

OECD Trento Centre for Local Development - OECD Local Development Forum -
Friuli Venezia Giulia Autonomous Region (Italy)

The Internationalisation of Smart Specialisation Strategies

Reflecting on the opportunities for regional
innovation systems in 2021-27

28 June 2021 | DIGITAL EVENT

AGENDA & HIGHLIGHTS



■ The OECD Trento Centre for Local Development

The OECD Trento Centre for Local Development is an integral part of the OECD Centre for Entrepreneurship, SMEs, Regions and Cities. The Trento Centre uses a holistic “from data to practice” approach to policies for sustainable development to offer local policy analysis, advice and capacity building activities for improved policy implementation for people, firms and places. www.trento.oecd.org

■ The OECD Local Development Forum

The OECD Local Development Forum is a network of thousands of individuals worldwide, united by their shared commitment to making their communities more resilient, inclusive and sustainable. It counts members from over 70 countries, representing city, regional and national governments, employment and training agencies, chambers of commerce, social innovators, start-ups, businesses and NGOs. The Forum is part of the OECD’s Local Employment and Economic Development Programme, housed in the Centre for Entrepreneurship, SMEs, Regions and Cities. www.oecd.org/local-forum/

■ Context

The Smart Specialisation Strategies (S3) that European countries and regions are currently elaborating for 2021-2027 will need to respond to the new challenges presented by the COVID-19 pandemic. Research and innovation will be critical to increasing the competitiveness of regional economic systems, developing new competences and promoting sustainable production models. In particular, the new EU Cohesion Policy recognises the crucial role of international and interregional co-operation in innovation. Accordingly, the new approach to S3 pushes for a strong orientation towards internationalisation as an enabling condition for the next strategies, which are currently being reformulated in the framework of the 2021-2027 strategic programming cycle.

The OECD Trento Centre for Local Development and the Autonomous Region of Friuli Venezia Giulia in Italy have developed a project on local development and internationalisation of the innovation system in Friuli Venezia Giulia. The project devotes specific attention to the regional S3 and its future evolution, in view of the 2021-2027 EU programming cycle.

■ What was discussed

This international webinar focused on the opportunities and challenges posed by S3 internationalisation. Building on the Friuli Venezia Giulia case study, the webinar offered an opportunity to compare national, regional and international methodologies, practices and experiences.

■ Venue of the meeting

Virtual meeting over ZOOM.

■ Language

The meeting was held in English

English/Italian simultaneous interpretation provided.

■ Contacts

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The Internationalisation of Smart Specialisation Strategies

Monday
28 June 2021

Venue: *Virtual meeting over ZOOM* | 15.30-17.00 CEST | 9.30-11.00 EDT

Chair: *Alessandra Proto*, Head, OECD Trento Centre for Local Development

15.25-15.30 ○ ZOOM meeting open for connection

15.30-15.40 ○ Welcome and opening

Massimiliano Fedriga, President, Friuli Venezia Giulia Region, Italy

Karen Maguire, Head, Local Employment, Skills and Social Inclusion, OECD

15.40-16.10 ○ Setting the scene

S3 and Interregional Innovation investments (I3), European insights for the 2021-27 Cohesion Policy framework

Peter Berkowitz, Head of Unit, DG REGIO G1, European Commission

Smart Specialisation Strategy and Internationalisation: challenges and opportunities for EU regions

Simona Iammarino, Professor of Economic Geography, LSE, United Kingdom

The evolution of the S3 approach in Italy for 2021-27

Tito Bianchi, Department for Cohesion Policies, Presidency of the Council of Ministers, Italy

16.10-16.50 ○ Case study and panel discussion

Main findings from OECD project on S3 Internationalisation: the case of the Friuli Venezia Giulia Region

Paolo Rosso, Policy Analyst, OECD Trento Centre for Local Development

Moderator: *Jonathan Potter*, Head, Entrepreneurship Policy and Analysis Unit, OECD

- *Nathalie Boulanger*, Head of Department, European Policies & Innovation, DEV'UP Centre-Val de Loire, France
- *Tatiana Fernández Sirera*, Head, Economic Promotion Area, General Directorate of Economic Promotion, Competition and Regulation, Generalitat de Catalunya, Spain
- *Christoph Matthias Reiss-Schmidt*, Manager Development & International Affairs, Cluster and Network Management, Business Upper Austria

16.50-17.00 ○ Closing remarks


Alessandra Proto, Head, OECD Trento Centre for Local Development

■ Key takeaways


- **The internationalisation of the S3 strategies can act as a tool for the recovery** in the post-COVID-19 period for building more resilient regional economies.
- **Internationalisation of the smart specialisation strategies is a rapidly evolving field.** There is a need to insert regions into international linkages and have a much stronger focus on specialisation looking beyond regional borders – and the available European tools to make it happen.
- **There is a need to overcome traditional internationalisation promotion based solely on export**, by supporting both inflows and active internationalisation of firms, especially SMEs.
- **Capacity-building at the local level and multi-level governance can make the difference in the success of the S3 strategies**, especially when it comes to integrating different perspectives and responsibilities among different actors, and the importance of coordination between, within and across regions.

■ Welcome and opening

Sandra Sodini, Head of the Unit for International Relations and European Union Programming of the Friuli Venezia Giulia Region, opened the event by welcoming all the participants and emphasising the importance of the discussion for the internationalisation of smart specialisation strategies, especially regarding the opportunities for the regional innovation system in the period 2021-2027.



Massimiliano Frediga, President of Friuli Venezia Giulia (FVG) Region, Italy, focused on the region lead path on export and innovation – FVG is at the top of the Italian Regions in terms of export share on GDP (39.7% ISTAT 2020 data) and is among the leading Italian regions in the Regional Innovation Scoreboard of the EU –, and the importance of internationalisation as a post-COVID recovery tool. Mr Fedriga characterised this event as a crowning achievement of the longstanding collaboration between the FVG Region and the OECD, emphasising it as an opportunity to compare the region with other European experiences to better understand innovation policies and better internationalise the regional economy.



Karen Maguire, Head of Local Employment, Skills and Social Innovation Division/LEED Programme, OECD, welcomed all the participants and started by framing the event within the partnership between the FVG Region and the OECD, through the OECD Trento Centre and the OECD Local Development Forum.

She flagged that the OECD has long been on the vanguard of some of the thinking on regional innovation systems, prior to the thinking about working with clusters, SMEs and other aspects that are now important for internationalisation from a subnational perspective. In this regard, she encouraged the audience to read the upcoming publication associated with this event's case, as well as the recent report that was done in collaboration with the European Commission on [broad-based innovation policy for all regions and cities](#).

■ Setting the scene: Smart Specialisation Strategy and Internationalisation



Peter Berkowitz, Head of Unit in DG Regio G1, European Commission, gave an overview of the current state of thinking about internationalisation and smart specialisation strategies, a field which is evolving very rapidly. He presented the approach to smart specialisation within the new cohesion policy framework, highlighting some new elements, such as the requirement for each smart specialisation strategy to identify measures to enhance cooperation with partners outside a given Member State.

Regarding the question of how to insert regions into international linkages, one approach presented was "interregional linkages and complementary specialisation capabilities", linked to the notion of diversification pathways in combination with other regions. The underlying idea is that there are potential fields of innovation systems in other regions that can complement what is going on in a specific region, thus reinforcing complementarities within the European single market, particularly in areas that are of critical importance to European industries. Therefore, there is the new "Interregional Innovation Instrument" being created in order to incentivise regions to work together in areas of similar value chains and build a quadruple helix beyond regional boundaries.

Mr Berkowitz ended by stressing the importance of a much stronger focus on specialisation looking beyond the region. He drew attention to the new tools available to support this process and the need to improve the analytical basis for this new field.



Simona Iammarino, Professor of Economic Geography, LSE, United Kingdom, gave a perspective from her work on smart specialisation strategies and internationalisation, summarising a longstanding body of research with a zoom in on the FVG Region.

She started by addressing interdependence in the international/regional division of labour, focusing on regional connectivity, which is the regional exposure to inflows and outflows of assets, knowledge, capabilities, and expertise from/towards the rest of the world. She pointed out that there is a lack of information base for policy action regarding the strong patterns of interdependence within the EU. Consequently, there has not been a fully fledged integration of connectivity into regional development policies and smart specialisation strategies. In particular, looking at the FVG case, she drew attention to the need to overcome traditional internationalisation promotion based solely on export, supporting both inflows and active internationalisation of firms, especially SMEs.



Tito Bianchi, Department for Cohesion Policies, Presidency of the Council of Ministers, Italy, gave an overview of the national evolution of the S3 approach for the coming 2021-2027 period. He identified five principles of evolution of the Italian S3 strategies:

1. Continuity as an element for evolution – internal discovery as a more continuous process, enabling each region and each innovation ecosystem to find its technological trajectories and strategies for innovation and internationalisation.
2. Monitoring and evaluation – an ongoing information system, nested in the policy process as an element for its continuous improvement.
3. Governance system – putting the governance at the top of the government system of cohesion, by introducing a new subcommittee in charge of S3 implementation, with the involvement of all social and economic private stakeholders that are part of the general policy process at the national level.
4. Addressing regional disparities – national policy should pay particular attention to the lagging regions to help them leverage regional partnerships.

■ Friuli Venezia Giulia case study and panel discussion



Paolo Rosso, Policy Analyst, OECD Trento Centre for Local Development, presented the main findings from the OECD project on S3 Internationalisation: the case of the Friuli Venezia Giulia Region.

One conclusion is that the region is well-positioned in the national ranking on science, research and technology innovation. The challenge now is how to make better use of the specialisation strategy as a catalyst for building and strengthening the regional innovation system. In general terms, the synergies and the capacity to work together among different actors could still be strengthened. Another conclusion is that the previous specialisation strategy evolved over the five years of implementation; it changed the region, the governance system and different aspects of the entrepreneurial discovery process over this period.

He finished by drawing some recommendations to be considered for the next programming period 2021-2027:

1. Broaden internationalisation channels in traditional regional businesses (other than export)
2. Build SMEs innovation capacities as a prerequisite to support internationalisation
3. Define a common mid-term vision for the internationalisation of the regional innovation system
4. Embrace a bottom-up approach in the governance system
5. Build better capacity for regional innovation and international projections
6. Improve analytical skills within the regional policy-maker structure
7. Enhance regional insertion in international networks and platforms.
8. Strengthen the policy guidance of the region for S3 internationalisation.



Jonathan Potter, Head of the Entrepreneurship Policy and Analysis Unit, OECD, led the panel discussion, zooming in on regional perspectives, with participants from Centre-Val de Loire (France), Catalonia (Spain) and Upper Austria (Austria). He asked the panellists to address two main points: what have you learnt from the smart specialisation strategy in the last period 2014-2020? And how do you think your region can integrate internationalisation into the next smart specialisation strategy 2021-2027?



Nathalie Boulanger, Head of Department of European Policies & Innovation, DEV'UP Centre-Val de Loire, France, presented 3 success factors that have contributed to the success of their S3 strategy: the alignment of innovation strategies and the involvement of regional political leaders at the highest level; the coordination and the professionalisation of the economic development ecosystem; and the policy mix designed by policy-makers and stakeholders. She then emphasised that the first step in designing their strategy was capacity building and, above all, the coordination of the strategy priorities by a government agency.

Regarding internationalisation of the S3 strategy in the next 2021-2027 period, she outlined the EU S3 thematic platforms that the region will engage in with their regional counterparts in the areas of water challenges, boosting resilient infrastructure, digitalisation and circular economy. Moreover, they have started working on the policy alignment with their partner regions.



Tatiana Fernández Sirera, Head of Economic Promotion Area, General Directorate of Economic Promotion, Competition and Regulation, Catalonia, Spain, mentioned that the 2014-2020 period was marked by efforts to consult and engage quadruple helix stakeholders in order to assess regional capacities, priorities and find ways to improve the competitiveness of firms with effective plans. She also highlighted that internationalisation policies did not change much as a result of S3, as they already had policies in place for the promotion of the participation of regional firms and universities in European networks.

Concerning the internationalisation of the S3 strategy in the next 2021-2027 period, the region's intention is to have a more active role in fostering the participation of Catalan actors in European initiatives and networks, and encourage a smarter and more effective use of available funds for projects related to the green and digital transition and societal challenges, maximising the value of the available funds through a common approach with other regions.



Christoph Matthias Reiss-Schmidt, Manager Development & International Affairs, Cluster and Network Management, Business Upper Austria, shared that the region has had a smart specialisation strategy in place since 1998. The first strategy focused on setting up clusters, and the second one on the professionalisation of clusters. He recognised that, between 2014 and 2016, cluster activities were not synchronised with the S3 strategy – a situation that was corrected in 2017.

Therefore, for the new programme period, the region has involved the clusters from the beginning, moving from a formally straightforward static process to a more interactive one. They have jointly developed scenarios that analyses their strengths and weaknesses, building the so-called worst-case scenarios (e.g. in case of the collapse of their automotive industry), which have enabled them to look at different areas connected with efficient mobility, digital health, circular economy, etc.

He also stressed the importance of interdisciplinary cooperation, not only in regional and national projects, but also in cross-border projects. He noted that combining similarities of different cross border regions with similar smart specialisation strategies and focus can tackle the often lack of critical mass regarding S3 strategies. He finished by highlighting the fact Upper Austria is running an open space project to develop regional funding schemes.

■ Closing remarks



Alessandra Proto, Head of the OECD Trento Centre for Local Development, who chaired the event, thanked all the participants for the rich discussion and inputs from different levels (the European Commission, the Italian central government, and the regions) and drew up some overall conclusions.

She highlighted that all the different points of view converged in at least one way: the importance of multi-level engagement – the need to integrate diverse perspectives and responsibilities among different actors, and the importance of coordination between, within and across regions. She stressed the need to build skills and capacity at the local level, not only in terms of implementing the projects, but also to manage and coordinate them among different levels of government. She concluded by highlighting that political leaders can lead this process and bring together all those elements as mentioned above.

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VENUE

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INFORMATION

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