

EN
ANNEX

PREPARATORY ACTION:

**ACTUAL AND DESIRED STATE OF THE ECONOMIC POTENTIAL IN REGIONS OUTSIDE
THE GREEK CAPITAL ATHENS**

1. Introduction

1.1. *Budget line: 13 03 77 16*

1.2. *Basic Act: Not applicable*

1.3. *Policy context*

The promotion of smart specialisation strategies is an important component of the Directorate General's work programme as a contribution to the Union's regional policy.

1.4. *General objectives of the Preparatory Action:*

The objectives of the work under the Preparatory Action will be to develop and implement the smart specialisation strategies given the weaknesses of the Greek Innovation System. The Preparatory Action would focus on assisting a Greek region heavily hit by the crisis to finalise and implement its smart specialisation strategy to exploit its regional competitive advantages.

There is a pronounced policy fragmentation issue to be tackled in Greece, at both central government level and the regional level.

There is a clear need for strong coordination and clear political and strategic guidelines from the Central Administration to the Regions. Expertise needs to be created with the help of best practice exchange on administration and regional economic development.

More discretionary power should be given to the Regional authorities to carry out a proper entrepreneurial discovery process in each Region. On the other hand, the Commission is fully aware that Greek Regions are lacking proper governance, relevant experience and/or human resources to plan and implement R& D and Innovation measures.

To facilitate and accelerate the development process, an exchange of expertise with specialists on economic geography and change processes from other European regions should assist the entrepreneurial discovery process, helping to thoroughly determine the competitive advantages and lowering the burden on human resources of the Greek Authorities.

As the burden of the efforts to develop a RIS3 strategy will be on the shoulders of the Managing Authorities (MA) of the existing Regional Operational Programmes, the RIS3 Governance and the administrative capacity of the Regions should be reinforced.

The aims of this Preparatory Action are to identify, assess, and support the exploitation of the economic potential in a selected region, and to explore the possibilities of its innovation potential and its expansion. The Region proposed is one of the poorest in Greece and in the European Union, the Region of Eastern Macedonia and Thrace (hereinafter referred to as

REMTh). REMTh is a Convergence Region strongly hit by the crisis and the fierce competition of low labour cost neighbouring countries. Despite the presence of a University and a Technological Institute and other research bodies in the Region, the links of the R&D&I activities with the needs of the local entrepreneurs are almost non-existent.

The Preparatory Action should provide a concrete example that growth based on innovation and export orientation of the local productive forces is feasible. This can provide lessons for the further development and adaptation of the programmes to be launched, in line with their impacts. The achievements of the Preparatory Action should thus serve as the basis for defining a growth paradigm for other regions of convergence in Greece and in Europe.

2. Actions/ Type of financial intervention

In 2014 the Preparatory Action implementation will be entrusted to the Joint Research Centre of the European Commission through the signature of an Administrative Agreement.

The duration of this Preparatory Action should not exceed fifteen months from its launch.

WORKPACKAGE 1: Stocktaking and assessment

This activity will provide the basis for the work to be carried out over the duration of the project. It will include:

An analysis of the state of play of RIS3 development, including the entrepreneurial discovery process – this would include an assessment of the progress potentially based on the "RIS3 Assessment Wheel". This step will combine desk-based research and interviews with key stakeholders in the priority-setting exercise. An assessment of the historical use, take-up and management of previous waves of ERDF with RIS3 relevance. This will give an indication of the regional absorptive capacity for European Funds.

Brief analysis and creation of metadata collection with relevant studies and documents (e.g. studies of OECD, World Bank, such as elaborated in the RIS3 strategy development) and a list of main actors.

Identification of the barriers/issues, particularly legal ones, to be addressed to ensure smooth implementation of smart specialisation, and solutions proposed to alleviate them.

Indicative budget: EUR 103 700

WORKPACKAGE 2: Testing and optimising an entrepreneurial discovery process and the broader RIS3 strategy, including its governance structure and the selection of the priorities on which financing should concentrate

Based on the outcomes of Activity 1, further steps will be carried out to establish whether the entrepreneurial discovery process, and the broader RIS3 strategy in which it is embedded, are sustainable, sufficiently detailed and resilient and to identify elements that could be further strengthened. The idea of this action is to support the stakeholders ensuring broad

commitment (with means to be defined) to the process of entrepreneurial discovery. The work could be shaped as follows:

Organisation of a RIS3 peer review workshop, under the Smart Specialisation Platform. The event will target exclusively REMTh and will involve a wide set of other regions in Europe as peers. The peer review would discuss, among other things, how stakeholders' participation and ownership of the entrepreneurial discovery process is implemented and embodied in the RIS3 governance structure.

Mobilisation of stakeholders: The overall stakeholders' mobilisation strategy (WP5) will be adapted to the specific needs of this workpackage, clarifying the process to which stakeholders need to commit.

The gaps/barriers identified in Activity 1 will be discussed with stakeholders (across priorities) in an interactive participatory setting (based on appropriate participatory methods), simulating different short-term and long-term situations that challenge the process currently in place testing whether the current settings, in terms of interactions between different actors and governance structure, are sufficient to allow for a true and continuous entrepreneurial discovery process. Relevant experiences from other regions of the EC will be shared and discussed with the help of the board of "critical friends" (described in WP5), i.e. a group of delegates from a limited number (3) of other regions, which will share their experience and provide feedback through the project. The event will help the different REMTh partners reach a shared understanding of the "resilience" and "sustainability" of the entrepreneurial process of discovery and on the way to achieve it.

The gaps/barriers identified in Activity 1 will be discussed with stakeholder focussing on the specificities of (some of) the priorities identified, comparing priorities with different type of knowledge sources, output markets and productive/research networks.

The output of the workshops will be a preliminary formalisation of how the entrepreneurial process of discovery could be shaped across stakeholders, and the key criteria to identify and pursue relevant projects for the region.

Based on WP1 and the events in WP2, the project will provide recommendations and support for the optimisation of the RIS3 strategy, its implementation and its monitoring and evaluation (these should serve as the template for further discussions to be held through the project) and the entrepreneurial discovery process.

Based on the stakeholders' events, a discussion on how to improve the EDP and allow the actors to reach a common understanding will be started. A budget for technical assistance and for travelling to relevant events or meetings will be made available to stakeholders to facilitate reaching and, eventually, formalising an agreement

Indicative budget: EUR 125 500

WORKPACKAGE 3: Supporting outward looking Industry/Manufacturing for seeking technological solutions with the R&D&I bodies in providing concrete solutions to their technological needs

This activity will build on the progress of the region as regards RIS3 and will identify practical tools to support industry/manufacturing for seeking technological solutions with the R&D&I bodies and in addressing the existing barriers and bottlenecks that hinder such cooperation. The rationale behind this activity is to make the local business community aware of the opportunities offered by the research sector and engage with it.

The action will be conducted in a participatory manner and will aim at:

Strengthening the links between industry and research.

Help the formalisation of the links and the delivery of results.

This action will foster the interaction between the R&D and business community through networking and brainstorming events using tools such as participatory discovery, configuration of platforms, innovation breakfasts and innovation “speed dating.” The JRC, in close collaboration with the MA, will devise appropriate methodologies to adapt international best practice in networking events to the region's necessities. Each event will foster exchanges between representatives of the business and R&D communities. This networking of actors will result in a series of proposals for useful tools to match the needs of industry and R&D, as well as with shared criteria to prioritise and select them. A number of tools will be identified based on experience across the EU and local circumstances (these could include: memoranda of understanding, traineeships of researchers to companies, technical audits, etc.).

Participating business and research bodies should demonstrate their contribution to developing solutions for existing and potential users' needs for exploiting the results of tailor made research and development projects (focusing on industrial research and experimental development). The project will support closely the implementation-plan of the proposals (selected according to the entrepreneurial process of discovery), providing access to business, legal or technical expertise, access to different forms of training or to international networking events, and –more in general– brokering between the different parties in order to finalise an agreement.

In this action, particular attention will be put on the finance available for the implementation of the smart specialisation strategy, with dedicated information activities. With the help of experts, a first edition of a guide clarifying the private and public funds available and the opportunities offered by ERDF, Horizon 2020 and other EU instruments will be prepared.

The proposals of workpackage 3 should exploit synergies with the industry-academia mobility programmes and business intelligence developed under activity 4. They should also exploit the financial opportunities identified by this workpackage.

Indicative budget: EUR 178 600

WORKPACKAGE 4: Designing, testing and optimising measures to enhance human resources and address 'brain drain'

This activity will assess the infrastructures that are needed to enable the execution of successful cooperation projects and will propose concrete approaches to support the development of human capacity at the research, industry and managing authorities' side. Specifically, it will contribute to designing, testing and optimising measures aiming at:

Establishing a mobility research training programme with a view of adapting skills to the needs of smart specialisation concept (e.g. entrepreneurship, collaboration, creativity). The efficient use of human and technological resources is a critical element of RIS3 success.

Full exploitation of available technological equipment in the Region to serve regional business needs and opportunities. Building on the stocktaking and assessment activity undertaken in WP1, (i.e. analysis of available and possibly additionally needed research equipment based on the local smart specialisation priorities) the project will enhance the match between demand for RDTI services by the private sector and their supply in the region.

Creation of an effective structure with highly qualified locals to maximise export potential of local businesses and help attracting foreign direct investments. This activity aims at mobilising a pool of highly qualified/experienced locals in business, trade and exports to assist and advise potential foreign investors will to invest and develop business in REMTh, and to identify appropriate recruitment and training measures to strengthen this pool.

Support for the MA's in setting the necessary policy infrastructure for the utilisation of the ERDF funds for the purposes of RIS3 implementation. This support could, for example, be in assisting the MS in developing calls for projects and selection criteria to be launched under the relevant for research and innovation Operational Programmes or in putting in place relevant framework for engaging with foreign investors.

Cooperation of the regional R&D and academic institutions with other peers within and outside Greece. RIS3 success requires that the research and productive communities of the region network and cooperate both with local and non-local counterparts. This activity will target the technological and research centres based in the region and other public research centres or institutes supervised by the General Secretariat for Research and Technology (GSRT), with the support of the local business chambers and business schools

Indicative budget: EUR 180 100

WORKPACKAGE 5: Cooperation and communication

In the preparation and development of the project a good communication between all the parties involved will be critical. The success of the project lies in the close collaboration and communication with the region and within the different parts of the EC involved, as well as with all the stakeholders involved.

This work-package will transversally support the communication of the project and the cooperation of the region with other Greek and EU regions, across all workpackages. It will establish how this experience can be beneficial for other EU convergence regions.

Responsible bodies: JRC and MA in close collaboration with stakeholders; [subcontractors to prepare overview of the equipment and other]

Indicative budget: EUR 112 100

3. Total budget: EUR 700 000

Of this total budget, an indicative amount of up to EUR 380 700 will be reserved for staff and external expertise costs. Their main purpose will be to provide specialised expertise on research and innovation policies and practices in Greece and in the target region, to complement and support the work of JRC-IPTS. This will include the preparation of briefing materials, participation in and animation of workshops and other specific stakeholder liaison activities, and associated reporting.

Subcontracted tasks would represent an indicative amount of EUR 179 500.

Given the duration of the project, the necessary procurement procedures would be initiated in the second semester of 2014.

4. Indicative calendar for implementation procedures

The Union contribution to the procedures described in the work programme will be covered by commitment appropriations for 2014 for which an amount of EUR 700 000 is to be made available. Most of the actions will start on the 2nd semester of 2014.