

Smart Specialization: Preparation and organization of EDP, stakeholder identification



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LEGAL STATUS: Public institution

OWNER: The Office of the Government of the Republic of Lithuania



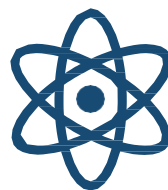
WHAT WE DO: monitor, evaluate and provide evidence-based recommendations regarding the implementation and process of:



Vocational
training



Higher
education



Research



Innovation



Human
resources

MOSTA

Recent challenges that we worked on:

- **Monitoring and evaluation of Smart specialization**

Delivery of ongoing monitoring function. Yearly progress reports, interim evaluation, EDP.

- **Evaluation of Science and Technology parks**

Activities of science and technology parks in Lithuania have insufficient impact. The aim of the evaluation is to propose guidelines for sustainable development.

- **Research performance evaluation (research assessment exercise, research excellence framework)**

Pilot in 2015, full scale in 2018. Research assessment exercise with 50+ foreign experts.

- **Teacher demand forecast**

The scope of this project was to create a teacher workforce forecasting and deployment model. The mismatch between the supply and demand in the teaching workforce affects the whole educational system and labor market for teachers.

- **Doctor demand forecast**

Project aimed to help forecast the workforce of doctors and to provide evidence for planning and teaching at universities.

Generally speaking about RIS3

The concept of Smart specialization and its implementation reality had substantial positive effects:

- The best shot so far to unify the concept R&I priorities in the EU (and beyond)

A lot of decision makers and stakeholders from academia and business adopted similar understanding of the concept and similar vocabulary to describe preferences and taken actions.

- Leverage to change the culture of the (R&I) policy making

As it came with strong analytical homework necessity and higher level of justification of decisions, it will have long-lasting effects on the evidence based policy making as well.

- Has initiated analytical approach to R&I policy cycle and a swarm of projects/tools/practices/etc.

Transparency and accountability, interactive monitoring systems, constant sharing of good practices and solutions.

- Has increased stakeholder engagement, prioritization process and concentration of resources

Guzzo et al., S3 Working Paper Series No. 15/2018, JRC.

A flashback: it's 2013 in Lithuania.

Starting position: challenges of innovation system

- ➔ ■ Dominant traditional sectors – little or no knowledge-based growth
- ↑ ■ Fragmentation of R&I policy priorities, programmes, funds and institutions
- ↑ ■ Lack of inter-institutional cooperation
- ↑ ■ Process-oriented policy implementation
- ➔ ■ Almost all expenditure on R&D from public sector
- ↓ ■ High dependency on the SF support

Entrepreneurial discovery process

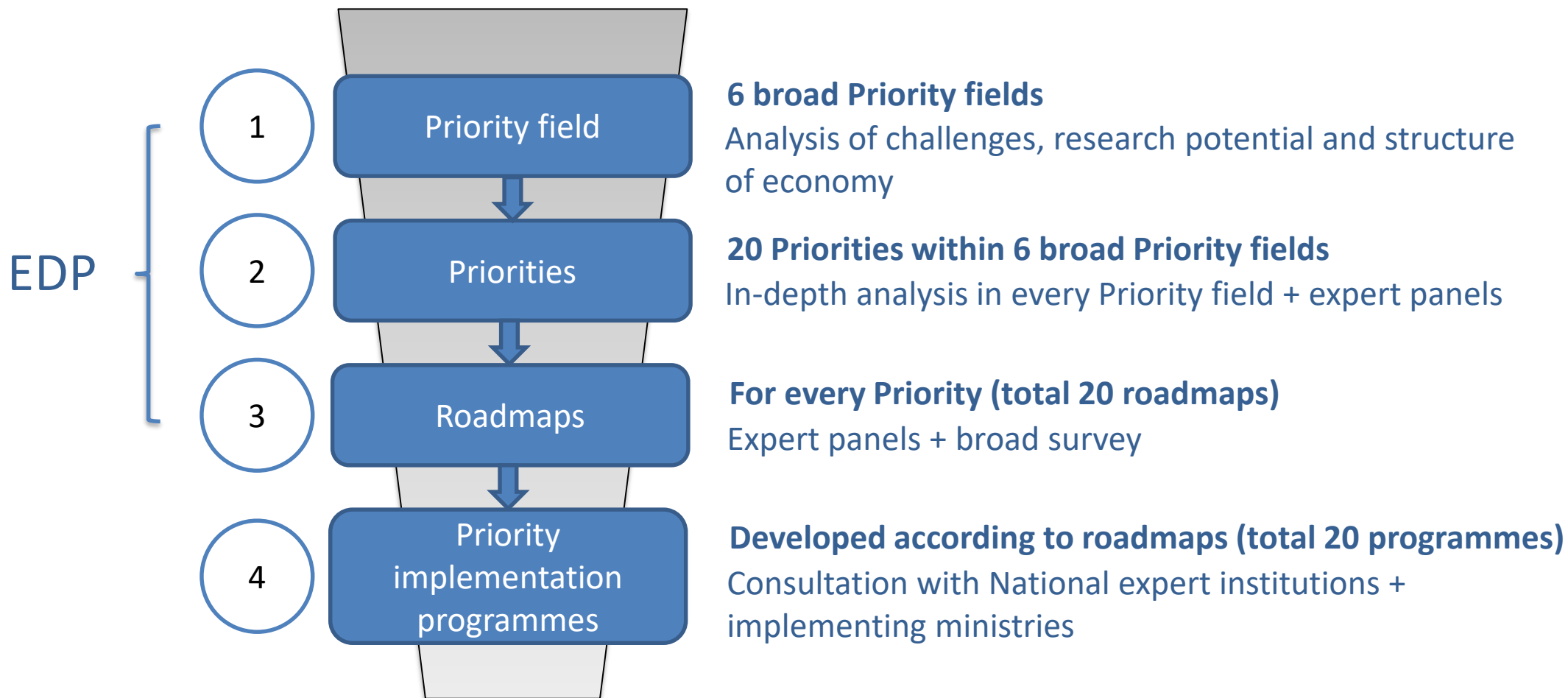
- A planned process, with a beginning and an end
- An inclusive process
- Results in RIS3 priority recommendations
- Recommendations lead to inclusive intervention design and to more effectively framed policy instruments
- The process also helps to evaluate the R&I priorities



Before EDP

- A plan of the organization of the process is needed. **Roadmap** should do the job.
- A single person or a team should take the **leadership** of the process
- Identification of the **stakeholders**: leaders of the panels and members of the panels
- Planning and allocation of resources for every step/process
- Identification of possible risks

Design of Lithuanian RIS3



Lithuanian RIS priorities

Agro-innovation and food technologies

- Safer food and sustainable usage of biomaterials
- Functional food
- Innovative development, improvement and processing of biological raw materials (bio-refining)

Energy and sustainable environment

- Smart systems for energy efficiency, diagnostic, monitoring, metering and management of generators, grids and customers
- Energy and fuel production using biomass/waste and waste treatment, storage and disposal
- Technology for the development and use of smart low-energy buildings – digital construction
- Solar energy installations and technologies for using them for the power generation , heating and cooling

Health technologies and biotechnology

- Molecular technologies for medicine and biopharmaceutics
- Advanced applied technologies for individual and public health
- Advanced medical engineering for early diagnostics and treatment

Inclusive and creative society

- Modern self-development technologies and processes promoting formation of creative and productive individuals
- Technologies and processes for the development and implementation of breakthrough innovations

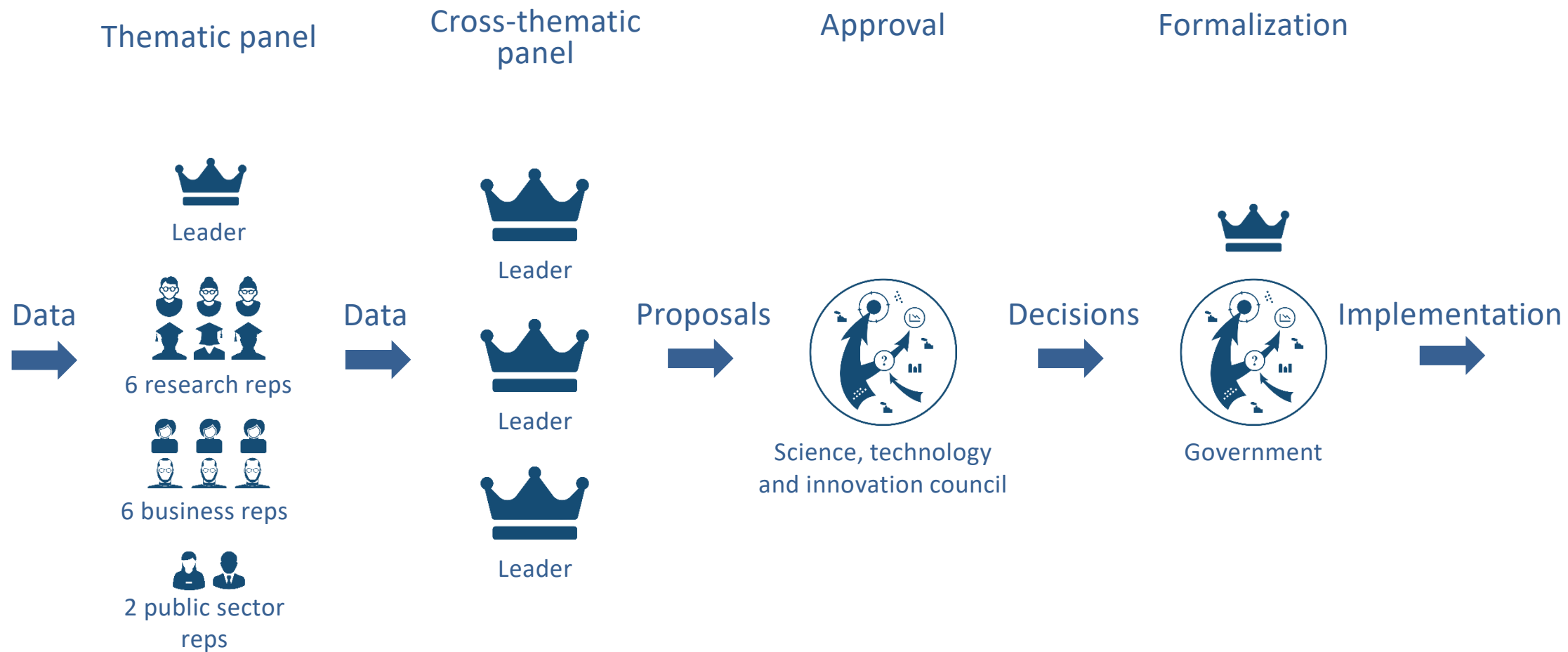
Novel production processes, materials and technologies

- Photonic and laser technologies
- Functional materials and coatings
- Structural and composite materials
- Flexible technological systems for product development and fabrication

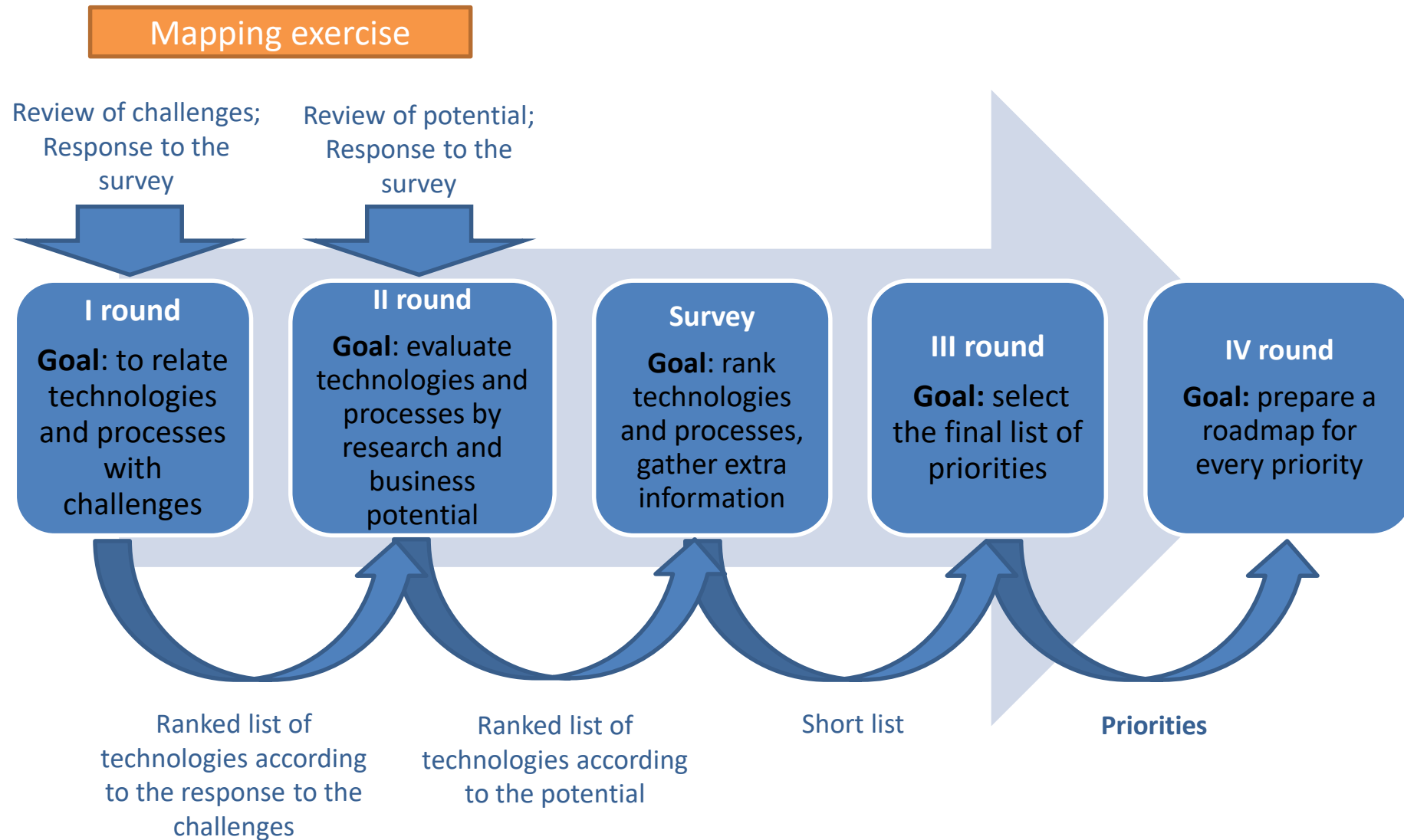
Transport, logistics and information and communication technologies

- Advanced electronic content, content development technologies and information interoperability
- ICT infrastructure, cloud computing solutions and services
- Smart transport systems and ICT
- Technologies/models for the international transport corridors' management and integration of modes of transport

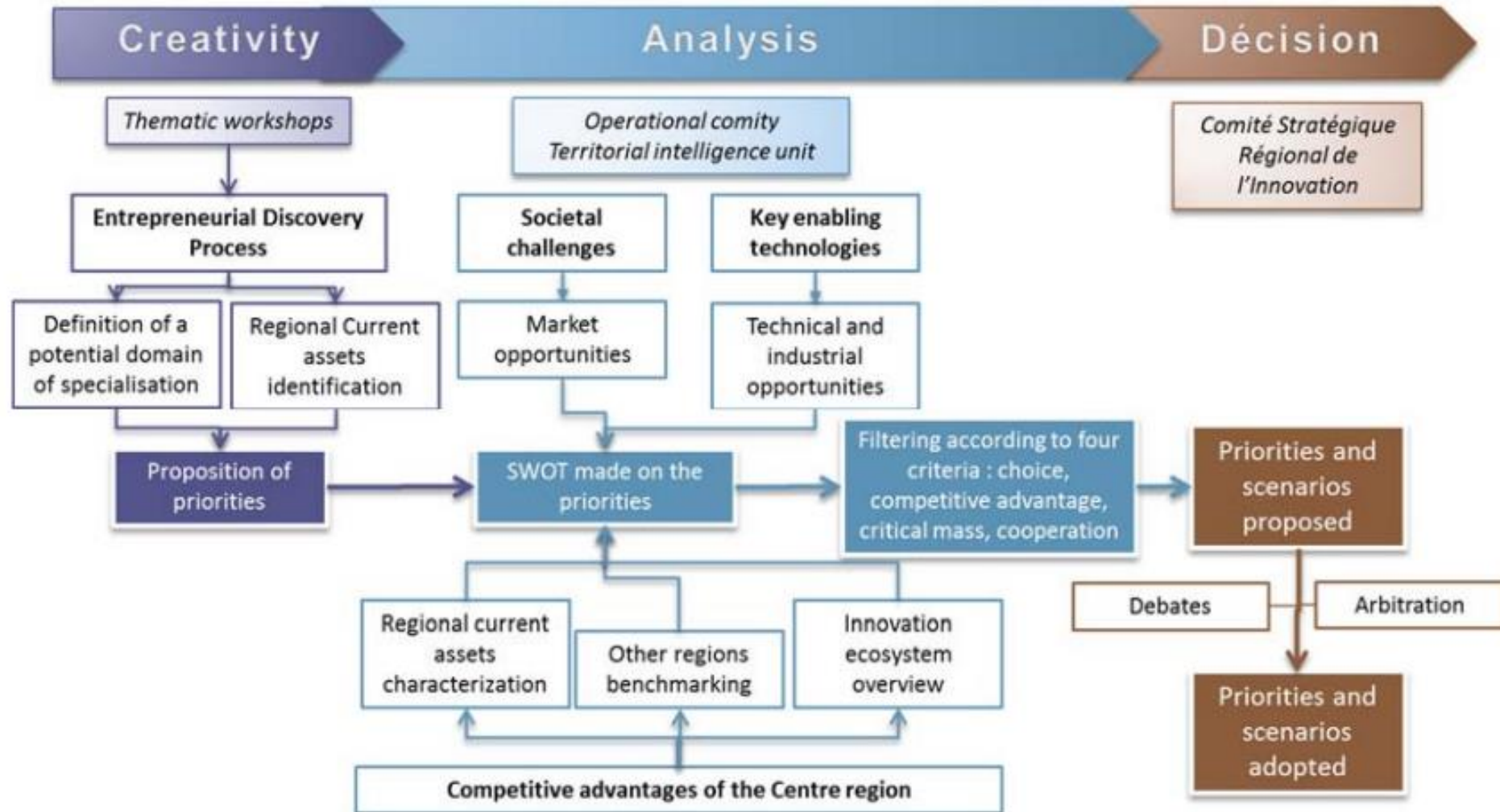
Design of the panels



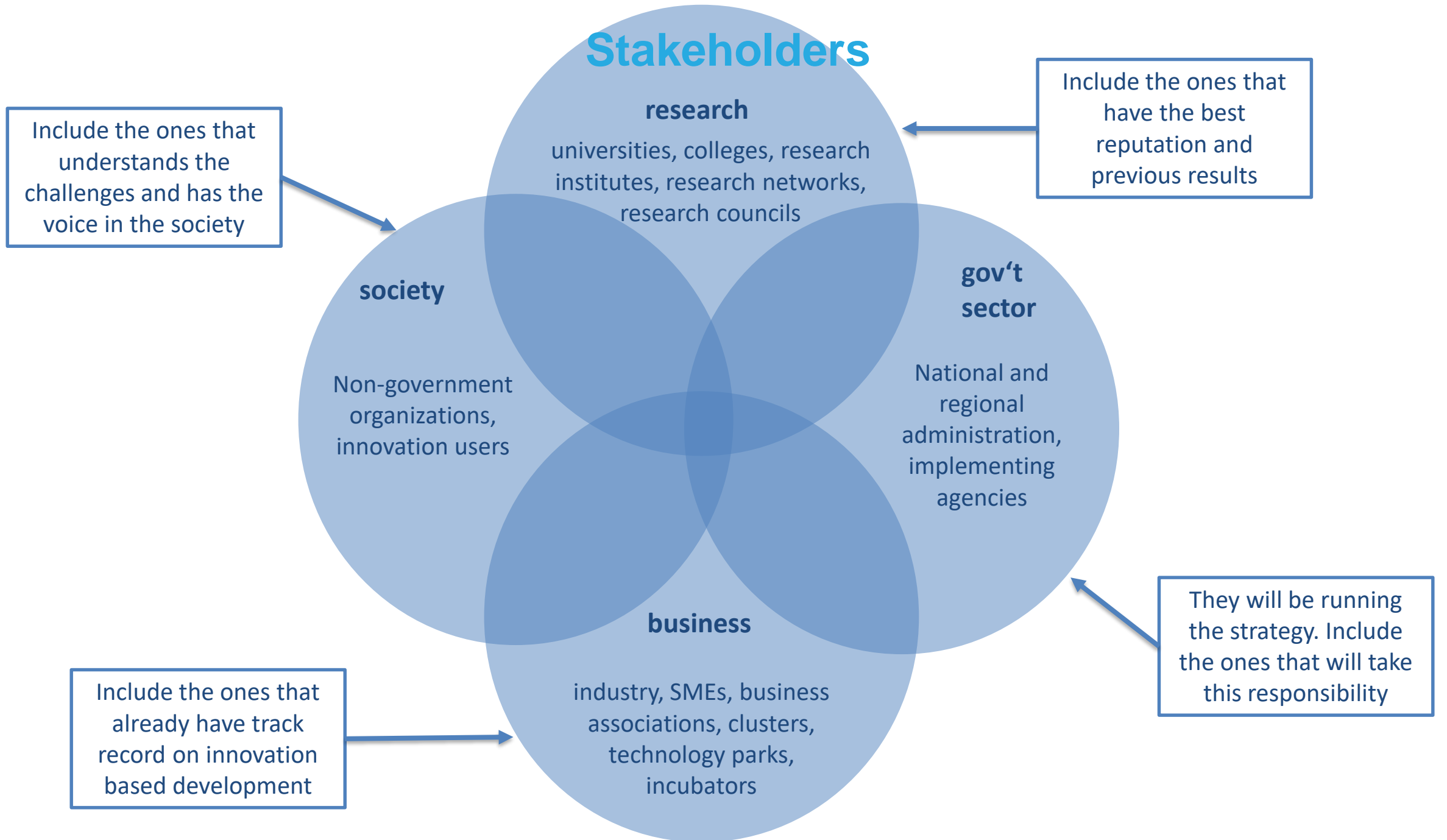
Design of EDP in Lithuania



Design of EDP in Centre-Val de Loire (FR)



Stakeholders



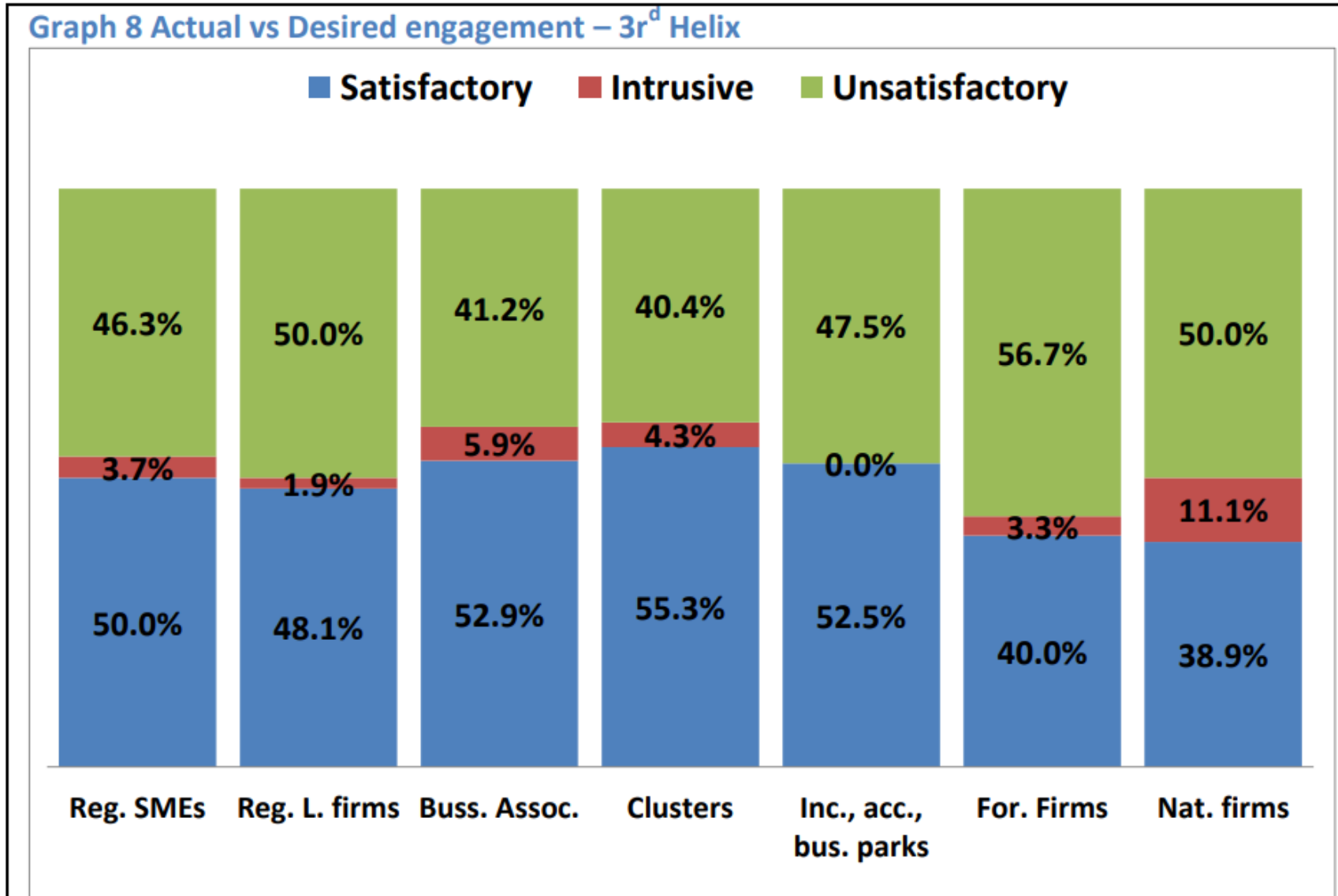
The participation of business

- Capacity to affect the RIS3 decision making process is still by large led by **universities and research organizations** (Guzzo et al., S3 Working Paper Series No. 15/2018, JRC).
- **What's in it for me?** The primary goal of government and business sectors differs resulting in different expectations. Clear explanation is needed:
 - what benefits will gov't sector experience from business participation?
 - what benefits will business experience from participation?
- **The balance of SMEs and large companies.** In most cases they will have different expectations, different goals and different ability to contribute.

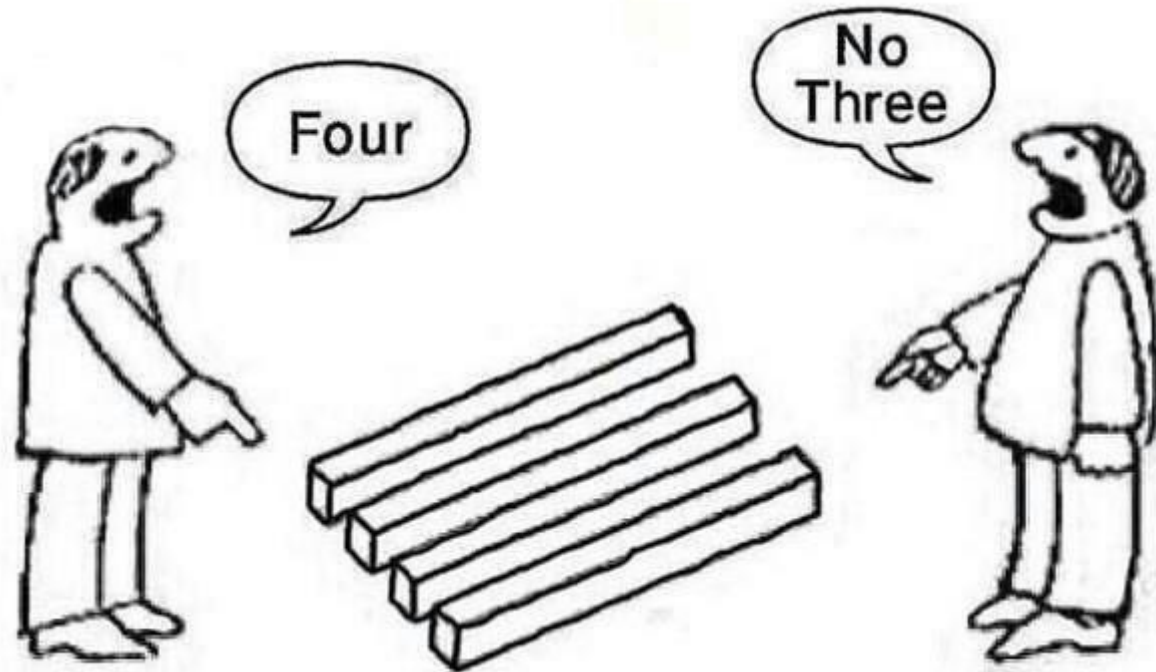
Actual vs Desired participation

Stakeholder invited	Actual	Desired	Expected	Expected vs Actual
Regional SMEs	2,22	2,72	2,24	0,02
Higher education institutions	2,55	2,79	2,60	0,05
Regional government and agencies	2,51	2,79	2,58	0,07
Research organisations	2,54	2,80	2,62	0,08
National government	2,07	2,31	2,21	0,14
Business associations/Chambers of commerce	2,25	2,65	2,42	0,17
European Commission	2,25	2,45	2,42	0,17
National firms	1,89	2,39	2,06	0,17
Clusters organisations	2,43	2,83	2,64	0,21
Civil society	1,44	2,14	1,68	0,24
Labour unions	1,48	1,88	1,72	0,24
Foreign firms	1,70	2,43	1,97	0,27
Regional Large firms	2,04	2,67	2,32	0,28
Incubators, accelerators and business parks	2,22	2,78	2,53	0,31
Local government	2,09	2,62	2,40	0,31
Independent experts	1,97	2,30	2,31	0,34
Financial entities (e.g. banks)	1,22	2,11	1,67	0,45
User-centered communities and labs	1,73	2,50	2,23	0,50
Risk capital	1,67	2,50	2,18	0,51
Media	1,13	2,47	1,80	0,67

Actual vs Desired engagement



Preparation



Questions before the start

- Should S3 be based more on **potential of research or potential of business**, if they do not match? More support should be targeted to research or business sector?
- **How do we identify an asset?** Something big, important, promising?
- **It's not easy to understand the entrepreneurial dynamics.** Almost every sector is specific, with it's own culture and traditions.
- Should priorities be more **justified by the past or by the future?** There are two options that sometimes do not stand together.
- Should reach out for as **many actors as possible or praise the champions?** Maximal inclusion does not favor the few strong ones.
- **Thematic mismatch between research institutions and businesses** makes hard to have priorities of the same „quality“ and justification.

Risks of EDP

- **Incomplete suitability.** Something can be thought of not in full picture, resulting in fail to implement.
- **Lock-in.** Experts can protect their interests or fields of business/science, that does not qualify
- **Lobbying.** Experts can protect their interests or fields of business/science as more important than others
- **Fast pace of technology.** The time from idea to market (consumer) is getting shorter and is highly competitive.



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