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

Review of the on-going RIS3 processes in the Region of Thessaly

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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 Thessaly.

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 24 and 25 April in Larissa, the Region of Thessaly continued the activities related to the elaboration of RIS3, namely:

- Realised a public consultation on strategic development planning in Thessaly and elaboration of the proposed actions by thematic objectives and investment priority, which were introduced into proposal for the Regional Development Plan 2014 - 2020.
- Organized thematic meetings and participated in conferences on various development issues related to the environment, development of the Region, water and settlements in Thessaly, regional policy making, and other.
- Set up the Regional Innovation Council, and Council's members were appointed by stakeholders of commercial chambers, industry associations, agricultural cooperatives, university and higher education institutes, and the public administration. The Council met and defined working procedures and relationships with working groups. Working group were established in the areas of 1) primary sector, 2) food and beverage manufacturing, 3) energy and non-metallic materials, 4) infrastructure and health services, 5) computing and communications, 6) culture, 7) tourism, 8) metallurgy and metal products, 9) logistics, and 10) research infrastructure and education. The first deliverable of the working groups was expected by the end of July focusing on the current situation, strengths and weaknesses, and recommendations for sustainable development of Thessaly.
- Opened a call for selection of external consultant to support the RIS3 process.
- The first draft of RIS3 is expected at the end of September.

Major problem, reported by the Region, is the mobilisation and involvement of entrepreneurs in bottom-up procedures of RIS3. It seems that the current financial crisis and immediate economic problems that most companies are facing limit their motivation and will to engage in future strategic development planning.

The Commission should recommend the competent Greek authorities to define ASAP the global architecture of the programming period 2014-2020, the sectoral and regional programmes and policies, and interfaces between the regional and national Operational Programmes, and inform accordingly the Region of Thessaly. This information is crucial for any further elaboration of RIS3.

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

The Region considers that in Thessaly, the agricultural sector continues to form the main economic activity, but there is no novelty or export orientation of this sector.

Tourism is a promising sector, but its attraction characteristics should be identified and communicated; innovation and cooperation are in early stages also. Collaborative initiatives, such as clusters and producer associations, can be created in several industries. However, stronger research potential is to be found in science fields that are directly associated with the primary sector (veterinary, agricultural and food technology). Rising and promising science fields are those of biochemistry, molecular biology, and medical science. On the contrary, Thessaly lags over time in engineering sciences and computer science. The Region considers that these trends indicate a specialisation pattern towards the primary sector and medical services and Thessaly should invest in those sectors.

These choices correspond partially to existing specialisation patters and concentration of critical mass and should be further elaborated (Table right side)

	Industry	Rank in Europe	Specialisation	Employment
1	**Manufacture** of structural metal products	1	2.91	5 687
2	**Manufacture** of cement, lime, plaster	4	13.04	1 674
3	Maintenance and repair of office, accounting and computing machinery	4	3.48	761
4	**Preparation and spinning** of textile fibres	5	7.86	1 687
5	Provision of services to the community as a whole	6	3.51	13 145
6	Adult and other education	7	2.80	5 593
7	**Growing of crops**; market gardening; horticulture	8	11.33	52 425
8	Veterinary activities	10	2.37	655
9	**Farming of animals**	11	4.88	7 132
10	Repair of personal and household goods	15	2.44	926
11	Architectural and engineering activities and related technical consultancy	17	1.71	6 198
12	Processing and preserving of **fruit and vegetables**	17	4.28	1 825
13	Manufacture of dairy products	20	3.02	1 895
14	Secondary education	20	2.33	10 510
15	Maintenance and repair of motor vehicles	26	1.61	4 403
16	Quarrying of stone	26	3.10	549
17	Manufacture of beverages	28	2.11	1 684
18	Site preparation	32	2.08	1 786
19	Manufacture of other textiles	38	2.03	779
20	Forestry, logging and related service activities	48	2.09	1 019

The Commission should recommend focusing the regional research and innovation strategy on open innovation for entepreunerial activities and diversification of **sectors having already critical mass**, companies producing goods and services, and marketers of innovative products and services, while leaving at national scale the issues of research orientation and funding.

iii) RIS3 and the GSRT role and synergies

The Region considers that both the elected regional administration and the prior regional administration have not institutional competences in issues of research and innovation. Also, the newly constituted 'Regional Innovation Council "is an advisory body to the Region and should be established as regional institution with decisive authority on research and innovation. Thus, RIS3 should take appropriate legislative backing. It is true that the latest law reform 3852/2010 (Kallikratis) recognizes the competence of Regions to shape policies for economic development, industry, energy, tourism, and productive restructuring, but doesn't mention research and innovation policy. There are at least two options regarding regional policy competence and RIS3: either a Law ammendement, as suggested by the Region of Thessaly, or placing research and innovation policy under industry sectors of smart specialisation (primary sector, selected manufacturing, tourism) for which the Region has clear competence for policy making. **At this stage, the Commission should recommend the second option and consider an eventual legislative change in due time.** The Commission should also ask for a national S3 coordination framework for further coordination of regional and national priorities and time schedule.

iv) Conclusions of the seminar

The Technical meeting showed that the Region of Thessaly is among the few Greek regions that made progress in the elaboration of the smart specialisation strategy. This is documented by the setting of the Regional Innovation Council, working groups, and the definition of initial specialisation priorities. The delivery of the first draft of RIS3 by the end of September is an acceptable objective.

v) Milestones and deliverables by the Region of Thessaly

In short term, following two deliverables (D) and milestones (M) would accelerate RIS3:
(**D1**) Analysis of the regional innovation system, innovation gaps, SWOT, and balance scorecard based objectives to be prepared by the consultant by 20 September 2013 **(M1).**
(**D2**) A first discussion of RIS3 in the Elected Regional Council of Thessaly, objectives, delivery mechanisms, innovation support, and draft strategic orientations for Thessaly, by 30 September **(M2).**