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

# Review of the on-going RIS3 processes in the Region of Crete

**Author:** Alasdair Reid, expert appointed by DG REGIO to monitor the Greek smart specialisation process

**Date:** 30 August 2013

This short note summarises the principal observations and conclusions to be drawn from the Technical meeting, held in Athens on 17 July, 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 Crete.

## *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 22 and 23 April, the Region of Crete has continued to make progress in developing a RIS3. As was noted in the main conclusions from the 23 April event (DG REGIO letter) the region is amongst those with the best developed governance structures and has already developed a substantive analysis.

However, the regional representative noted that the image of the island has changed recently from a 'leader' to one that is struggling. The region has been hit hard by crisis as unemployment has increased significantly, the construction sector has collapsed and average spending of tourists has dropped. Two main sectors are leaders: tourism and research

She noted that Crete is not a newcomer to innovation strategies with past initiatives such as RITTS, CRINO, etc. providing a good basis for developing a RIS3. However, there has been a lack of continuity and follow-up that means there has been no real strengthening of the regional innovation capabilities. The need to sustain competitiveness over time is a lesson from past, the low technological specialisation of enterprises is a weakness. Crete's specialisation is in agriculture and tourism and a small number of emerging sectors. The region has decided to use criteria such as skills, linking with other sectors, growth and strong position in EU economy in order to select priorities. These will not be limited to traditional sectors: food, environment, tourism and education. In food, for instance, oils and vegetables production are competitive and investment levels are good.

She argued that RIS3 is not just about technological innovation but also about branding, design, etc. For instance, in tourism there is a need to improve services such as architecture, eco-construction, etc. In the field of education there are elements which present new opportunities and digital convergence remains a priority.

The RIS3 is being developed in Crete through working group formed by people not by organisations ! Given the level progress to date the regional representative raised issues more related to the latter stages of the RIS3 process and on implementation, these included:

- Monitoring: how do we achieve over-arching frame of monitoring if projects funded by different sources, etc.
- Clusters: there is alack of culture for networking, etc. and other regions have moved forwarded faster. Businesses are looking for tangible results in short-run, while she did not believe that clusters will deliver quick result. Hence a key question is how to make clusters attractive from first moment.
- Governance: this is a huge issue, it is one thing to design, another to put into practice. The region has various bodies such as S&T parks, University TT offices, etc. but they are not working across the region - how do we activate them at regional level.

**The Commission should recommend**:

(1) The Crete Region is one of the leading Greek regions, despite recent difficulties, with a strong record in the past of developing strategies. It has a regionally based research and innovation infrastructure which should allow for the delivery of measures regionally. However, the operational governance and delivery of support will remain a challenge. The Commission should consider supporting Crete to act as a pilot for other Greek regions in developing a regional innovation agency/unit (funded via a global grant) that would manage and oversee the implementation of the RIS3. The Commission and/or the region could fund a specific study to establish the most cost-effective management structures and consider the merger or rationalisation of existing intermediaries.

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

The initial selection of sectors for specialisation include both traditional sectors (agro-food, etc.) as well as efforts to mobilise the significant education-research base in the region which, as previous reports have underlined, remains too disconnected from the regional economy.

The region needs to focus on both manufacturing (agro-food) and service innovation and also reinforce the potential of the blue-economy (aquaculture, etc.). The Commission's guidance on how to foster the 'transformative power' of service innovation through a RIS3 should be taken into account and the region could consider seeking support from the European Service Innovation Centre initiative of DG Enterprise.

The insular nature of the region and the need to shift to higher-value added and sustainable tourism also places an importance on resource efficiency and eco-system management. All these issues, underlines that a purely sectoral approach is not ideal as there are many inter-related factors that require a cross-sectoral approach. A limited number of innovation platforms that adopt a cross-/inter-sectoral approach may be more effective.

## *iii) RIS3 and the GSRT role and synergies*

**The Commission should recommend that Crete and the GSRT intensify the efforts for collaboration** and synergy between the regional strategy for smart specialization and GSRT, by defining sectors and industries to be prioritized at the regional level and deploying policies supporting those sectors with R&D, technologies, and human capabilities. The GSRT is already working towards this direction and has further elaborated the Greek National Roadmap for Research Infrastructures. Among the objectives of the roadmap are to promote innovation at national and regional levels, and provide access to researchers, industry and the broad public domain in the country and internationally (p. 5). Research infrastructures working under open door policy can offer a bridge between regional smart specialization and national R&D.

## *iv) Conclusions of the seminar*

The region of Crete has made good progress in the analysis phase but there remain significant challenges in developing and above all implementing a RIS3 that addresses in a coherent way.

## *v) Milestones and deliverables*

The region could consider launching a call for proposals for feasibility funding to allow groups of stakeholders and intermediaries to develop pilot innovation platforms. This could be done between now and summer 2014 using remaining ERDF resources from the current period.

A study and working group on setting up an implementation structure for the RIS3 should be launched and completed by summer 2014