Note to the European Commission, DG REGIO G5 - GREECE & CYPRUS

Review of the on-going RIS3 processes in the Region of Central Macedonia

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This short note summarises the principal observations and conclusions to be drawn from the Technical meeting, held in Athens on 17 July 2013, between the Greek national and regional authorities and the Commission with a view to the preparation of the partnership agreement 2014-2020, and specifically the research innovation strategy for smart specialisation in the Region of Central Macedonia.

i) RIS3 processes adopted by the region. Weaknesses and structures to be modified

Following the organisation of the regional conference and the RIS3 workshop for the new programming period on 18 and 19 April, the Region of Central Macedonia has made some small steps related to the elaboration of RIS3, namely (1) the setting of a regional network of stakeholders, which met twice and participants were informed about the role of the network and their expected contribution, (2) collection of stakeholders opinions on six thematic areas that were defined, and (3) publication of a call for the selection of an external consultant to facilitate the RIS3 process. These actions represent a very slow progress in the elaboration of RIS3, given the capabilities, human power available in the Region, and the funds allocated to Central Macedonia over the next programming period. The account given by the Region during the Technical meeting reveals weaknesses of the process adopted, as well as the low priority of Central Macedonia in advancing RIS3 according to specifications.

In the first place, the setting up of a loose network of stakeholders to drive bottom-up elaboration of RIS3, instead of a structured Regional Innovation Council adopted in most Greek Regions, does not sustain the motivation of stakeholders for participation. While the initial interest of stakeholders was high, it was said that participants were not sufficiently informed about their role in the RIS3; there was mistrust and stakeholders avoid expressing their views; more stakeholders are concerned about the particular interest of the organisation they represent than for the region overall.

Also, the late call for selection of a consultant to support RIS3, led to an unstructured consultation and collection of views and opinions, without previous elaboration of guidelines and objectives of the consultation. Detailed information on the Region's innovation performance, needs and gaps, strengths and weaknesses, is missing and stakeholders are not informed on which issues they should contribute and how. The Region is performing a consultation without having previously set a framework of problems, challenges, objectives, and alternative innovation choices that would give meaning and purpose to the views of stakeholders.

The Commission should recommend the RCM:

(1) Replace the loose innovation network established with a structured Regional Innovation Council, define role and responsibilities of the Council, and proceed to an organised consultation on issues previously elaborated by the Innovation Council and the consultant.

(2) Accelerate the selection and preparatory work of the external consultant, compiling and analyzing data of regional performance, company needs analysis, quantitative and qualitative gaps in competitiveness and innovation.

ii) Promoting RIS3 in opposition to sectoral approach defended by some important stakeholders

The Region created a Network of stakeholders and set-up six working group focusing on thematic areas of (1) exports, (2) new product design and development, (3) energy and environment, (4) ICT, (5) attraction of foreign direct investment, and (6) creative professionals. These activities are considered as strongly related to regional innovation capabilities and objectives. Data and consultation in these areas are expected to drive the selection of sectors and industries for regional specialisation.

Private sector stakeholders, such as the associations of ICT and manufacturing companies (SEPVE and SBBE) support a sectoral approach of specialisation, focusing on diversification and clustering of remaining manufacturing in (1) food and beverage, (2) clothing and fashion, (3) chemical and energy, (4) building materials and household equipment, (5) metallurgy, metal products, machinery and equipment, (6) electronics, electrical appliances and ICT.

	Industry	Rank in Europe	Special isation	Employ ment
1	Manufacture of other food products	4	2.21	18 671
2	Other retail sale of new goods in specialized stores	4	1.80	52 702
3	Maintenance and repair of motor vehicles	5	1.91	13 570
4	Manufacture of tobacco products	6	11.57	2 271
5	Finishing of textiles	8	4.43	2 177
6	Retail sale of automotive fuel	12	2.18	4 512
7	Renting of personal and household goods n.e.c.	14	2.17	1 307
8	Adult and other education	15	2.38	12 378
9	Fishing, fish farming and related service activities	17	4.54	2 797
10	Manufacture of ceramic tiles and flags	17	1.69	725
11	Growing of crops; market gardening; horticulture	19	5.35	64 559
12	Manufacture of wearing apparel and accessories	19	3.06	20 215
13	Manufacture of jewellery and related articles	19	2.09	976
14	Activities of households as employers of domestic staff	19	2.79	10 485
15	Sale of motor vehicle parts and accessories	21	1.61	3 585
16	Restaurants	21	1.54	25 551
17	Processing and preserving of fruit and vegetables	22	3.75	4 180
18	Preparation and spinning of textile fibres	27	2.45	1 374
19	Bars	27	2.33	17 947
20	Repair of personal and household goods	27	1.90	1 885

The Commission should recommend that such issues of specialisation should be central to public and stakeholders consultation and decisions should be made on the basis of informed assessment of alternative choices provided by the Region and the external consultant.

iii) RIS3 and the GSRT role and synergies

Collaboration between the Region of Central Macedonia and GSRT has been minimal. The RCM is asking for discrete roles in the innovation policy and delivery mechanisms, and clear architecture between sectoral and regional Operational Programmes. Information from the GSRT is missing, both on projects implemented and the actual Roadmap of Research Infrastructures, which could take into account the choices for regional specialisation and technology needs. **The Commission should recommend** a split of innovation delivery mechanisms at national and regional levels, with regional strategies focusing on company support for product / process innovation and market promotion and national strategies focusing on research and innovation funding.

iv) Conclusions of the seminar

The second main Greek region, Central Macedonia, is sending 'mixed signals' about its willingness to comply with the S3 process. Almost one year after the first visit of DG experts and opening of RIS3 agenda, the progress made in RCM is extremely limited. As we have noticed, the two major regions of Attica and Central Macedonia, which dominate both the Greek economy and the national research and innovation system, are 'dragging their feet' in preparing RIS3. An intervention of the national authorities and DG REGIO is required to accelerate the process according to specifications described in the RIS3 Guide.

v) Milestones and deliverables by the Region of Central Macedonia

In short term, the regional authority should present the following three deliverables (D) at two milestones (M) in order to accelerate the work of RIS3:
(**D1**) Analysis of the regional innovation system, innovation gaps, SWOT, and balance scorecard based objectives to be prepared by the consultant by 10 September 2013 **(M1).**
(**D2**) Set-up a Regional Innovation Council with a small number of key stakeholders, which will work in parallel to Regional Innovation Network and Working Groups, by 10 September 2013 **(M1).**
(**D3**) A first discussion / introduction to the Elected Regional Council of RCM about RIS3 objectives, delivery mechanisms, and innovation support strategies, and draft strategic orientations prepared by the Regional Innovation Council and the consultant by 30 September **(M2).**