SMART SPECIALISATION IN THE PERIPHERY

0499 R2 FRESH PROJECT

5TH SESSION OF TEAM OF SPECIALISTS ON INNOVATION AND COMPETITIVENESS POLICIES (TOS-ICP), 12-13 APRIL 2012, GENEVA
FRESH project & smart specialisation

(1) FRESH profile

- **Identifier**: Forwarding Regional Environmental Sustainable Hierarchies (0499 R2 FRESH), Interreg IV c regional initiative project; approved under the 2nd call

- **Duration**: 5.11.2009-28.2.2013 **Budget**: 2 010 312,95€ **Partnership**: Kainuun Etu OY-LP (FI); Joint Authority of Kainuu Region (FI); Regional Council of Päijät Häme (FI); Lappeenranta University of Technology, Lahti School of Innovation (FI), MidWest Regional Authority (IE), South West Regional Authority (IE), University of Limerick (IE), Veneto Region (IT), University of Padova (IT), London Thames Gateway Development Corporation (UK; 5.11.2009-30.6.2011), West RDA (RO), Lubelskie Voivodeship (PL).

- **Website**: [http://freshproject.eu](http://freshproject.eu)

(2) FRESH objectives

- Overall objective: Strengthen Sustainable Value Creation(SVC) development in the regions, by:
  - Subobjective1: Address SVC in the regional development plan
  - Subobjective2: Strengthen ecoinnovation addressing SVC in the regional innovation strategies of the partner regions (formulation of the ecoinnovation component)

(3) FRESH organisation of the work

- Eleven policy themes; 3 addressing SVC in the regional development plan and 8 addressung SVC in the regional innovation strategy.

- Good practice analysis closed 17.11.2011: 51 contributions; 14 partner-prioritised ‘better practices’; 10 of the better practices included in the Interreg IV C data base (13.1.2012)
FRESH project & smart specialisation

**Smart specialisation**
- Selection of sector/sub-sector
- Related variety & entrepreneurship
- Thematic, permanent international networks

**FRESH, through the eco innovation component**
- Selection of sub sector of sustainable construction
- Partially also related variety & entrepreneurship (prioritised projects in the eco innovation component)

**The 10 Steps**

1. **STEP 1.** Proposal for an overall Vision for the future of the region; **YES**
2. **STEP 2.** RIS3 design and governance— Ensuring participation and ownership **YES, through the regional advisory groups (RAG:s)**
3. **STEP 3.** Analysis of regional potential for innovation-driven differentiation **YES, but in relation to sustainable construction**
4. **STEP 4.** Preparation and wide discussion of scenarios **YES, partially**
5. **STEP 5.** Selection of priorities for the RIS3 **YES**
6. **STEP 6.** Definition of coherent policy packages, pilot projects and measurable targets **YES**
7. **STEP 7.** Integration of monitoring and evaluation mechanisms into the strategy **YES; just now we are making the Policy audit tools for exactly this purpose**
8. **STEP 8.** Establishment of strategic policy intelligence resources and capacities **NO, beyond FRESH**
9. **STEP 9.** Communication of the RIS3 **Yes, but not exhaustively**
10. **STEP 10.** Review and update of the RIS3 **Beyond FRESH**
FRESH SELECTION OF SUB SECTOR & RESULTS

**Sustainable construction**
(1) external environmental quality (site planning, landscaping of the construction waste when relevant); (2) resource consumption (energy, water, and other raw materials); (3) environmental weight (including CO2 emissions, waste management from the use phase of the construction, pollution during the construction and use phases, and ecology); (4) surface water run-off; (5) indoor environmental quality (including health and well being); (6) service quality; (7) management quality; (8) Urban and city planning; land use planning; (9) Transports

**Partner on going innovation strategy priorities**

**Successes ‘in the field’ in the region i.e. Products, services, and or R&D, and how they compare with the innovation strategy priorities**

**Partner region development interests, new priorities**

**Sector / sub sector to focus;**
Types of measurements / targets to include; types of development actions / projects to prioritise; policy auti tools to integrate
In conclusion

Analytical tools
Analytical tools

• One detailed self assessment questionnaire, purpose
  • To identify strengths and weaknesses in terms of path dependency & new opportunities
  • To assess the outputs as much as the context (we utilise the EU Innovation Scoreboard)
  • To align eco innovation component to Smart Specialisation strategy with relevant concrete questions integrated into it

• One “algorithm”, explaining to partners how their answers will be interpreted

• Both documents available at http://freshproject.eu

  • -> http://freshproject.eu/fresh-downloads/policy-impact.html?L=0
  to §: 27.1.2012 FRESH, policy impact update
Synthesis
Synthesis

Synthesis, is based on

- The recommendations for updating the innovation strategy in each FRESH regions, to strengthen eco innovation and align with smart specialisation.
- Two principles, two assumptions, and the feedback we received to the questionnaire from each partner region.

Principles

- **Principle 1**: Most important thing is to help regions decide what they will be selling in the future, where their competitive income will come from, i.e. Regions need to agree a PRODUCT MIX before the POLICY MIX.
- **Principle 2**: The product mix in any EU region must reflect productivity levels that are comparable to the “mainstream” ones.

Assumptions

- **Assumption 1**: Smart specialisation is about knowledge economy. In the knowledge economy, peripheral regions differ from central regions in ‘the death-by-distance’ fact. Smart specialisation should tackle this somehow.
- **Assumption 2**: The development resources of peripheral regions are arguably more restricted than their counterparts in central areas. Concentration of resources should support highest multiplier effect.
Interpretation, example from Kainuu

FOCUS
- Urban residential, public & private office building construction
- Regional endowments: sustainable forestry & unused potential; wood suitability for sustainable construction
- Regional competence: Woodpolis+, as development base
- Related industries national & regional competence (e.g. ICT, embedded monitoring systems..)
- Evidence of wood as better insulation material
- Local market unexplored
- Market in northern Europe, Russia, Japan interesting
- National policy promoting wooden construction

REASON
- Regional endowments: climate, water
- National & regional competitive advantage in ICT (software & applications; related R&D and education) & measurement technology
- Energy efficiency crucial issue for data centres
- Cloud services a dramatically rising sector with strong future
- Globalised economy solution

NOTE: reference is made to the eco innovation component for Kainuu region, material available from freshproject.eu.
Summary

- Stakeholder involvement
- Generate growth on the base of innovations, increase attractiveness for highly educated people, beat the distance, beat the fragmentation
- Impact on the economic development model

<table>
<thead>
<tr>
<th>Focus of the eco innovation component</th>
<th>Impact on the regional development model (smart specialisation accounts for four types of impact on the regional economic development models: diversification, modernisation, transition, &amp; radical transformation)</th>
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<tbody>
<tr>
<td>Urban residential, public &amp; private office building construction</td>
<td>Diversification</td>
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<tr>
<td>Environmental performance of industrial buildings including data centres</td>
<td>Transition or even Radical transformation</td>
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- Concentration: skills, education, research, R&D, up to prototypes
- Entrepreneurial discovery: growth & related variety
- Interregional networks: the hardest to define
Thank you

http://freshproject.eu