

RIS3 PEER REVIEW REPORT NORTHEAST ROMANIA



10-11 April 2014

Peer Review Workshop, Novi Sad (Serbia)

Northeast Romania presented the current work on Research and Innovation Strategy for Smart Specialisation in the Peer Review Workshop organised by the S3 Platform and the Information Centre for Business Standardisation and Certification. The presentation was followed by peer discussions, which have provided the basis for this report.

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PART 1 | S3 PEER REVIEW APPROACH

[ABOUT THIS REPORT]

Peer Review Methodology. An important tool currently offered by the S3 Platform (European Commission) to the EU regions and Member States is its RIS3 peer review workshops. The peer review approach developed by the S3 Platform team concentrates review activities both in time and space by allowing a number of regions to be reviewed by peers from across Europe. These workshops bring together regions for mutual learning and exploration of ways in which RIS3 strategies can be developed. The S3 peer review methodology allows creating an open and trusted learning environment where practical and conceptual aspects of RIS3 can be discussed and explored through challenges and experiences of individual regions.

Participatory approach. An S3 Platform team member facilitates each peer review session in line with the participatory leadership approach. Such a participative approach encourages all participants to share or participate in the decision-making. It allows engaging participants in a dynamic and creative discussion, which benefits both the regions under review and their peers.

Objectives and expected outcomes. Regions volunteer to be reviewed in an attempt to source both critical and well-timed advice addressing specific issue areas they are currently facing in the development of their RIS3 strategies. Regions also view the peer review workshop as a good opportunity to build their networks of counterparts across Europe. The RIS3 peer review workshops aim to fulfil two main objectives. The first objective is to allow regions meet their peers (as well as the European Commission staff and experts) and to discuss common issues related to Smart Specialisation. The second objective is to allow regions to peer-review each other's work on RIS3. Peer review sessions aim to achieve the following three outcomes: (1) *to provide* methodological and practical feedback to each region under review; to *closer examine* specific issues so as to understand what these really mean; and *to discuss* practical ways to address common problems (lessons to take home).

About S3 workshops. An average S3 peer review workshop runs over two full days, and includes peer review of four regions. Individual peer review sessions focus on one region and lasts around two hours. Peer review workshops are generally organised around four individual peer review sessions focusing on four regions. A presentation of each region's current work on RIS3 is generally followed by a Q&A session, and a number of simultaneous discussions of specific issue areas highlighted during presentations. Specific issues are then discussed at individual tables in three iterations, which ensure that participants can: (1) *work together* to understand the actual problem behind each issue; (2) *propose solutions* to these problems by discussing what worked well (good practices) and what did not work; and (3) *learn together* how to deal with new policy issues in new contexts.

Structure. The S3 peer review process generally includes three phases: preparation, workshop discussions, and the post-workshop follow-up. Prior to their workshop, each region under review is asked to prepare two documents describing region's socio-economic and political background, as well as its research and

innovation system. These documents outline pre-selected priorities and specific questions to guide and focus further discussions. Each reviewed region carries out a comprehensive self-assessment of its current work on RIS3. This assessment covers nine principal areas: stakeholder engagement, analytical work behind RIS3, a shared vision, priorities, an action plan, a policy mix, the outward-looking dimension, synergies between policies and funding sources, and a convergence and monitoring system. This assessment exercise allows regional authorities to examine their region's smart specialisation strategy from a perspective of an external expert.

Structured Feedback. Peer-review sessions are followed by a final session during which all participants (experts, representatives of the regions under review and peers) summarise the results of four peer-review sessions, and discuss individual and mutually learnt lessons. The regions under review are at this point provided with the opportunity to respond to any feedback collected throughout the workshop. They then share with peers their new lessons, as well as any short- to mid-term plans to implement these lessons. During the workshop, the S3 Platform team members collect any relevant information and data covering different elements of each region's peer review exercise. To ensure regions under review receive adequate feedback from their peers, the S3 Platform employs a newly developed approach to the analysis of outcomes associated with individual peer review session. This data triangulation is based on dedicated evaluation forms, which are completed by three groups of participants: regions under review, their critical buddies, and experts. Based on the feedback from three groups of participants (see Table 1), the S3 Platform team further develops summary/feedback reports.

Table 1: Feedback structure

Elements	Description
Regions under review	Following its peer review session (presentation and discussions), each region under review completes a short evaluation form to take the results of discussions in their session to a level up. Representatives of these regions are also asked to list three specific actions that could be undertaken in their region to further improve their RIS3. Regions are then additionally asked to indicate which specific steps they are likely to follow in order to implement any learnt lessons and related conclusions.
Experts	A number of experts attend each session and provide comments to regions under review using a dedicated evaluation form which they fill in based on the information provided before/during the workshop. Experts are also encouraged to offer suggestions to regions under peer review and to share any relevant good practices.

PART 2 | CURRENT WORK ON RIS 3

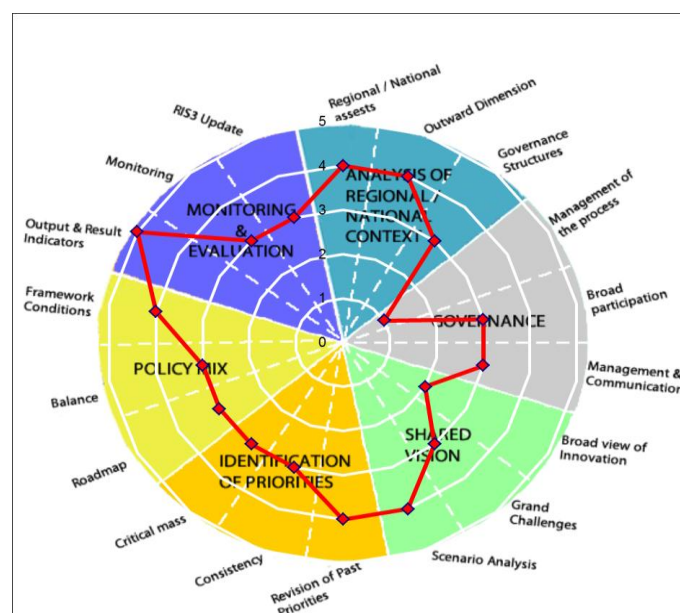
[PRESENTATION OF NORTHEAST ROMANIA]

REGION'S BACKGROUND AND INFORMATION ON THE WORK ON RIS3

Northeast Romania is the largest Romanian region and borders Ukraine and Moldova. The regional development agency was established 15 years ago and is now in charge of the RIS3 process. Together with Western Romania it is the only region undertaking this voluntary RIS3 exercise, since the national innovation strategy is the basis for the fulfilment of the ex-ante conditionality.

Work on the regional RIS3 began in 2012 and since then 4 priorities have been identified. For this, an informal regional consortium of stakeholders was formed, that encompassed 6 working groups and 5 clusters. Most of the participating firms were active in the service sector. Several criteria were used to identify priorities: sectors with high economic and RDI performance, critical mass and stakeholders' commitment to a common vision for specialisation. This is how in the end 4 priorities were selected, that do not cover all the potential priorities stemming from 6 thematic working groups and the 5 clusters. An elimination of priorities was carried out based on the critical mass and commitment of stakeholders and especially firms.

NORTHEAST ROMANIA'S SELF-ASSESSMENT



PART 3 | QUESTIONS UNDER REVIEW

Questions/issues for peer discussion

QUESTION 1 How to enforce the regional governance system of RIS3 implementation?

QUESTION 2 How to do an efficient monitoring activity if there is no direct funding source allocated to RIS3 implementation?

QUESTION 3 How to stimulate private investments to support RIS3 implementation?

QUESTION 4 How to foster collaboration between industry and research institutes?

For the peer discussions, participants self-organised into 4 separate tables all of which had representatives from different European regions. A summary of discussions around these questions is presented below.



EVOLUTION OF QUESTION 1: GOVERNANCE & STAKEHOLDERS

QUESTION

How to enforce the regional governance system of RIS3 implementation?

**UNDERLYING PROBLEMS OR ISSUES**

There is direct link between regional development agency (RDA) and national government. RDA communicates with national ministries concerned with regional development, cross border and interregional development as well as RDI policies. But there is no formal role for the regions in the national RDI strategy process.

Broad range of actors had to be involved. RIS3 was elaborated after consultations organized during 13 workshops (6 sectoral workshops, 5 cluster workshops, 2 workshops with business support representatives), involving local and county authorities, academics, regional R&D and technological transfer representatives, major companies, chambers of commerce and other business support associations. These are the regional partnership structures supporting regional innovation through 'quadruple helix' collaboration.

Lack of coherence between different RDI strategy documents at regional and national level without possibilities for structured reporting/interaction for RDAs (no agreed indicators of success), unclear division of responsibilities, and without a coordinated approach to make the strategies more visible and attractive for people and businesses. There is no national recognition of the RIS3 process conducted by the regions. The national RDI strategy has its own implementation and monitoring mechanism which is not aligned with regional level. Therefore, it is difficult to collect regional data on innovation performance.

No stable and predictable provision of financial resources. All the initiatives related to the regional RIS3 will have to be financed by EU and national financing programmes.

No effective/unified approach to make projects visible, understandable & illustrative.

**RECOMMENDATIONS**

Identify, approach & engage national government officials and stakeholders to support the RIS3 process.

Group competent regional actors, elect spokesperson & engage them in supporting/promoting S3 initiatives.

Evaluate both regional and national documents and align them.

Apply more strategically for EU funds. Disincentivise badly performing firms from applying to competitive H2020 funds and offer alternatives.

Make sure to allocate even small but continuous amounts to RIS3 implementation from the RDA's own budget (or EU projects) to make stakeholders more familiar with RIS3 content.

Regularly collect and prepare RIS3 funding catalogues to allow regional

stakeholders to plan for medium and long term investments and development projects.

Propose result indicators, collect periodically data related to them and submit structured RIS3 reports to the national government to create trust. For this, a regional joint platform could be created.

Use different instruments like peer reviews, workshops, trainings & information days to promote RIS3 and increase regional awareness of this process.



LESSONS LEARNT

Similar problems exist in many regions.

International teamwork matters. This helps to exchange experience.

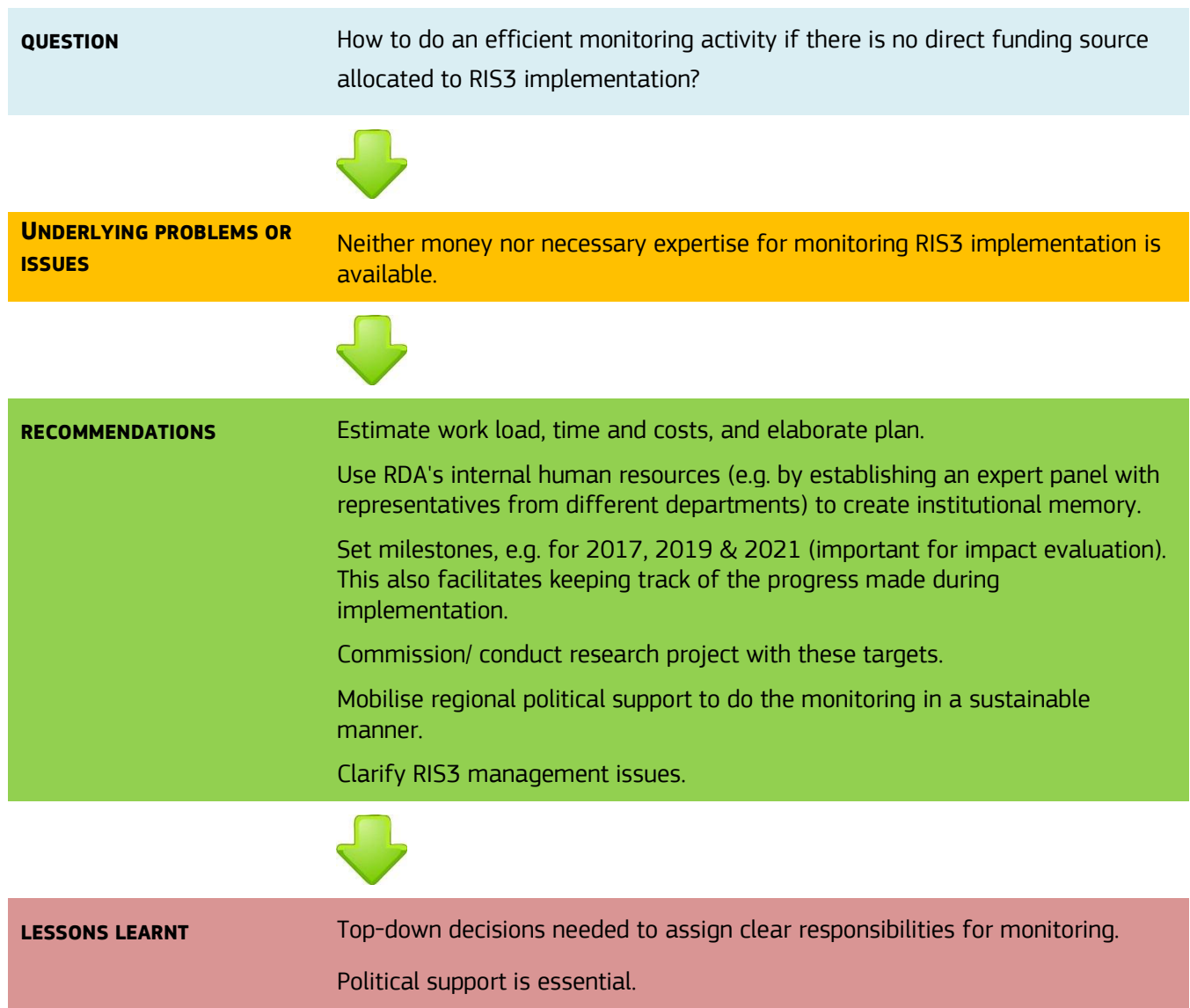
Lobbying the national government is necessary.

Get the commitment from the national government from the very beginning and commit to regular reporting. Only this way both sides stay committed in the longer run.

It is important to put the right incentives in place to promote the measuring of outputs and results. This would facilitate reporting the impact of measures to show added value of RIS3.

Tangible measures of success encourage continuous involvement & attract/motivate political and financial support

EVOLUTION OF QUESTION 2: MONITORING STRATEGY IMPLEMENTATION



EVOLUTION OF QUESTION 3: STIMULATE PRIVATE INVESTMENTS

ORIGINAL QUESTION 3

How to stimulate private investments to support RIS3 implementation?

**UNDERLYING PROBLEMS OR ISSUES**

Which investments do you mean? Financing projects under RIS3 priorities is difficult in national and EU competitions.

Finance what for which purpose and how (direct vs. indirect funding)? Co-financing investment projects (particularly those related to innovation) became difficult in the context of the economic and financial crisis.

RDA has the leading role in identifying financing sources for RIS3. In Romania, there has been a continuous evolution of national conditions (taxes, legal framework, human resources) which affected the innovation growth potential.

For the beneficiaries, it is difficult to decide which instruments to use, e.g. grant schemes or innovation vouchers?

It takes time for firms to recognise the value of having a regional RIS3 and being an active stakeholder.

Reduce administrative burden for accessing public finance.

Increase awareness of financial opportunities.

Low visibility of RDI success stories. For H2020, strong well-connected institutes with flagship projects should take the lead. But outcome of this is likely to be mainly scientific, not necessarily innovation-based.

**RECOMMENDATIONS**

There is not one single solution RIS3 financing.

Different markets and different sectors (ICT, agriculture ...) have different needs.

Different business models/firms and investment (grant and loan) schemes might be appropriate. This is why you should evaluate how effective past innovation programmes were and ask firms what their needs are.

In-kind secondary investments (education?) could be possible measures.

Facilitate and provide seed investment funds to new emerging areas (which are of course difficult to accurately identify)

Make sure that public investment is going into the same direction as RIS3 objectives (stability and certainty needed for creating long-term value).

Use ERDF to connect to H2020 (up-stream actions).

**LESSONS LEARNT**

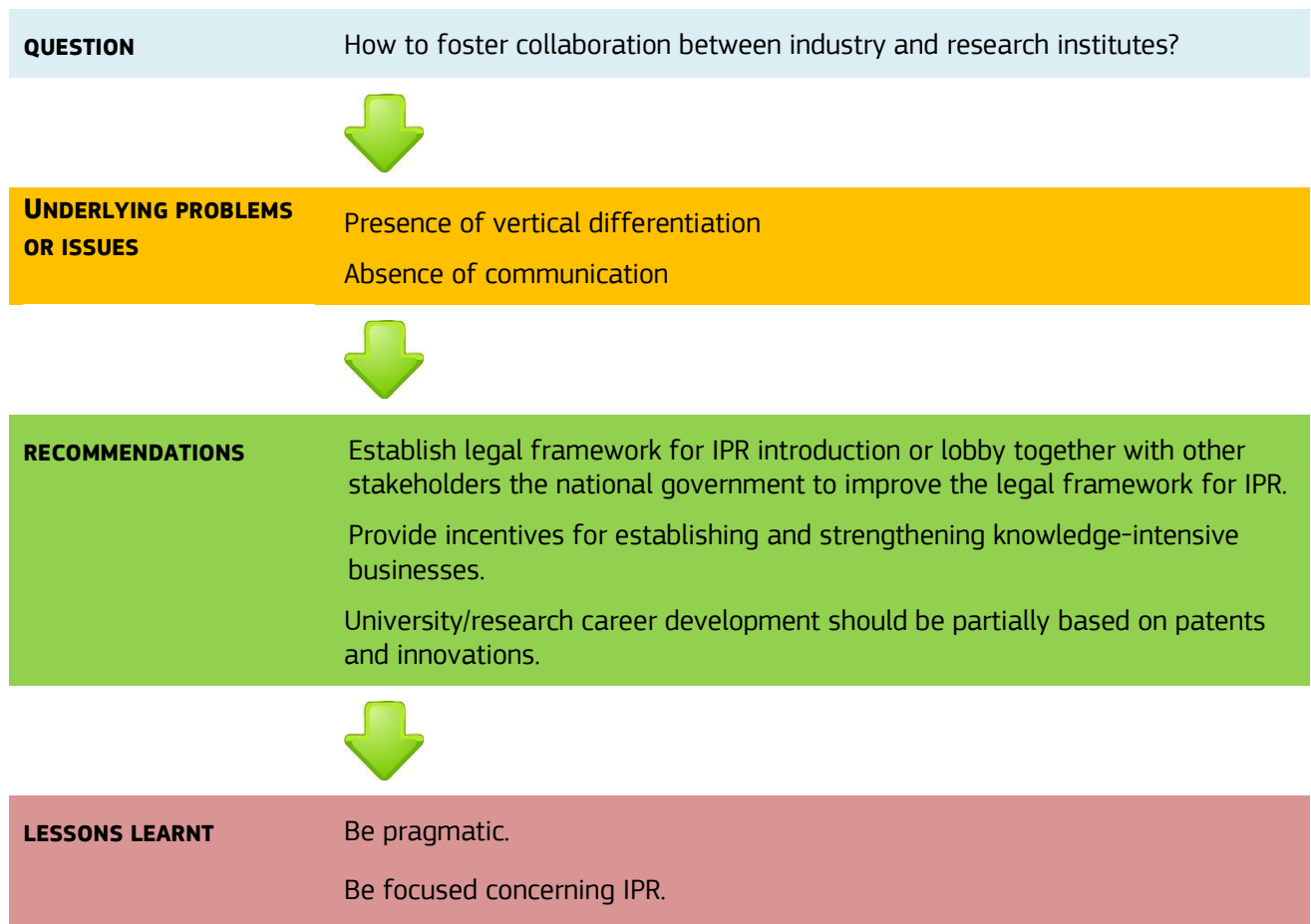
When considering financing RIS3 projects, attention should be given to critical factors.

Use national funding opportunities.

Don't look only at grant schemes, but be more open to alternative (financial) instruments.

Make use of variable geometry: strategic engagement with cross-border/transnational cooperation in your priority areas.

EVOLUTION OF QUESTION 4: BRIDGING THE VALLEY OF DEATH



PART 4 | ADDITIONAL COMMENTS AND RECOMMENDATIONS

FEEDBACK FROM SELECTED PEERS, EUROPEAN COMMISSION AND EXPERTS

Northeast Romania is an excellent example of the endurance needed in the strategy process and the difficulties of managing the process across different levels of governance. The major challenge will be to show the national government the added value of the regional RIS3 exercise (via reporting and other measures), while at the same time gaining the credible commitment from national government and related institutions for a successful implementation of RIS3 (incl. sufficient financial means). A joint dialogue platform and a strong monitoring mechanism are, for instance, viable tools to successfully manage this balancing act. The latter can be established with the help of academics and (doctoral) researchers without excessive costs. The way Northeast Romania has set some priorities and eliminated others through clear and transparent criteria is a good practise example showing the importance of tough but evidence-based decisions.

PART 5 | LESSONS AND ACTIONS

Northeast Romania is likely to implement suggestions collected during the peer review workshop. More precisely, Northeast Romania identified 4 main lessons learnt and 11 short and medium term actions:

Lesson learnt 1:	Establish monitoring system for RIS3 must become a priority for RDA North-East
Short and medium term action:	<ol style="list-style-type: none"> 1. Estimate work load and costs for RIS3 monitoring activity; 2. Establish qualitative and quantitative indicators to measure RIS3 performance; 3. Develop RIS3 monitoring tools (online platform or questionnaire); 4. Prepare a detailed proposal for RDA North-East top management to approve the formal allocation of staff to be able to conduct this activity; 5. Prepare and publicise annual monitoring reports for RIS3 North-East.
Responsible body:	RDA North-East, Development and Business Support Department – Business Support Office

Lesson learnt 2:	Improve content of RIS3 North-East and get formal approval
Short and medium term action:	<ol style="list-style-type: none"> 1. Revise the content of RIS3 by the end of 2014 – esp. sections related to implementation and monitoring mechanisms; 2. Get formal approval for RIS3 and formalise the regional consortium.
Responsible body:	RDA North-East, Development and Business Support Department – Business Support Office

Lesson learnt 3:	Identify EU funding opportunities and prepare proposals on behalf of RDA with the following goals: assess what kind of innovation support is lacking in the region, assess who are the leaders and can become successful models and spokesmen for RIS3, publicise RIS3 at regional, national and EU level
Short and medium term action:	<ol style="list-style-type: none"> 1. Prepare the respective project fiche(s); 2. Identify the funding programmes and partners interested in similar topics.
Responsible body:	RDA North-East, Development and Business Support Department – Business Support Office

Lesson learnt 4:	Collect and disseminate info related to funding opportunities for RIS3 related projects
Short and medium term action:	<ol style="list-style-type: none">1. Participate in Romania's consortium at the EEN Macro-region 2 - specialising in innovation support services;2. Establish a system to monitor performance of the innovation support services delivered by RDA North-East in the region.
Responsible body:	RDA North-East, Development and Business Support Department – Business Support Office

ANNEX | FEEDBACK ON THE FORMAT OF THE WORKSHOP

Since this was the first peer review workshop in a non-EU country and the first part of the DANUBE-INCO.net project, it was important to collect feedback on the format of the workshop. Since Western Balkans and Danube countries vary very strongly in terms of their innovation systems and capacities and face very particular challenges, the standard peer review method might have to be modified. In the following, we present the main recommendations voiced by participants after the workshop.

- Place a good practice presentation at the beginning of the workshop as a benchmark (ideally from a region or country with similar structures/challenges).
- Give more comprehensive introduction to RIS3 at the beginning (also mentioning useful tools and indicators like e.g. UNU MERIT indicators, Eye@RIS3, benchmarking tools etc.).
- Organise more in-depth thematic follow-up workshop.
- Create online blog to continue discussion and exchange feedback.
- Establish stricter deadlines for all documents to be sent before the workshop; restrict any further changes to documents after that. This facilitates a proper preparation for the workshop.
- Organise structure to support follow-up of peer review workshop and action plans for RIS3 implementation.
- Organise annual event (forum) for regions to exchange experiences.