

Report

on the International Conference ‘Smart Specialisation: dialogue for regional transformation’, 2nd edition

The International Conference ‘Smart Specialisation: dialogue for regional transformation’ took place on November 30 – December 1, 2020, in Kyiv, Ukraine. The overall aim of the Conference was to bring the most crucial questions on the implementation of the Smart Specialisation strategy to the attention of the public and decision-makers. The first edition of the International Conference was held in November 2019 and proved to be a good instrument for summarizing the work on Smart specialization in all regions of Ukraine and abroad.

The Conference provided a unique platform to bring together a large audience of international stakeholders, including the representatives of the EU institutions, namely, such target European Commission directorates as the JRC and DG REGIO, national S3 coordinators, the executive branch, Ukrainian regions pursuing S3 completion and academic community from all over Europe.

The geographical scope of the participation and expert representation covered 9 countries from the key areas involved in the Smart Specialisation process. The joint expertise of the speakers from the EU member states, Eastern Partnership area and the Western Balkans provided a strong foundation for fruitful discussions and knowledge sharing on the pan-European level.

The conference aimed to monitor the 2020 outcomes of implementation S3 approach in Ukraine and address particularities of S3 implementation in other countries. Key delivers of the conference are as follows:

- presentation of the results and practices of regions implementing S3 approach in Ukraine;
- «know-how» and experience exchange between EU, Western Balkans and non-EU regions;
- clear vision on the instruments to help S3 be implemented in Ukrainian regions;
- installing a dialog of the central executive bodies, responsible for S3 implementation in Ukraine and linking them for efficient communication;
- presentation of UIIP results of regional state of play for 2020 based on regional meetings and presenting plan for 2021;
- revealing success cases of improving innovation eco-systems.

The conference demonstrated a positive trend towards increasing the involvement of national coordinating authorities, responsible for the implementation of Smart Specialisation in Ukraine. Mr. Oleksandr Romanishyn, Deputy Minister for Development of Economy, Trade and Agriculture of Ukraine opened the Conference, highlighting the ever-strong importance for the integration of Ukraine into the European S3 Platform. To shape and navigate the S3 Process the Ministry is currently developing a relevant Draft Decree, while methodological recommendations have already been made available for consultations to the key regional stakeholders.

During four consecutive sessions the invited speakers addressed the following aspects of S3 dynamics:

Session 1: The EU approach towards the S3 implementation in times of pandemic

During the session, the evolution and key trends of the European S3 process were identified. The focus of the Strategy is gradually shifting to societal and environmental dimensions. As Ukraine joined the UN Global Pilot Programme on Science, Technology and Innovation for SDGs Roadmaps based on S3 methodology, this progress has been positively regarded by Dr. Monika Matusiak, JRC. Ms. Denisa Perrin, DG REGIO, outlined the framework for the S3 progress in post-2020, underlining the importance of establishing efficient eco-systems represented by the key stakeholders.

The valuable input by Dr. Viktor Nedovic, Coordinator of S3 process in Serbia, provided a practical outlook on Serbian experience in Smart Specialisation development and set a high rank to guide foreign stakeholders.

After completing the preceding stages of S3 implementation, Ukraine is currently progressing with the Entrepreneurial Discovery Process. A wide range of prioritized economic sectors has been identified across the Ukrainian regions. The positive trend of this progress, highlighted by Mr. Rostyslav Tomenchuk, Ukrainian Institute for International Politics, concerns the integration of the critical majority of the priorities into the 2021-2027 State Strategy of Regional Development of Ukraine.

Mr. Oleksandr Romanishyn, Deputy Minister for Development of Economy, Trade and Agriculture of Ukraine defined the key challenges surrounding the S3 process in Ukraine and identified three key goals set by the Ministry to address them, namely: (a) Integration of Ukraine into the European S3 Platform; (b) Implementation of the Methodology developed by the European Commission; (c) Ensuring the state support for the priorities selected by the regions

Session 2: Institutional support of Smart Specialisation in Ukraine

The session on the institutional dimension of advancing S3 in Ukraine put forward the crucial questions relating to the national coordination framework, multi-level nature of the S3 process in Ukraine as well as the resources needed to fuel the progress.

By fostering the dialogue between the key national executive authorities involved in the implementation of S3 in Ukraine, the discussion has provided a significant impetus to strengthen continuous interinstitutional communication. The designated representatives of three target ministries – the Ministry for Development of Economy, Trade and Agriculture of Ukraine, Ministry of Education and Science of Ukraine and Ministry for Communities and Territories Development of Ukraine – united in the aspiration to promote the national strategic planning of regional development in accordance with the S3 process.

It is remarkable that in order to minimize the financial burden for the development of the regional priorities, national actors seek to amend the law on conditions for funding from the State Fund of Regional Development. According to Mr. Viktor Podorozhnyi, Director-General of the Directorate for Regional Politics of the Ministry for Communities and Territories Development of Ukraine, when submitting draft budgets, regions must ensure that at least 30% of the regional funding are to be allocated for the purpose of implementing the Smart Specialisation goals.

Session 3: The experience of Ukrainian regions in approaching S3 goals

Bringing together representatives of S3 Teams from four pioneering regions of Ukraine – Lviv, Rivne, Khmelnytsky and Donetsk regions - as well as partners from Eastern Partnership region, the session was aimed at disseminating expertise and showcasing successes and challenges distinctive for the regional level of the Strategy.

Mr. Vadym Tabakera, Head of the Strategic Planning Department of the Economic Policy Department of Lviv Regional State Administration, highlighted the potential of the following priorities for the region: bioeconomy, medical tourism, production of added-value products and creative industries. Founding the S3 process on the qualitative mapping of socio-economic and innovative development, the work continues through a range of sector-related projects and is to be resumed in the Entrepreneurial Discovery Process.

Donetsk region, represented in the course of the session by Ms. Daria Snopenko, Deputy Head of the Department for the Economy, Donetsk Regional State Administration, is also moving towards commencing the Entrepreneurial Discovery Process in early 2021 with the focus on creative

industries, IT technologies, green energy and the industrial production based on the innovative materials.

Many Ukrainian regions are facing challenges to continue the pace of S3 development in the times of pandemic. Ms. Olena Rutkovska, Deputy Director of the Regional Development Agency of Khmelnytsky Region, identified that certain limitations have arisen with regard to the trainings for the regional coordinators. However, the region has successfully developed the Roadmap for the light industry, with such priority sectors as food industry, machine-building industry and metal processing to follow in the nearest future.

Mr. Oleksandr Protsiuk, Director of Rivne Regional Development Agency, shared a progressive outlook on the role of territorial communities in shaping the S3 development in the region as well as across Ukraine. As of now, Rivne region identified priorities in wood processing and furniture industry, food production and in-depth processing of agricultural products, high-tech organic agriculture, and IT sector.

Despite there is no exclusive pioneer region in Ukraine which by implementing the Smart Specialization Strategy can serve as a guiding star for all the remaining territories. Yet, the opportunities arise for every region to shape its unique agenda of innovative development based on the S3 principles. Furthermore, learning from the valuable expertise, shared by Mr. David Kalatozishvili, Deputy Head of the European Integration Department, Ministry of Regional Development and Infrastructure of Georgia, and Ms. Diana Russu, RIS3 expert in the Republic of Moldova, local and international actors can better synchronize the processes specific to the Eastern Partnership region.

Session 4: The role of higher education in facilitating Smart Specialization progress

The involvement of higher education and research institutions in S3 development is widely endorsed across European countries. Accumulating the best practices and successful cases, Session 4 provided a spectrum of solutions to approach science participation on regional and national levels.

According to Dr. Manuel Laranja, universities should be considered as contributing partners, though not drivers of Smart Specialization. It is crucial to ensure their participation during three integral stages: at the beginning of the process by defining how science could impact EDP, during the entrepreneurial discovery by assisting with experimentation and generating projects, and in the course the S3 implementation by supplying highly-skilled human resources. Valuable recommendations were provided by the speakers from the University of Vilnius, Austrian Centre for Social Innovation and the University of Belgrade as regards university management and funding opportunities arising in relation to S3. European experts stressed the importance of adequate up-to-date legislation in providing strong incentives for higher education and research institutions to partake in the process.

Ukrainian scientific community reiterated the importance of private-public partnership in building the capacity for innovation. Ms. Yuliia Bezvershenko, Director-General of the Directorate on Science and Innovation of the Ministry of Education and Science of Ukraine, stressed the importance of increasing personal acquaintanceship and connectivity among national and local stakeholders.

Dr. Maryna Gorokhovatska, representative of the Presidia of the National Academy of Sciences of Ukraine and the National Contact Point for Horizon 2020, underscored that the NAS framework, comprising 16 scientific research facilities, has a potential to provide huge expertise for the S3 processes in Ukraine.

As Ukraine has finished the institutional capacity building stage, mapping exercise and progressed to the Entrepreneurial Discovery Process in pioneer regions, some relevant actors lost the immediate sight of their mission in developing S3. The International Conference recommenced the comprehensive discourse on the S3 process, making the information on the progress available to each and every stakeholder. Furthermore, the direct involvement of European partners anchored the perception of Smart Specialisation as a contribution to the common cause. National actors were further familiarized with the common framework of the Strategy, which extends beyond the regional or national borders to reach the synchronized European development.

At the same time, the conference helped identify the up-to-date challenges surrounding the S3 process in Ukraine.

Firstly, the central executive authorities have not reached a common vision on the algorithm to form the joint national S3 team to ensure better coordination. Despite the varying standpoint on the prospects of the coordination at the national level, there is still an evident potential to achieve synergies and streamline the joint effort exercised by these organs. However, this ambitious goal can only be fulfilled if the relevant institutional dialogue is continued beyond the conference hall.

Secondly, financial aspects of the S3 development in Ukraine must remain on the agenda for the domestic stakeholders. As the mechanism of targeted funding of regional development according to the S3 process is currently missing, Ukrainian actors should learn the modalities to mobilize additional resources and search for opportunities offered by technical international assistance instruments, private investors, and the financial sector.

Finally, the higher education and research institutions in Ukraine are failing to bring all the three elements of the Smart Specialization 'Knowledge Triangle' (Research, Education and Innovation) together. To become the innovation drivers and enhance a culture of creativity and quality, the key stakeholders – the Ministry of Education and Science of Ukraine, National Academy of Sciences of Ukraine and higher education institutions – should clearly define their roles in generating the innovation ecosystem in Ukraine. The optimal way to achieve this aspiration is to ensure the adoption of the EU Practical Guide “Connecting Universities to Regional Growth” on the national level.

The highlighted agenda has found resonance among a reasonable range of stakeholders who stimulated lively public debate in social media. Overall, the Conference has attracted a wide audience both from the public and private sectors. Almost 300 individuals filled out the official form to participate in the event. Over the two days of the streaming, the event has reached more than 6,5 thousand Ukrainian-speaking viewers: 2,6 and 3,9 thousand people watched each Conference day respectively. As for the English speakers, the event has been viewed almost 200 times on the official YouTube channel of the UIIP.