents gave a high number of examples of suggestions, which is illustrated in Figure 11 bundled under specific headlines.

Figure 6 Cluster visualisation of responses to Sli.do question: Which other WGs would like to see in the future? N=56



Source: Technopolis Group, from Sli.do

Other topics mentioned were:

- Development of transformational roadmaps.
- Open Discovery Process (ODP) and governance.
- Multi-level governance.
- PRI: ODP and CHallenge-Oriented Innovation paRtner-ships (CHOIRs).
- Promoting system level solutions.
- Entrepreneurial Discovery Process (EDP).
- Research and Innovation Strategies for Smart Specialisation (RIS3) governance.
- Measures.
- Responsible Research and Innovation (RRI).
- Healthy environment-healthy food- healthy people.
- Smart mobility.
- Cross competence.
- S3 governance.

S3 Thematic Platforms and Partnerships

Ms. Els Van de Velde from the **S3 CoP Secretariat** presented the services offered by S3 Thematic Platforms and Partnerships¹³, including:

- Scoping activities to identify in which area partnerships want to collaborate.
- Identification of the capabilities of regions involved.
- Assistance to set up monitoring tools, and to find opportunities of collaboration.
- Smart partnering services.

The audience was invited to look at existing partnership and to contact the S3 CoP Secretariat for interest to set up new partnerships.

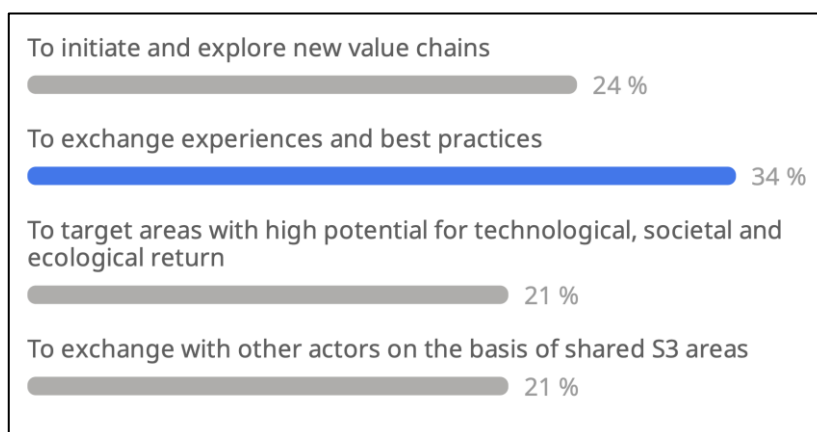
Next steps include:

- Individual bilateral meetings with partnerships (in upcoming months).
- The launch of a guidance note on how to set up new partnerships.
- The start of service provision the new partnerships kick-off (summer/fall of 2023).
- The launch of monitoring reports (September 2023).
- The second steering committee (December 2023).

Input from the audience: Replying to a question from the audience, Ms. Van de Velde explained that Thematic Partnerships are hosted by the Thematic Platform, and that regions cannot directly enter a Platform, but should take part in a Partnership.

Firstly, the audience was asked to rate the **underlying objectives of interregional collaboration**. The results show that 34% of the respondents believed that the objective should focus on exchange of experience and best practices. Another 24% believed that to initiate and explore new value chains is important, followed by 21% each of respondents that believed that to target areas with high potential for technological, societal, and ecological return and to exchange with other actors on the basis of shared S3 areas, is crucial. This is illustrated in Figure 12.

Figure 7 Sli.do question: What are the underlying objectives of interregional collaboration? N=121



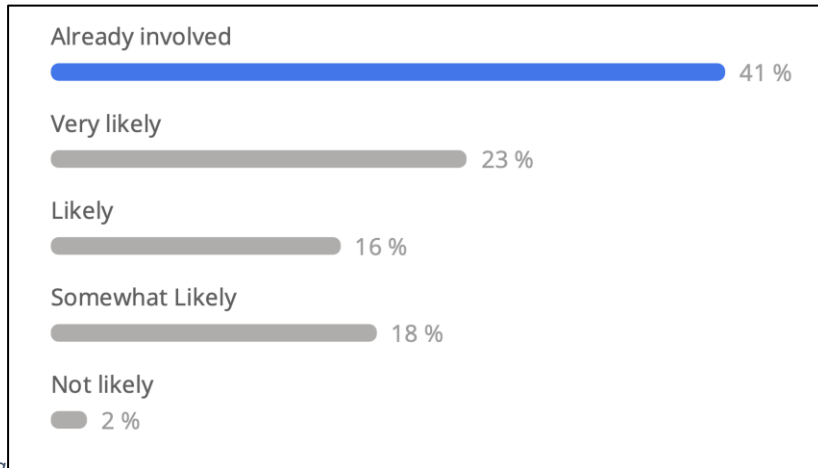
Source: Sli.do

The next question asked to the audience, asked **how likely they are to engage in a Thematic Smart Specialisation Platforms (TSSP)**. 41% of the respondents are already involved, while 23% responded

¹³ Thematic Platforms and Partnerships: https://ec.europa.eu/regional_policy/policy/communities-and-networks/s3-community-of-practice/thematic-platforms_en

that it is very likely and another 16% that it is likely, that they will engage. 18% responded that it is somewhat likely, and only 2% did not think that they will engage in a TSSP. This is illustrated in Figure 13 below.

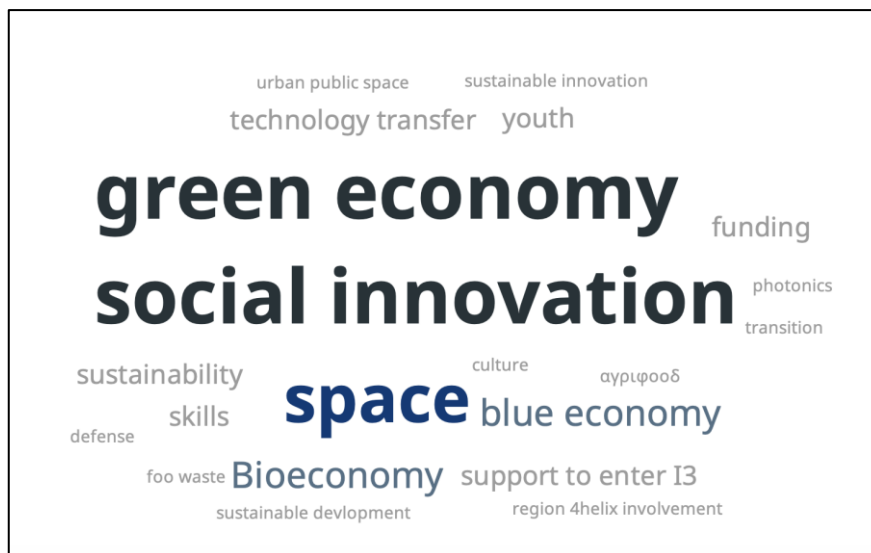
Figure 8 Sli.do question: How likely are you to engage in a Thematic Smart Specialisation Platform (TSSP)? N=90



Source: Sli.do

For the last question the audience provided input on **which topics they would like to see addressed in a new partnership** through a word cloud. Respondents focused on green economy, social innovation, and space. Bioeconomy, blue economy, technology transfer and youth, were also mentioned. This is illustrated in Figure 14 below.

Figure 9 Sli.do question: What topics would you like to see addressed in a new partnership? N=66



Source: Sli.do

Conclusions of the morning

The conclusions of the morning were provided by the **Deputy Head of Unit Wolfgang Munch** and the **Project Director of S3 CoP, Agis Evrigenis**:

- There is a need to speed up the implementation of S3s.

- Cohesion Policy and of S3 as the guiding strategy to invest in innovation in EU regions, remains important.
- The hands-on approach, and the support to interregional cooperation is fostered by S3.
- S3 can be the occasion to move the perspective on innovation, to include social innovation, and climate change.
- S3 practitioners should continue to work with end-users and citizens with the final aim to create jobs with added value.

S3 practitioners and other actors were invited to reach out, to build more innovative projects across Europe, to be active in making their voices heard, and to be at the centre of actions.

Afternoon session: Fostering interregional cooperation and innovation investments: Accelerating and strengthening innovation in European Innovation Ecosystems across the EU and addressing the innovation divide.

Setting the scene: Flagship 3 of the New European Innovation Agenda and Innovation valleys

Deputy Head of Unit Wolfgang Munch opened the afternoon session by introducing the New Innovation Agenda Forum¹⁴, highlighting that it will bring funding instruments together, including Horizon Europe. Moreover, 180 regional S3s have already been implemented and practitioners have expressed the will to bring more and less developed regions to work together.

The Interregional Innovation Investment (I3) Instrument: state of play and presentation of successful projects

Policy Officer Ramunas Linartas at the Smart and Sustainable Growth Unit, Directorate General for Regional and Urban Policy (DG REGIO) at the European Commission, presented the Interregional Innovation Investment (I3)¹⁵, with a focus on the three fundamental dimensions:

- **Interregional**, creating links between EU regions around shared or complementary Smart Specialisation areas and involving all components of the regional or national innovations ecosystems.
- **Innovation** which concerns testing, demonstration, piloting, large-scale product validation and market replication, adaptation of existing prototypes, as well as accelerating innovation, bringing solutions and new products supporting Digital and Green transitions and smart manufacturing.
- **Investments with financial and advisory support** for joint innovation projects, advancing from ideas to implementation and direct investment in companies.

Moreover, the key characteristics and priorities of I3 are:

- The 570 million euros of funding for a 7-year period as part of I3, aimed at securing that regions avoid the obstacle of putting more funding instruments together.
- The fundamental condition of I3 projects application to come from joint collaboration, as it is not possible to access to funds as a mono applicator.

¹⁴ https://research-and-innovation.ec.europa.eu/strategy/support-policy-making/shaping-eu-research-and-innovation-policy/new-european-innovation-agenda_en

¹⁵ https://eisma.ec.europa.eu/programmes/interregional-innovation-investments-i3-instrument_en

- The inclusion of a diversity and variety of projects, which requires partnerships from all four helix systems. The invitation for I3 is open to all, including research institutes, business, governments, civil society, and regions.

The European Innovation Ecosystems (EIE)

Jekaterina Novikova, Deputy Head of Innovation Policy and Access, at the Finance Unit, Directorate General for Research and Innovation (DG RTD) of the European Commission, presented the European Innovation Ecosystems (EIE)¹⁶, which support the process of bringing innovation from innovation labs to the market, by:

- Ensuring synergy between tools, building inclusive innovative ecosystems in Europe
- Supporting less represented categories, such as women
- Stimulating cooperation, also at regional level, and supporting local innovators actors
- Supporting the New Innovation Agenda by funding deep-tech innovations and improving policy making tools.

The **main characteristics of EIE** were presented to audience, among which:

- The articulation of calls across two main destinations of funding: innovSMEs¹⁷ and CONNECT¹⁸.
- The upcoming opportunities for the period 2021-2027, which can provide stimulations and ensure the scalability potential¹⁹.
 - A call focused on *Implementing co-funded action plans for connected regional innovation valleys* was presented. The call will be launched in coordination with I3, with a cofunding rate of 50% from Horizon Europe and 50% from national or regional source. The call encourages collaboration between strong and less strong innovative regions. It is expected to create interconnected ecosystems, potential connections with innovation valleys and support companies²⁰.

Input from the audience: The presentation was followed by a Q&A session:

How to ensure policy coherence among instruments?

- The instruments tackle the innovation divide from a different perspective, DG REGIO is working closely with DG RTD to ensure coordination, and a note has been published on the synergies between Horizon and ERDF²¹.
- Some synergies are not visible from the outside, an example was brought of a successful applicant for I3, which was under a Horizon funding, showing the connections and steps from research to SMEs.

Does the call for EIE foresee joint calls or only collaborative activities among stakeholders?

¹⁶ https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe/european-innovation-ecosystems_en

¹⁷ [Call HORIZON-EIE-2023-INNOVSMES-01](#)

¹⁸ Call HORIZON-EIE-2023-CONNECT-01 <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/topic-details/horizon-eie-2023-connect-01-02>

¹⁹ Horizon Europe Work Programme 2023 – 2024: European Innovation Ecosystems (EIE): https://eic.ec.europa.eu/system/files/2023-01/wp-10-european-innovation-ecosystems_horizon-2023-2024_en.pdf

²¹ Synergies between shared and direct management funds: <https://digital-strategy.ec.europa.eu/en/library/synergies-between-shared-and-direct-management-funds>

- The two sides will be addressed. One part of the call concern collaborative activities, and it will also support financial support for actors to support 3 to 4 interregional projects. EIE focuses more on building the ecosystem rather than providing direct financial support, as I3 does.

Does the EIE calls will follow I3 phases as this would help coordination at all levels?

- Complete convergence is not expected given the different legal basis of EIE and I3.

Will there be a call for connected regional innovation valleys also in 2024?

- The call has been indeed advanced to May 2023, to help coordination with I3, through a recent amendment²².

Update from the CoR/JRC pilot action on Partnerships for Regional Innovation

Margherita Bacigalupo, project manager for PRI at the Innovation Policies and Economic Impact Unit of the JRC, presented on the Partnerships for Regional Innovation, which is place-based but linked to EU priorities. The building blocks of PRI are the strategic policy framework, the Open Discovery Process (ODP), and the mix between policies and actions.

PRI activities aim to:

- Mobilise multiple sources of funding, beyond the ERDF, for the twin transition.
- Apply system thinking by considering other policies other than innovation (energy, education, environmental policies, among others)
- Bridge different instruments, building policy mixes and instruments portfolios.
- Build broad partnerships, multilevel and cross-border.
- Link place-based challenges and opportunities with EU priorities

PRI playbooks were presented which include the PRI framework and collect tools to be used by territories to achieve their path towards sustainability²³.

The characteristics of the **PRI pilot**:

- It was launched jointly by the JRC and CoR.
- It involves 63 regions in four Member States.
- It has been designed with aim to revise the playbook, towards the release of a second playbook.

Fostering FDI-SME ecosystems to boost SME productivity and innovation in EU countries and regions

Figure 10 Panel composition on FDI-SME ecosystems

Speaker	Role
Chris Burns	Institutional communication journalist, event and panel moderator
Sandrine Kergroach	Head of SME and Entrepreneurship Performance, Policies and Mainstreaming at the OECD Centre for Entrepreneurship, SMEs, Regions, and Cities (CFE),
Martin Wermelinger	Head of the Investment Qualities and Incentives Unit at the OECD

²²Call for expression of interest for Regional Innovation Valleys: https://research-and-innovation.ec.europa.eu/news/all-research-and-innovation-news/call-expression-interest-regional-innovation-valleys-now-open-2023-03-28_en

²³ PRI Playbook: <https://s3platform.jrc.ec.europa.eu/pri-playbook>

Stratos Kamenis	Project manager at the Directorate for Financial and Enterprise Affairs, OECD
José Salgado	Senior officer at the Ministry of Economy and Maritime Affairs, Portugal,
Peter Balik	Director-General at the Department for Innovation, Strategic Investments and Analysis at the Slovak Ministry of Investments

Under this session, speakers from the OECD and regional practitioners presented on the work carried out on fostering Foreign Direct Investment (FDI) – Small and Medium Enterprises (SMEs) ecosystems, namely the *Policy Toolkit for Strengthening FDI and SME Linkages*²⁴. The speakers outlined the new work environment and the drivers of changes, which give a new role to SMEs and allow for FDIs to bring various benefits. The project started in 2019 and is now entering the second phase.

The project has produced a **toolkit**²⁵, built through a mapping exercise, which:

- Equips policymakers with data, analytical tools, and policy advice, to maximise the impact of FDIs in SMEs
- Includes a conceptual framework, economic and policy indicators, and an overview of policies practices.
- It will continue to provide national and subnational analysis, transversal review across countries, and foresight activities, with interviews and workshops. The next case studies will be about clean connected and autonomous vehicles.
- It included two assessments exercises carried out with the OECD in Portugal²⁶ and Slovakia²⁷, investigating all institutions and procedures that are involved in SME policy.

Input from the audience: The following comments and questions were addressed by the speakers:

Not all SMEs are equally prepared to benefit from SMEs.

Since not all SMEs are equally equipped, the strategy is a process of accumulation where firms should first have a minimum level of internal skills and capacities to adapt and use digital tools. They also need to be exposed to FDIs, directly or indirectly. The national context is crucial, and the OECD toolkit can help firms to strengthen their absorptive capacities.

How far does ESGs affect value chains?

The OECD has been working on FDI quality, assessing sustainability and impact of investments (on the gender equality, decarbonisation, and skills dimensions, among others). For this reason, this concern is not only limited to the ESG context but to the broader need to have greener, socially responsible value chains.

Is it possible to get SMEs ready for FDIs? How much can the toolkit get them ready for FDIs?

It is crucial to attract talent and make sure that there is training for entrepreneurs. Mr. Balik brought an example from Slovakia, where SMEs connect with SMEs from neighbouring countries in order to attract FDIs.

²⁴ Fostering FDI-SME ecosystems to boost productivity and innovation: www.oecd.org/industry/smes/fdi-sme.htm

²⁵ Policy Toolkit for Strengthening FDI and SME Linkages: <https://www.oecd.org/cfe/policy-toolkit-for-strengthening-fdi-and-sme-linkages-688bde9a-en.htm>

²⁶ Strengthening FDI and SME Linkages in Portugal: https://www.oecd-ilibrary.org/finance-and-investment/strengthening-fdi-and-sme-linkages-in-portugal_d718823d-en

²⁷ Strengthening FDI and SME Linkages in the Slovak Republic: https://www.oecd-ilibrary.org/finance-and-investment/strengthening-fdi-and-sme-linkages-in-the-slovak-republic_972046f5-en

Closing

For the closing of the event, **Mr. Wolfgang Munch** thanked the speakers for their interventions and invited the audience to continue to raise their voice. He emphasised that the community can only exist with their active participation. He concluded the S3 Conference by reminding the audience about the next event scheduled for November 2023. All registered participants will receive information shortly.

Appendix A – S3 Conference Agenda

TIME	SESSIONS	SPEAKER
09:30 - 09:35	Welcome and introduction	Chris Burns, institutional communication journalist and moderator
09:35 - 09:50	Keynote speech	Elisa Ferreira, Commissioner for Cohesion and Reforms, European Commission
Setting the Policy framework		
09:50 – 10:50	Smart specialisation and the new S3 Community of Practice: creating win-win opportunities for local economic development linked to EU priorities	<p>Panel moderation by Chris Burns, institutional communication journalist and moderator</p> <ul style="list-style-type: none"> • Wolfgang Munch, Deputy Head of Unit, Smart and Sustainable Growth, Directorate-General for Regional and Urban Policy, European Commission • Niki Dandolou, EU Programmes / Ministry of Development and Investments, Greece • Gabriela Macoveiu, North-East Romania Development Agency, Romania • Myriam Martín, Ticbiomed / I3 project HealthChain, Spain • Vanessa Sanson, BLUEAIR Interreg Adrion funded project / the Research Valorisation and Business Support Institute of Area Science Park, Italy
10:50 - 11:00	Coffee break	
Introduction to the Smart Specialisation Strategies Community of Practice (S3 CoP)		
11:00 - 11:15	Presentation of the newly launched S3 CoP and its activities	Elisabetta Marinelli and Margrethe Steinert, S3 CoP Secretariat
11:15 - 11:35	S3 Expert Group: analytical studies on S3 policy and implementation	Matthieu Lacave, S3 CoP Secretariat
11:35 – 11:55	Expert support to S3 development and implementation on the ground	Nikos Maroulis, S3 CoP Secretariat
11:55 - 12:15	Working groups on innovation diffusion, industrial transition, and interregional cooperation	Susana Elena Pérez, Vincent Duchène, and Yari Borbón, S3 CoP Secretariat

TIME	SESSIONS	SPEAKER
12:15 - 12:35	S3 Thematic Platforms and Partnerships	Els Van de Velde, S3 CoP Secretariat
12:35-12:50	Conclusions of the morning	Wolfgang Munch, Deputy Head of Unit, Directorate-General for Regional and Urban Policy, European Commission Agis Evrigenis, S3 CoP Secretariat
12:50 - 13:50	Lunch break	
Fostering interregional cooperation and innovation investments: Accelerating and strengthening innovation in European Innovation Ecosystems across the EU and addressing the innovation divide		
13:50-13:55	Setting the scene: Flagship 3 of the New European Innovation Agenda and Innovation valleys	Wolfgang Munch, Deputy Head of Unit, Directorate-General for Regional and Urban Policy, European Commission
13:55 - 14:15	The Interregional Innovation Investment (I3) Instrument: state of play and presentation of successful projects	Ramunas Linartas, Directorate-General for Regional and Urban Policy, European Commission
14:15 - 14:35	The European Innovation Ecosystems (EIE)	Jekaterina Novikova, Directorate-General for Research and Innovation, European Commission
14:35-14:45	Q&A session addressing questions from the Q&A interactive tool	Chris Burns, institutional communication journalist and moderator
14:45 –14:55	Coffee break	
14:55-15:15	Update from the CoR/JRC pilot action on Partnerships for Regional Innovation	Margherita Bacigalupo, Research Administrator, Joint Research Centre, European Commission
15:15-15:45	Fostering FDI-SME ecosystems to boost SME productivity and innovation in EU countries and regions	<ul style="list-style-type: none"> • Sandrine Kergroach, Head of Unit at the Centre for Entrepreneurship, SMEs, Regions and Cities, OECD • Stratos Kamenis, Project Manager at the Directorate for Financial and Enterprise Affairs, OECD • Martin Werlinger, Head of Investment Qualities and Incentives Unit, OECD • José Salgado, Senior officer, Ministry of Economy and Maritime Affairs, Portugal • Peter Balík, Director General, Ministry of Investments, Regional Development and Informatization, Slovakia

TIME	SESSIONS	SPEAKER
15:45 – 15:55	Q&A session addressing questions from the Q&A interactive tool	Chris Burns, institutional communication journalist and moderator
15:55 – 16:00	Closing	Wolfgang Munch, Deputy Head of Unit, Directorate-General for Regional and Urban Policy, European Commission

Appendix B – Sli.do question: Expert support to S3 development and implementation on the ground

Cluster answers to the question: what do you believe to be important for the assignment development on the ground?

- Tasks for experts that are concrete and with a clear scope, with a clear view about the implementation of the policy recommendations.
- Experts that have the commitment, expertise, skills, and S3 relevance and that focus on co-design-
- Experts that know how to address the human bottlenecks which prevents change from arising, as well as experts who have the capacity to listen and be empathetic about needs and to be able to provide the most user-friendly and practical analysis, including guidelines, next steps, and tools.
- Support that actually targets and meets regional needs and issues, avoiding a high academic focus and rather real, pragmatic support.
- Focus not only on the methodology, but to understand the strategic and technological changes that the regions and Europe are facing.
- A simplicity of the process.
- Involvement should be within the relevant policy domains.
- Visible and practical results for success in implementation and sharing of good practices and cases to ensure sustainable practices.
- An involved, non-top-down exercise with sufficient time to work out a proper problem analysis and understanding the specificities of the regions.
- Involvement and engagement of regional stakeholders, where expectations from different stakeholders beforehand have been clarified.
- Actual support from the regions and opportunities to connect.
- Workshops and dialogue with other regions.
- Awareness and knowledge about local context, practical relevance, and pragmatic approaches
- Support at administrative and political level as well as open and continuous communication with the ecosystem.
- The ability of the expert to speak the language of the region under assessment.
- The involvement of the local academia, industry, and society in general.
- Setting up an iterative process where the regions can implement and analyse the results to start again a continuous process - as a circular S3 process.
- Ensure 'absorption' of the process supported by government.
- Possibly co-financing by ERDF funds in the region.
- Excellent synergy between EU and local level.