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

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

Author: Nicos Komninos, expert appointed by DG REGIO to monitor the Greek smart specialisation process

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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 West Macedonia.

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

After the organisation of the regional conference and the RIS3 workshop for the new programming period on 15 and 16 April, the Region of West Macedonia undertook a few activities related to the elaboration of RIS3, namely:

- Data collection about sectors for potential smart specialisation;
- Call for selection of consultant to support the RIS3 data analysis and participatory processes; the consultant is expected to deliver a first draft on RIS3 by September 2013 and the final report by February 2014, and
- Consultation about the structuring of the Regional Innovation Council.

A major problem, reported during the meeting, is the reluctance of companies and businessmen to take part in the participatory elaboration of the regional innovation strategy, and mistrust of the private sector in bottom-up decision making guided by the public administration.

The report of the Region on the slow progress made during the last three months in West Macedonia reveals weaknesses and risks, which are pertinent for other regions too, and need to be dealt directly. There is a risk that the smart specialisation strategy will be shaped by the regional administration and the consultant selected by the same administration, without significant contribution of other stakeholders and real bottom-up participation in the formulation of RIS3. There is also risk of marginal contribution of the business community because of mistrust towards the public domain and low motivation to regional strategic planning. Both risks can be mitigated by the setting of the Regional Innovation Council. Also, the time schedule and stages of smart specialisation strategy are defined by each region individually, without coordination, common timetable, and deliverables to be respected by all regions.

The Commission should recommend

- The Regional Innovation Council to be composed of personalities and successful entrepreneurs proposed by regional stakeholder organisations and be strongly involved in the elaboration of RIS3.
- The Ministry of Development should define the overall architecture of the next programming period and designate a national S3 coordinator, who will coordinate, among others, the preparation of the 13 RIS3 so that an iterative process between regional and national strategy elaboration takes place.

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

Based on the conclusions of the regional conference and the workshop referred, the Region of West Macedonia, made some initial choices regarding the sectors and industries of

specialisation, which correspond to existing specialisation and critical mass across sectors (see Table below).

Included are activities of the primary sector (Safran, Hippophae rhamnoides), selected maufacturing (food processing, dressing and dyeing of fur, leather products), mountain tourism, and energy production in Kozani and Ptolemaida. These activities represent also clusters and systems of production located into different spatial units of the West Macedonia.

	Industry	Rank in Europe	Special isation	Employ ment
1	Mining and agglomeration of lignite	1	109.39	5 836
2	Dressing and dyeing of fur; manufacture of articles of fur	1	407.63	5 198
3	Production and distribution of electricity	1	6.60	3 743
4	Mining and agglomeration of hard coal	7	7.32	1 028
5	Farming of animals	10	4.93	2 621
6	Growing of crops; market gardening; horticulture	12	8.12	13 696
7	Secondary education	13	2.66	4 356
8	Adult and other education	16	2.37	1 725
9	Retail sale of food, beverages and tobacco in specialized stores	17	2.04	2 217
10	Manufacture of other food products	21	1.73	2 037
11	Primary education	30	2.10	4 560
12	Manufacture of articles of concrete, plaster and cement	32	2.03	514
13	Bars	47	1.96	2 100
14	Site preparation	55	1.76	549
15	Provision of services to the community as a whole	69	1.54	2 095

However, the sheer selection of some sectors does not provide directly some competitive advantage. It is necessary to define drivers of competitiveness related to sectors selected, such as technologies, future trends, emerging markets, skills and needs, and target the strategy on making those drivers available to regional companies and organisations. This discussion has not opened yet.

Commission should facilitate the turn towards drivers of competitiveness by providing guidelines for making a turn from a sectoral view of specialisation to specialised drivers and technologies that can offer competitive advantages to sectors selected.

iii) RIS3 and the GSRT role and synergies

As in most Greek other regions, during the last three months, collaboration of the RWM and the GSRT has not improved. The information gap between these authorities remains and there is no collaboration in fields of common interest, such as the national platform of energy. During the Technical meeting the RWM was informed about this platform and expressed the interest for participation. The forms of collaboration and contributions are to be defined.

The Commission should ask for a national S3 coordination framework to achieve the preparation of the national smart specialisation strategy in parallel to regional RIS3, and regional priorities are taken on board and integrated into a national perspective.

iv) Conclusions of the seminar

The Technical meeting showed two areas of weaknesses:
(1) The slow progress of RIS3 elaboration; a time schedule that foresees a very late delivery of the draft version of RIS3 during the first trimester of 2014.
(2) The risk of a virtual bottom-up process; participation without substantial involvement of stekeholders and entreprenerus and most citical decisions to be taken by the regional authority and the external consultant, as happened in previous programming periods.

v) Milestones and deliverables by the Region of West Macedonia

In short term, the regional authority should present the following three deliverables (D) at two milestones (M) defined 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**) Setting-up the Regional Innovation Council with a small number of key stakeholders and distinguished entrepreneurs by 10 September 2013 **(M1).**

(**D3**) A first discussion / introduction to the Elected Regional Council of RWM about RIS3 objectives, delivery mechanisms, and innovation support strategies, and draft strategic orientations by 30 September **(M2).**