A project labelled by the UfM

Union for the Mediterranean
Union pour la Méditerranée
الاتحاد من أجل المتوسط

Welcome to the Innovative Sustainable Economy Mission

2nd Innovation Camp

BARCELONA 28-29 May 2024

Innovative sustainable economy | Interreg Euro-MED | Co-funded by the European Union

Isabelle Nobio
Joint Secretariat Interreg EuroMED Programme

Alessandro Daraio
Emilia Romagna Region, LP
Dialogue4Innovation

Tatiana Fernàndez,
Government of Catalonia

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2nd Innovation Camp Barcelona

28 May 2024

The Interreg Euro-MED Programme

294M€

Interreg Euro-MED

Co-funded by the European Union

Interreg Euro-MED's missions: a comprehensive approach

Strengthening an innovative sustainable economy

Protecting, restoring and valorising the natural environment and heritage

Promoting green living areas

Enhancing sustainable tourism

Interreg Euro-MED

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Missions, priorities and specific objectives

Smarter Mediterranean

Greener Mediterranean

Better Mediterranen Governance

Strengthening an innovative sustainable economy

- **1.1** Consolidating a competitive innovation ecosystem
- **2.6** Supporting circular economy

Protecting, restoring and valorising the natural environment and heritage

- **2.4** Promoting climate change adaptation and risks prevention
- **2.7** Enhancing Nature & biodiversity

Promoting green living areas

- **2.4** Promoting climate change adaptation and risks prevention

Enhancing sustainable tourism

- **1.1** Consolidating a competitive innovation ecosystem
- **2.6** Supporting circular economy
- **2.4** Promoting climate change adaptation and risks prevention
- **2.7** Enhancing Nature & biodiversity

6.6 **A better cooperation governance**

8 Governance projects started on 01/01/2023

Thematic Community

- Community4Innovation
- Community4Nature
- Community4LivingAreas
- Community4Tourism

The Thematic Community projects aim to build a community among thematic projects and facilitate resource transfers to stakeholders, focusing on technical and strategic content.

Institutional Dialogue

- Dialogue4Innovation
- Dialogue4Nature
- Dialogue4LivingAreas
- Dialogue4Tourism

The Institutional Dialogue projects aim to amplify the transfer of policies by fostering focused dialogue among policymakers and their stakeholders, focusing on policy improvement and transformation.

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56 Thematic projects started on 01/01/2024

Innovative Sustainable economy

AZA4ICE
BLUE ECOSYSTEM
CARBON FARMING MED
CircleMED
Clepsydra
eWAsTER
GREENSMARTMED
OliveOilMedNet
ProcuraMED
REPper
REVIVE
SPOWIND
VERDEinMED

Natural heritage

ARTEMIS
CARBON 4 SOIL QUALITY
COASTRUST
FRED
Germ of Life
GreenList4MMPAs
LocAll4Flood
MedSeaRise
MPA4Change
StrategyMedFor
TREASURE
WE GO COOP
Wetland4Change

Green Living Areas

Streets for Citizens
ArtMED
BauNOW
BAUHAUS4MED
CO2 PACMAN
E-MED
EnerCmed
GARDEN
GREENMO
INFIRE
LOGREENER
MED COLOURS
NUDGES
ProLIGHTmed
RECinMED
ReMED
RENEWPORT
RuralMED Mobility
URWAN

Sustainable Tourism

COOL NOONS
HERIT ADAPT
LIBECCIO
MAST
MedDiet Go
MED-GIAHS
MED-Routes
NaTour4CChange
SMITour
TOURISMO

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Connecting S3 and the Mission Innovation for a Sustainable Economy through the SDGs

Tatiana Fernández, D4I partner

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The context provided by the Interreg Euro MED Programme

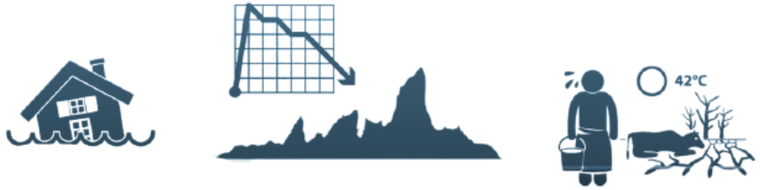
- The world is confronted with a more and more urgent need to accelerate the transition from a social and economic development model relying on excessive exploitation of natural resources to a more sustainable one, compatible with the planetary boundaries.
- The 2030 GreenerMed Agenda aims at accelerating the transition of the Mediterranean region towards a green, blue and inclusive economy
- There is growing consensus on the role of transformative place-based innovation to reach these ambitious targets. Innovation investment can be oriented to meet the most pressing challenges of sustainable development, beyond short-term economic growth.
- Complex challenges do not have obvious solutions, they require coordinated multilevel interventions by multiple actors guided by a directional goal and the transformation of the current socio-technical systems
- The Innovative Sustainable Economy Mission of the Interreg Euro-MED Programme works to boost a fair transition to a circular economy through two governance projects that develop innovative technical knowledge and ensure these new solutions are transferred into public policies

How do we envision this green and just transition in the MED?

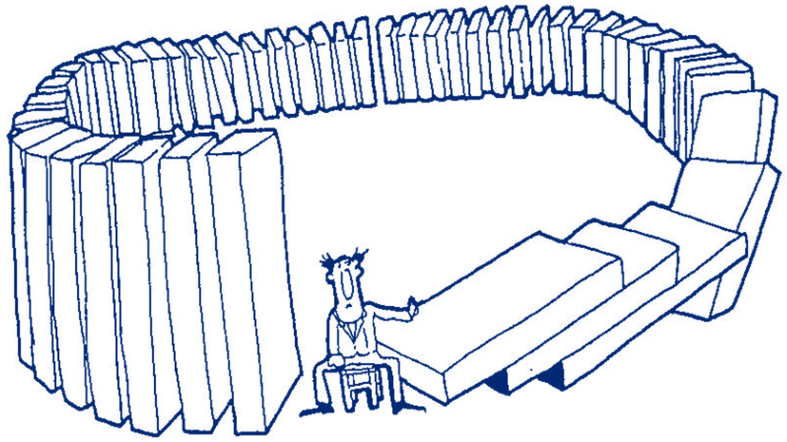
- To accelerate green and just transitions we must address very complex place-based social, environmental and economic challenges
- No entity or actor can address those challenges from their area of knowledge or their competences
- Complex challenges do not have obvious solutions, they require coordinated multilevel interventions by multiple actors guided by a directional goal

Why this systemic and transformative innovation approach?

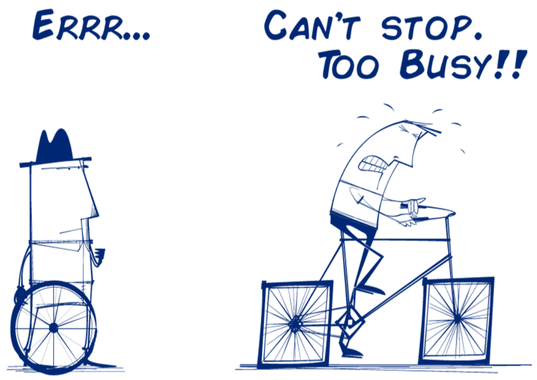
- ☐ Without it we'll continue developing solutions for symptoms, which are relevant from our perspective. Solutions that do not go to the root of the problem and are not effective
- ☐ Without it we will continue to apply solutions that we know do not work



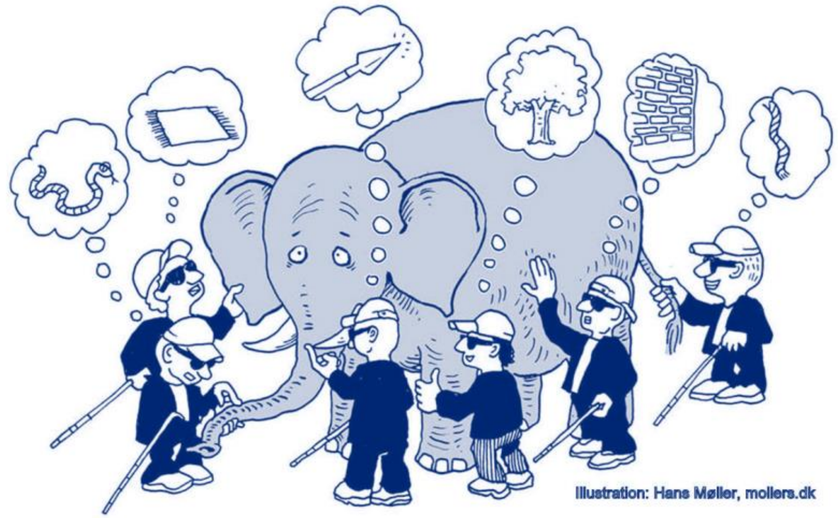
https://www.systemsinnovation.io/post/two-loops-guide .



https://www.artsfwd.org/systems-thinking/.

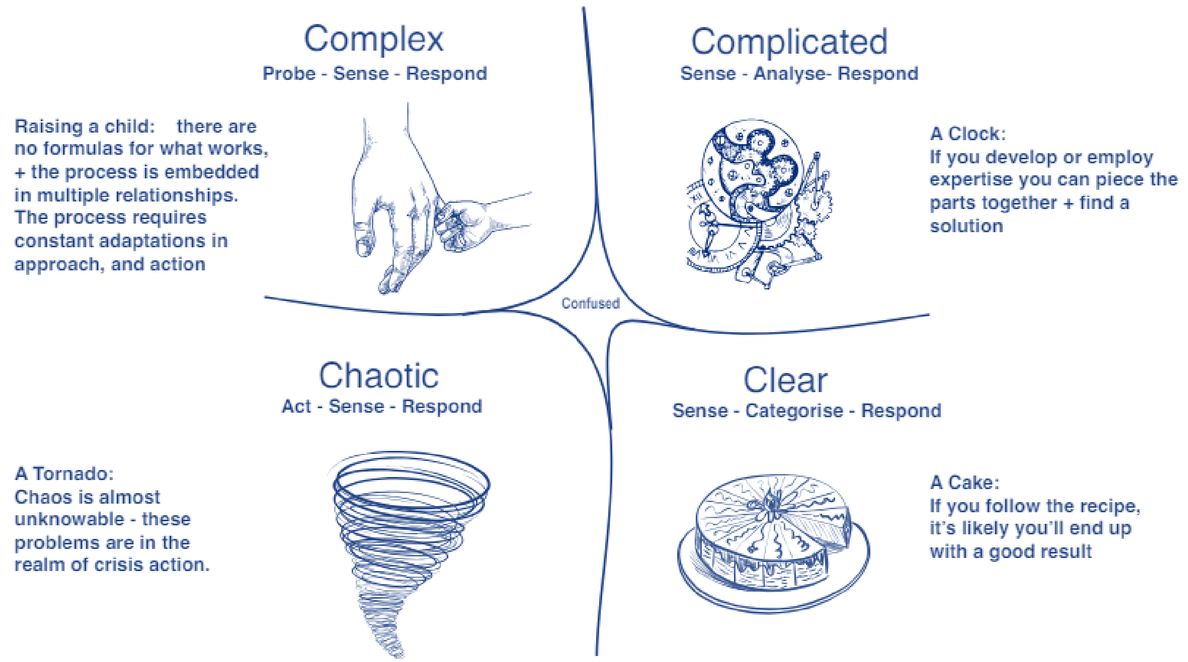


https://commons.wikimedia.org/wiki/File:Too_Busy_To_Improve_-_Performance_Management_-_Square_Wheels.png

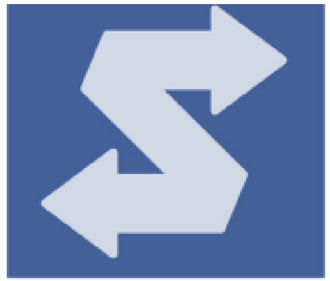


Sustainability challenges are complex problems requiring systemic approaches

Without a deep understanding of the problems and the actors affected, we won't be able to address the challenges successfully

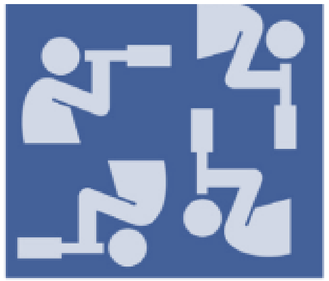


Based on Dave Snowden's Cynefin Model

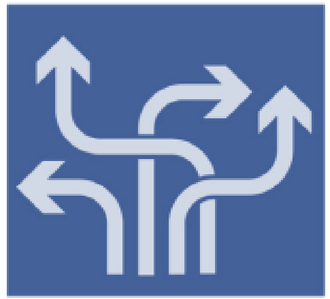


Data is uncertain, contradictory or incomplete

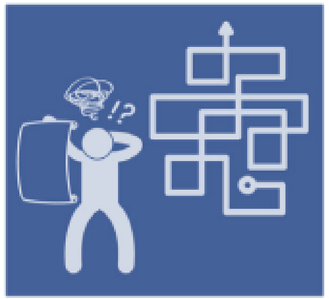
Multiple stakeholders + sites of responsibility + multiple potential starting points



Problem/s are difficult to define - dependent on context + perspective



Interconnected problems with no clear cause + effect



Solution can't be planned without testing it in practice - + consequences are hard to imagine

'Solutions' are not technical + they often involve behaviour + mindset shifts

Source: Griffith Centre for Systems Innovation: *Problem Framing Canvas*

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Where do we start?

Where do we start?

CONTEXT

- Understand general landscape (e.g., key actors, organizations, initiatives)

PATTERNS

- Determine where the energy is in the system and where there are gaps or blockages
- Understand how structures are changing

Why Map Stakeholders + Actors?

CONNECTIONS

- Determine who needs to be involved
- Explore various actors' roles in the system
- Diagnose the strength of connections among actors
- Consider how relationships, roles, or information flows are changing

PERSPECTIVES

- Consider who is, has been, or should be involved
- Identify opportunities to build new relationships and explore other parts of the system

GCSI, 2023

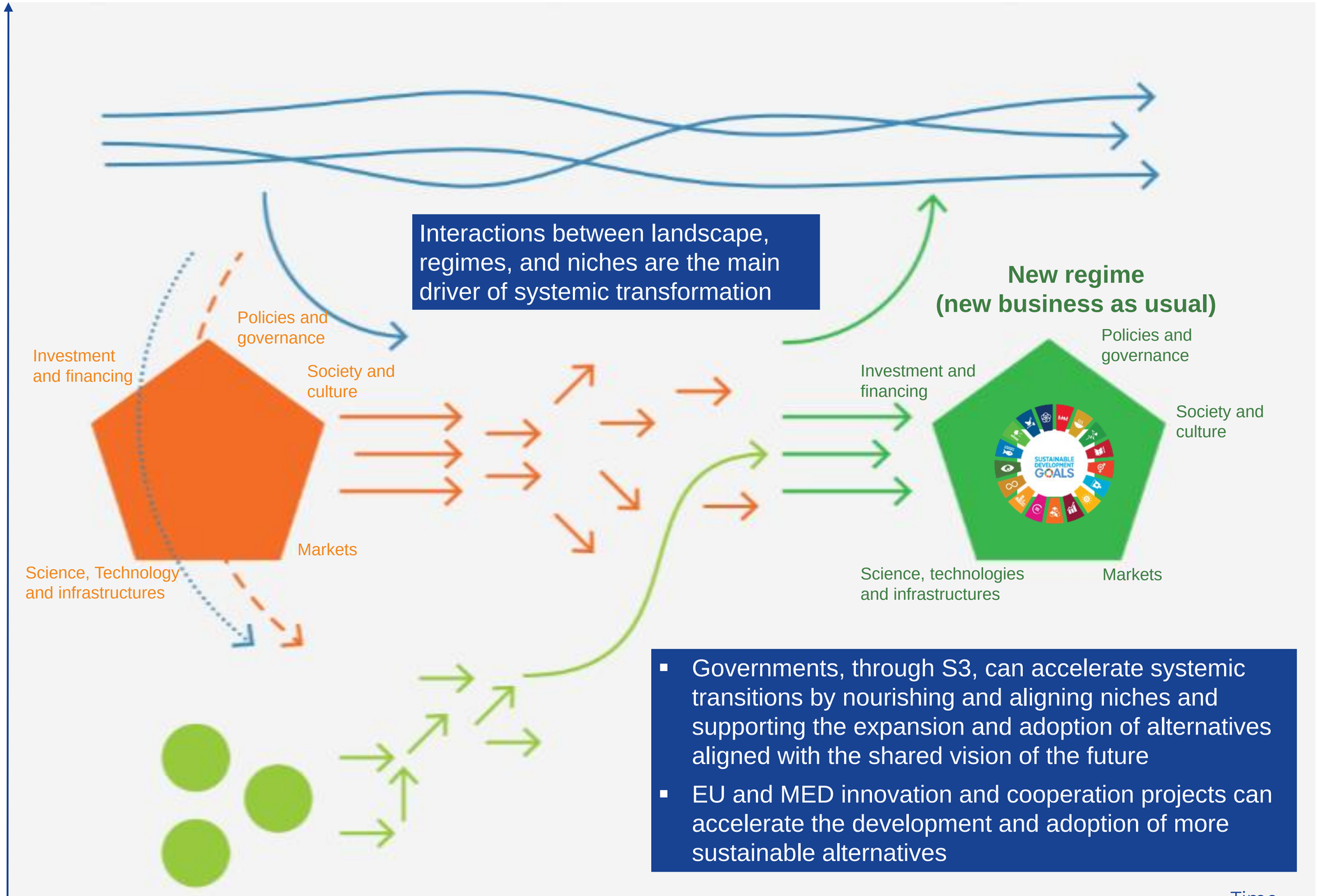
Source: Griffith Centre for Systems Innovation: *Problem Framing Canvas*

Multilevel perspective framework (MLP)

Global trends / landscape (aging of the population, climate change, digitalization, geopolitical tensions) generate pressure on the current dominant systems, destabilising them and opening windows of opportunity for alternative practices

Current dominant regime: "business as usual" (policies, technologies, markets, social values, infrastructures) adapts slowly to global changes becoming dysfunctional and not delivering the expected results

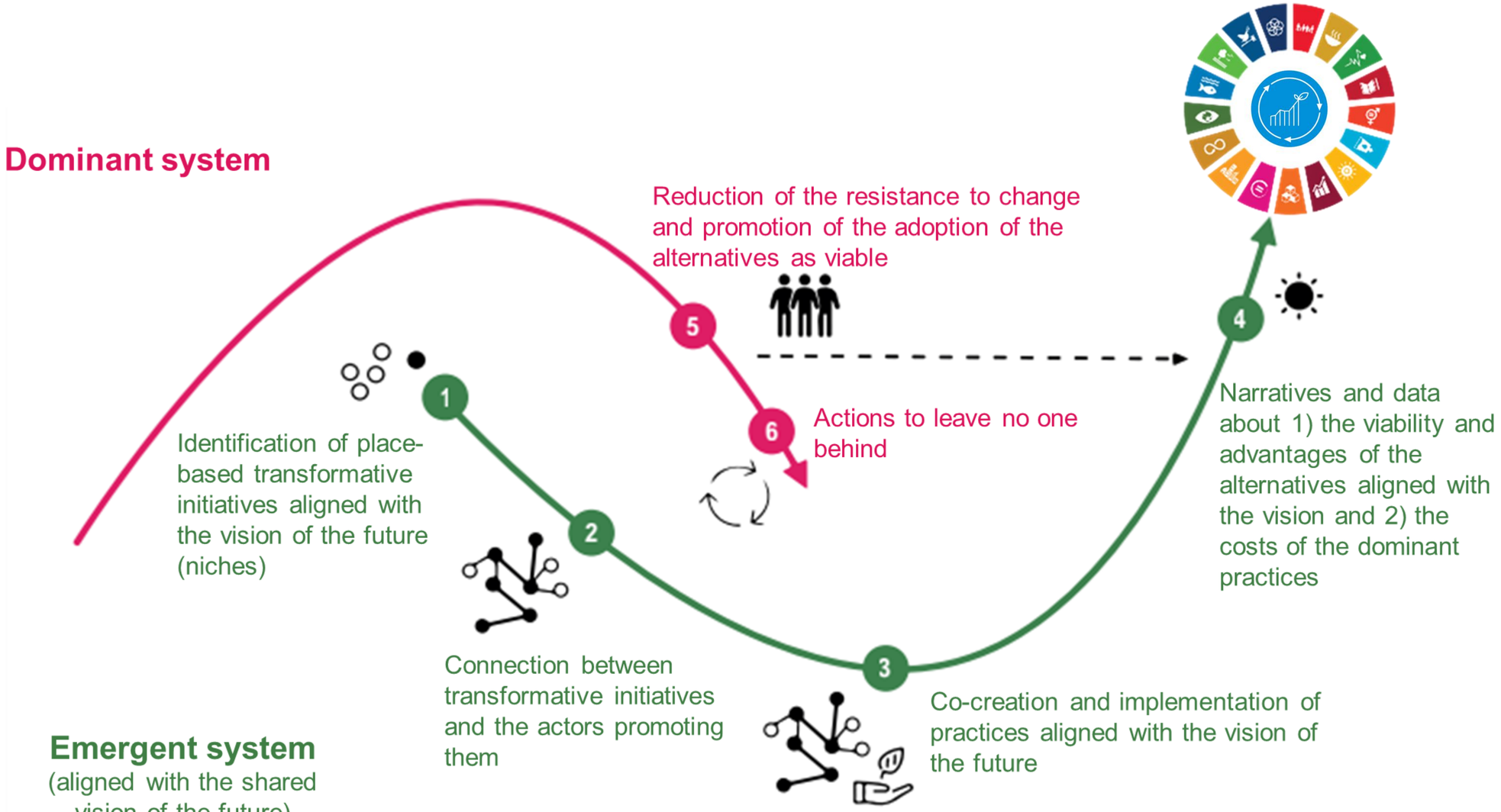
Emerging alternative practices (niches) with the potential to lead to the "new business as usual"



- Governments, through S3, can accelerate systemic transitions by nourishing and aligning niches and supporting the expansion and adoption of alternatives aligned with the shared vision of the future
- EU and MED innovation and cooperation projects can accelerate the development and adoption of more sustainable alternatives

Source: Adapted from TIPC, based on Geels and Schot (2007)

Supporting the emergence of a more sustainable “new business as usual” through the development and the adoption of alternatives that facilitate the transformation of the “current unsustainable business as usual”



Adapted from Berkana Institute

Place-based and challenge-led action for an innovative sustainable economy in the MED

1. **UNDERSTANDING THE PLACE-BASED CHALLENGE**
   - Stakeholders develop a shared systemic and MLP understanding of the problem they want to address
   - Stakeholders define a shared vision of the future they want to work for and explore possible pathways
2. **ACTION:** Stakeholders collaborate in experimental spaces to explore, develop, test and demonstrate alternatives aligned with the shared vision of the future
3. **LEARNING AND DIFFUSION OF ALTERNATIVES:** generation of new knowledge and evidences facilitating the adoption of alternatives aligned with shared the vision of the future
4. **ADOPTION OF ALTERNATIVES: A NEW BUSINESS AS USUAL**

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Place-based and challenge-led action for an innovative sustainable economy in the MED: Contribution of Dialogue4Innovation Project

1. **UNDERSTANDING THE PLACE-BASED CHALLENGE**
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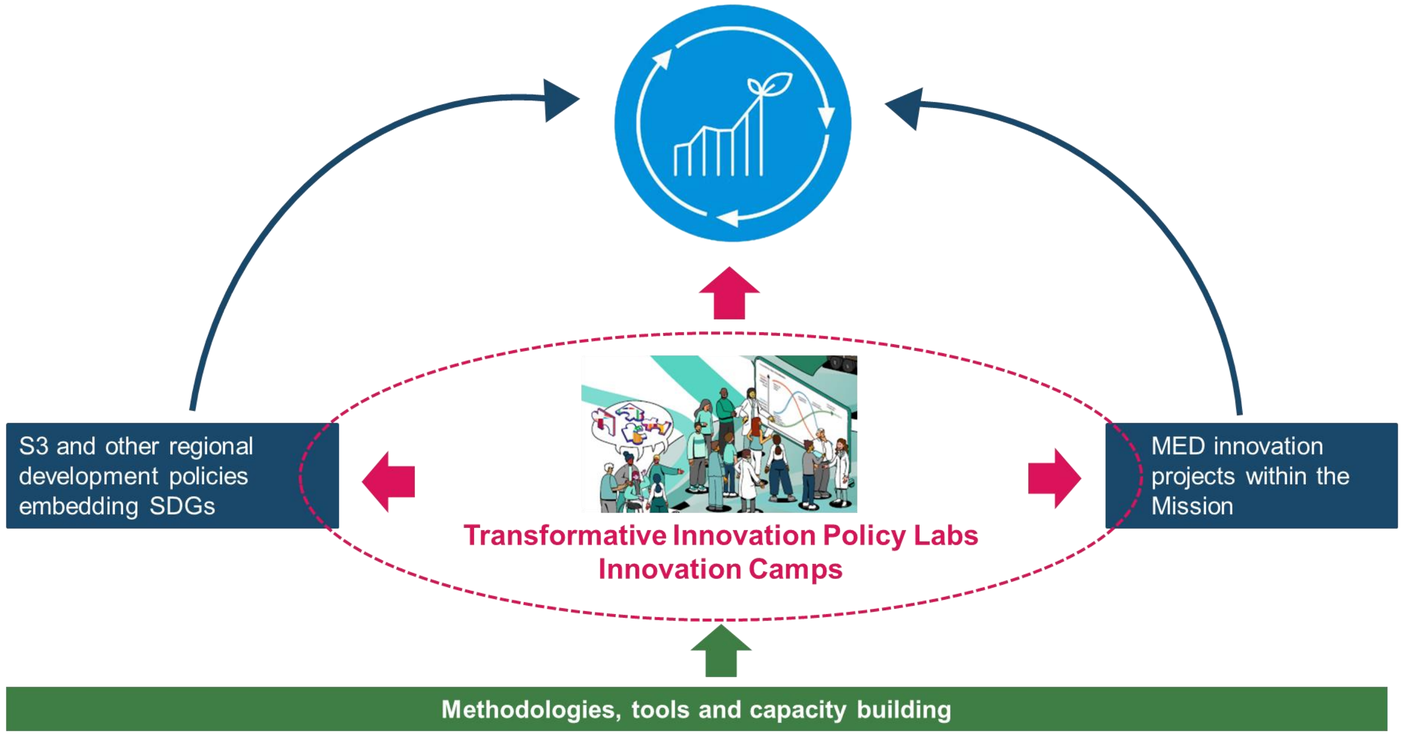

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Today

- ☐ Keynote: Aligning S3 with a Sustainable Innovative Economy (SDGs): what does imply?
- ☐ Introduction of frameworks and tools to work with complex challenges and to accelerate green and just transitions
- ☐ Discovering the potential for creating synergies between challenge-driven MED S3 and challenge-driven Interreg Euro MED innovation projects within the Mission Innovation for a Sustainable Economy
- ☐ Testing the frameworks and tools on the challenge of rural and remote regions.

Tomorrow

- ☐ Exploring the opportunities to amplify the impact of Interreg Euro MED innovation projects and MED S3
- ☐ How can the Dialogue4Innovation Project support this process?
- ☐ Co-designing the Transformative Innovation Policy Labs

Today's agenda

09:00 h	**Registration and welcome coffee**
09:30 h	**Opening session**
9:55 h	**Presentation.** *Connecting S3 and the Mission Innovation for a Sustainable Economy through the SDGs, challenges and opportunities. Tatiana Fernández. Government of Catalonia*
10:15 h	**Key note.** *Aligning smart specialisation with sustainability challenges and the SDGs. Michal Miedzinski, Joint Research Center*
10:35 h	**Ice breaker & Coffe break**
11:15 h	**Working session 1 (first part).** Getting a systemic understanding of MED sustainability challenges. Case study: depopulation of rural and remote areas.
13:10 h	**Lunch break**
14:30 h	**Working session 1 (second part).** Getting a systemic understanding of MED sustainability challenges. Case study: depopulation of rural and remote areas.
16:20 h	**Plenary session**
17:00 h	**End of day 1**

Tomorrow's agenda

09:00 h	**Registration & welcome coffee**
09:30 h	**Round table.** Moving into action: connecting MED projects, S3 and the MED Innovative Sustainable Economy Mission (MISE)
10:30h	**Working session 2 (first part) Moving into action in the ISE Mission** - *Group 1 (policy makers, S3). S3 embedding SDGs and connected to the ISE Mission* - *Group 2 (MED projects). MED projects connected to place-based challenges and the ISE Mission.*
11:45 h	**Coffee-break**
12:15 h	**Plenary session**
12:30 h	**Working session 2 (second part).** *Moving into action in the ISE Mission*
13:30 h	**Lunch break**
15:00 h	**Plenary session**
15:50 h	Wrap up & next steps.
16:30 h	End of the innovation camp

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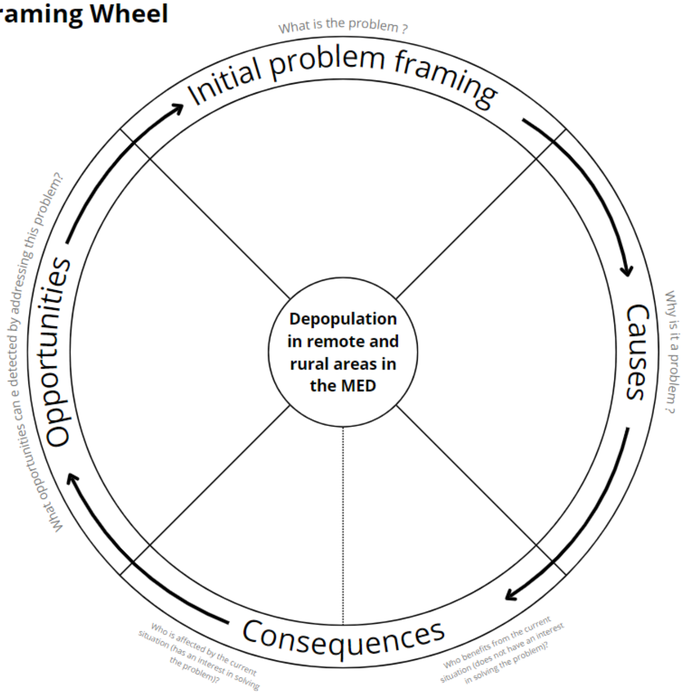
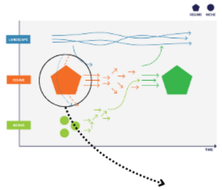
TODAY

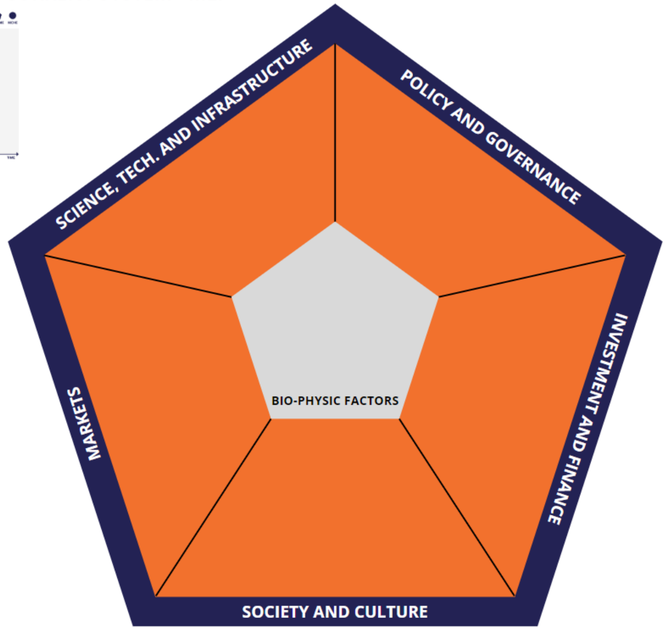
Problem Framing Wheel



2024: Understanding the complex problem of depopulation in remote and rural areas

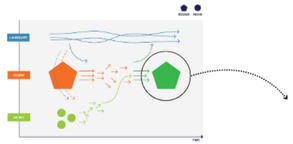
UNDERSTANDING THE CURRENT SYSTEM - MLP

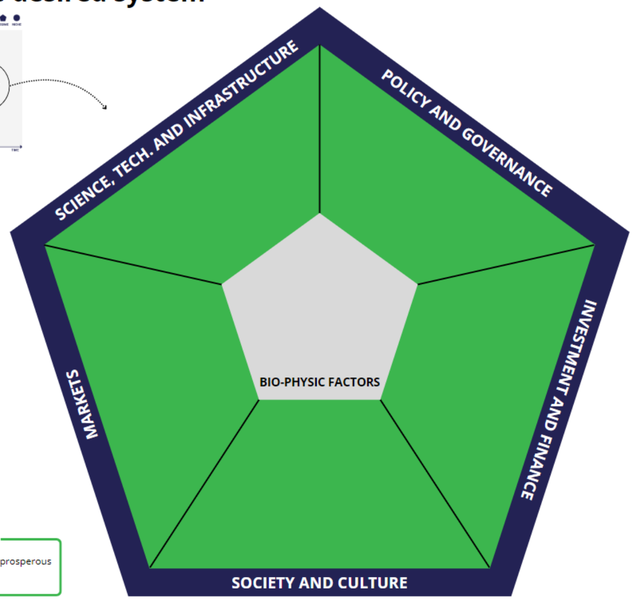




2024: Understanding the different dimensions of the system causing the problem and the resistance of the system to change

Envisioning the desired system



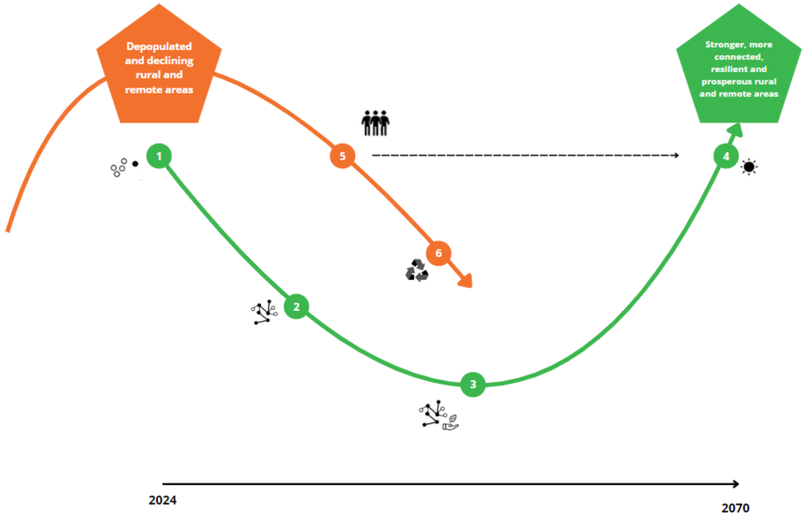


2070: envisioning the system's dimensions of stronger, more connected, resilient and prosperous rural and remote areas

Vision of the future 2070

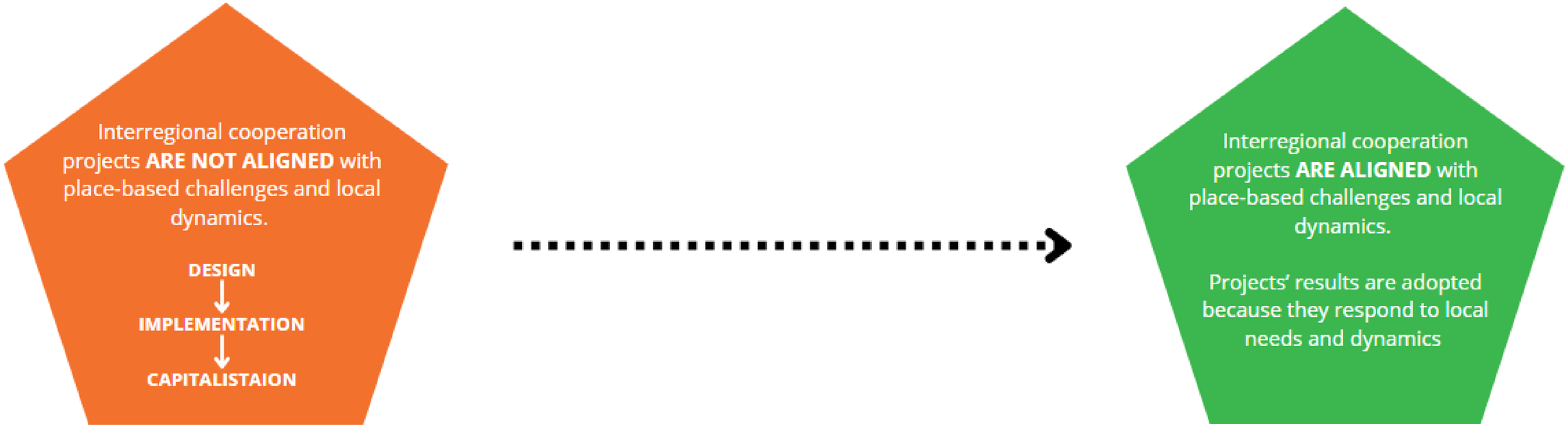
Stronger, more connected, resilient and prosperous rural and remote areas

Envisioning transition pathways

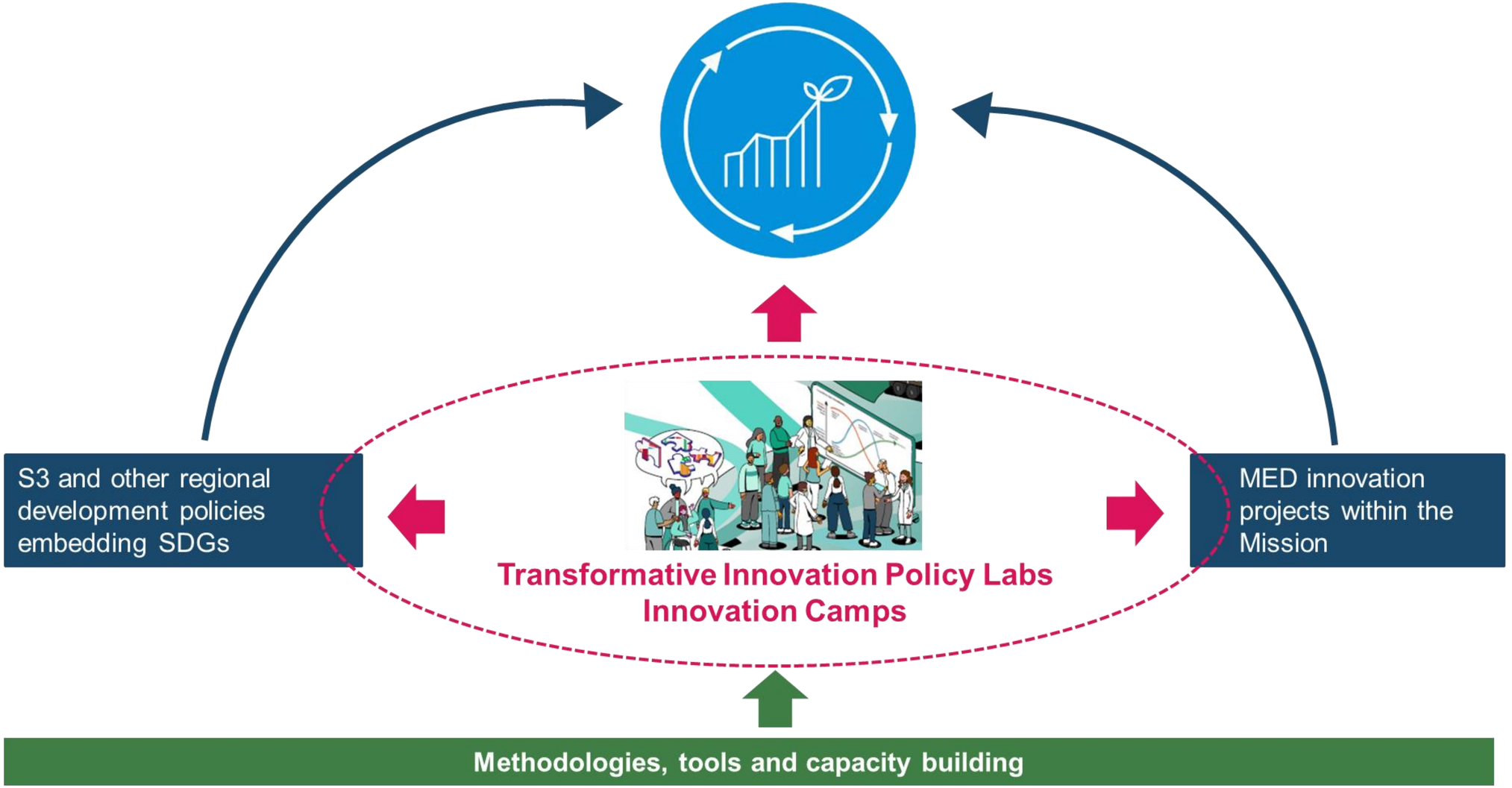


2024 - 2070: envisioning how we have achieved stronger, more connected and prosperous rural and remote areas

TOMORROW


Interregional cooperation projects **ARE NOT ALIGNED** with place-based challenges and local dynamics.
DESIGN
IMPLEMENTATION
CAPITALISTAION
Interregional cooperation projects **ARE ALIGNED** with place-based challenges and local dynamics.
Projects' results are adopted because they respond to local needs and dynamics

TOMORROW


S3 and other regional development policies embedding SDGs
MED innovation projects within the Mission
Transformative Innovation Policy Labs
Innovation Camps
Methodologies, tools and capacity building

Aligning smart specialisation with sustainability challenges and the SDGs

Conceptual framework and lessons from policy practice

Michal Miedzinski

Barcelona, 28-29 May 2024

This presentation

- Setting the scene: smart specialisation and the SDGs
- Aligning S3 with the SDGs: lessons from literature
- Aligning S3 with the SDGs: lessons from policy practice
- Closing remarks

European Commission

Source: Miedzinski et al. 2021

Smart specialisation and the SDGs

European Commission

2030 Agenda: a call for systemic transformation

Source: United Nations

European Commission

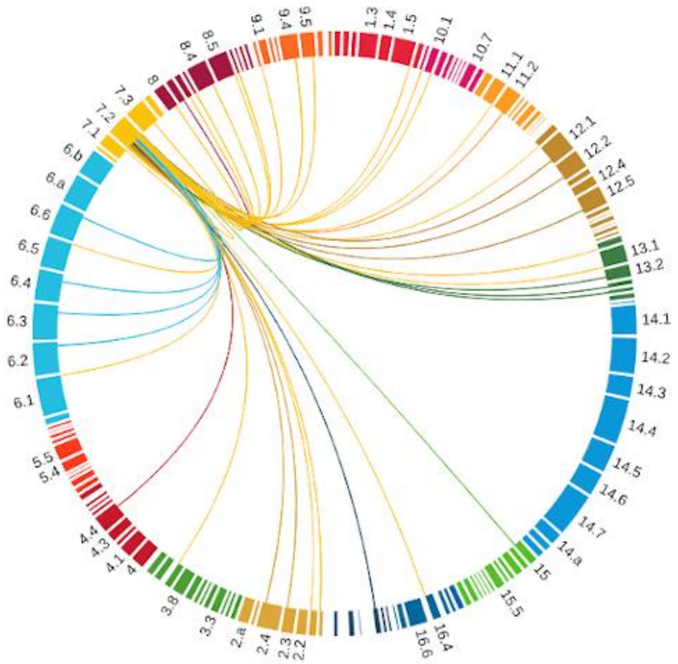
Welcome to Planet Earth
Credit: Apollo 17 Crew, NASA

European Commission

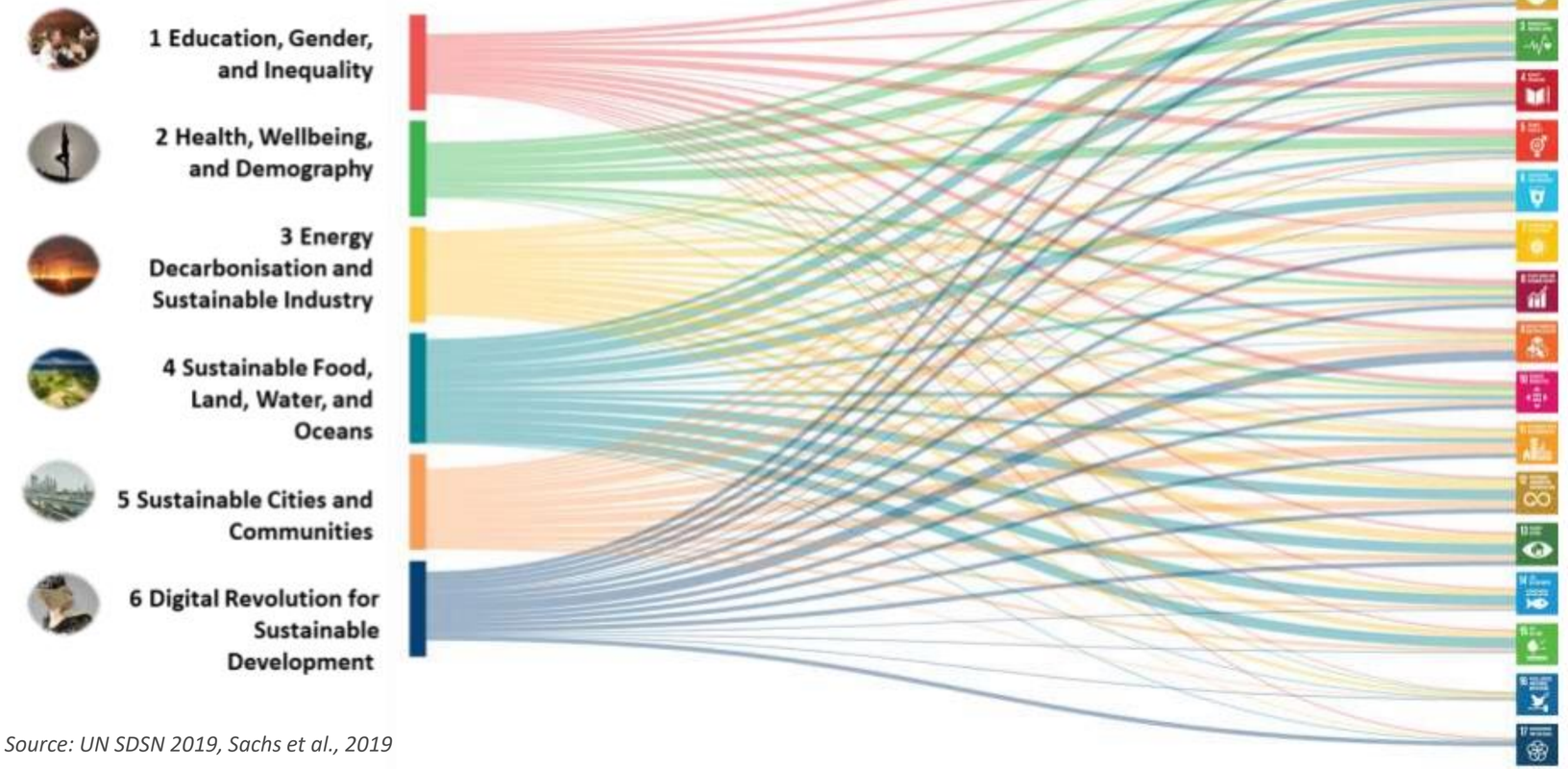
Palermo
Source: Photo by Michal Miedzinski

European Commission

Systemic transformation towards the SDGs



Source: JRC

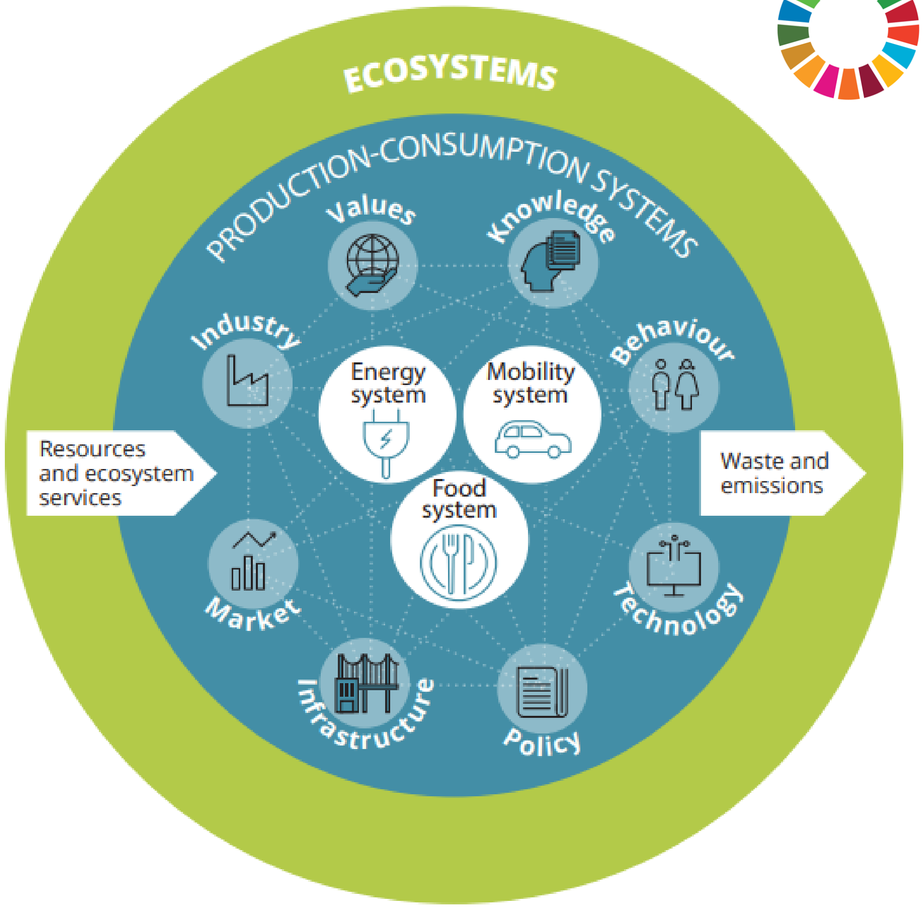


Source: UN SDSN 2019, Sachs et al., 2019

European Commission

Innovation for systemic change

	Energy (electricity, heat)	Mobility	Food
Incremental technical innovation	Insulation (walls, lofts, double glazing), energy-efficient appliances (television, fridge, washing machine), gas or coal-fired power plants with higher thermal efficiency	Fuel-efficient petrol or diesel cars (e.g. engines with variable valve timing or direct fuel injection)	Precision farming, optimised breeding, integrated pest management, food waste valorisation
Radical technical innovation	Renewable electricity (wind, solar, biomass, hydro), heat pumps, passive house, whole-house retrofit, biomass stoves, smart meters	Battery electric vehicles, electric bikes, alternative fuels, autonomous vehicles.	Permaculture, no-till farming, plant-based meat, plant-based milk (soy, almond, rice), genetic modification, manure digestion (for biogas)
Social or grassroots innovation	Decentralised energy production ('prosumers'), community energy, energy cafés	Car sharing, bike clubs, modal shift to bicycles and buses, teleworking, teleconferencing	Alternative food networks, organic food, dietary change (e.g. less meat and dairy), urban farming, food waste reduction
Business model innovation	Energy service companies, back-up capacity for electricity provision, vehicle-to-grid electricity provision	Mobility services, car sharing, bike sharing	Alternative food networks, organic food
Infrastructural innovation	District heating system, smart grids, biomethane in reconfigured gas grid	Intermodal transport systems, compact cities, integrated transport and land use planning	Reforms to distribution systems, storage provision and better food waste management



European Commission

Source: European Environment Agency, 2019

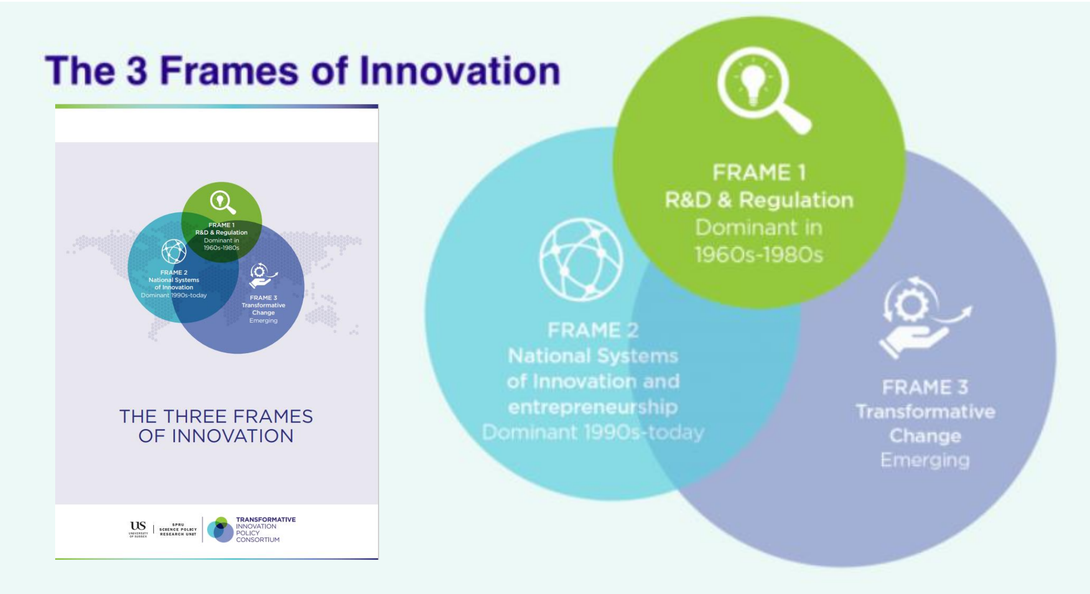
EU policy priorities to align with the SDGs

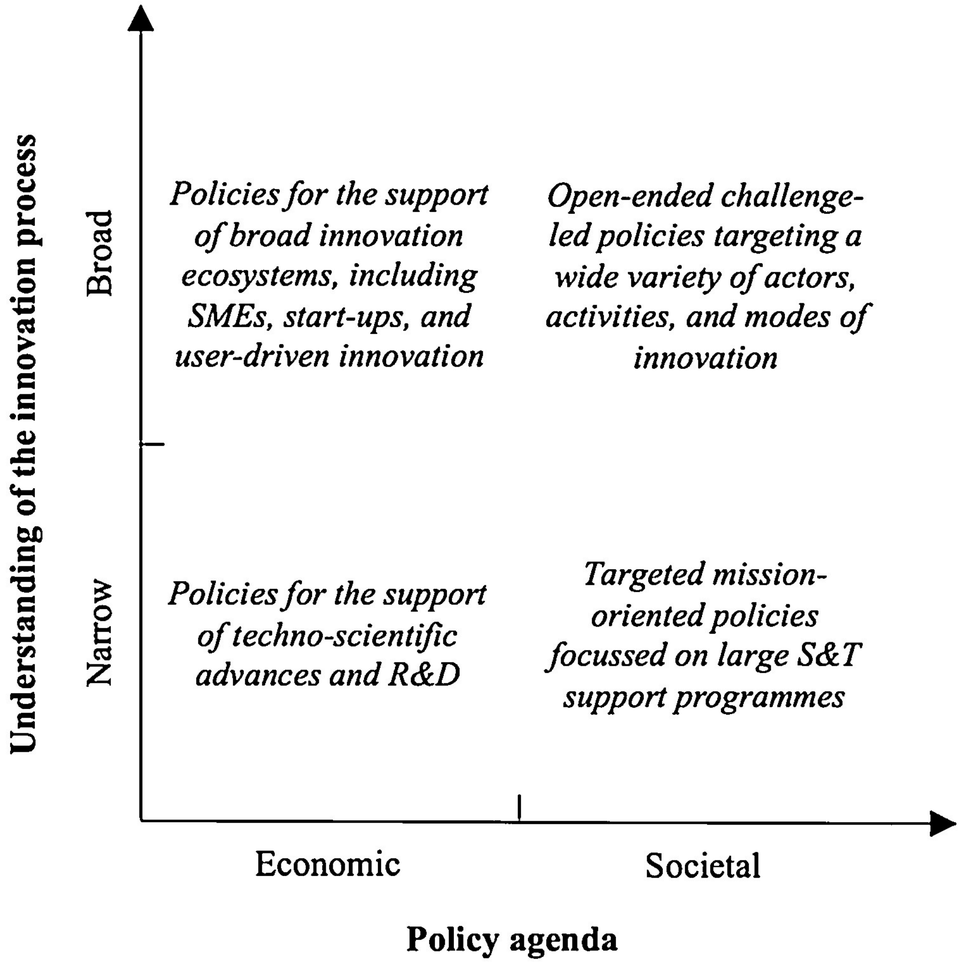
Source: EU Voluntary Review

European Commission

Revisiting boundaries of innovation policy

- Research and innovation (R&I) policies are broadening their scope from supporting R&D and innovation systems towards challenge-oriented approaches contributing to transformative change.
- The shift towards challenge-oriented R&I policy broadens the understanding of innovation and widens the R&I policy agenda.





Source: Diercks et al. 2019

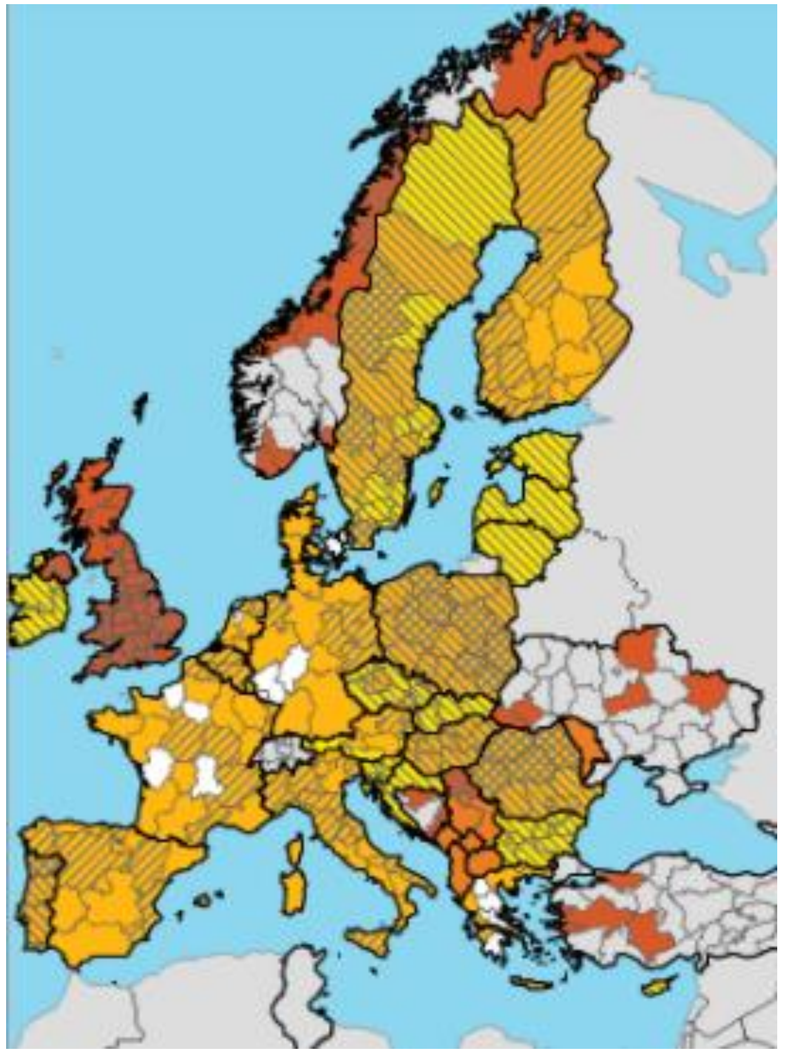
European Commission

Smart specialisation

Smart specialisation (S3) strategies are integrated, place-based economic transformation agendas:

- Focused on policy support and investments in key priorities, challenges and needs for knowledge-based development
- Built on territorial strengths, competitive advantages and potential for excellence
- Supporting technological and practice-based innovation and aim to stimulate private sector investment
- Engaging stakeholders involved in innovation and experimentation
- Evidence-based with sound monitoring and evaluation system.

S3 was inspired by evolutionary economics and evolutionary approaches to industrial and innovation policy. Since the early 2010s it has become a central approach underpinning regional innovation strategies and innovation-oriented operational programmes of EU Cohesion Policy.



European Commission

Challenges for aligning S3 with the SDGs

Political and policy challenges

- S3 belongs to a family of economic policies concerned primarily with economic growth and competitiveness, often at the expense of a more decisive action for sustainability
- Directionality and system-level change towards sustainability not embedded in S3: few strong positive or negative policy incentives to align S3 with the SDGs.

Conceptual challenges

- Possible disconnect between the choice of S3 priority areas and the local problems and opportunities driven by sustainability challenges
- Tensions between the principles of the Agenda 2030 and the rationale underlying S3
- Entrepreneurial discovery process (EDP) not equipped to foster challenge-oriented approaches to exploring alternative innovation pathways towards sustainability

Implementation challenges

- Implementation bottlenecks in institutionally and structurally weaker regions
- Policy mix usually limited to supply side instruments supporting R&D and innovation
- Governance and EDP rarely include civil society and citizens or vulnerable groups.

Aligning S3 with the SDGs

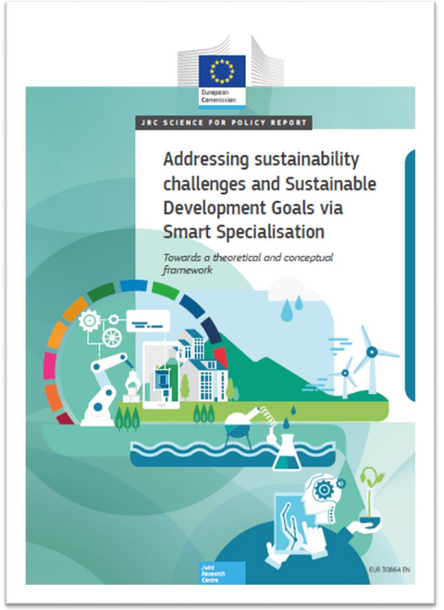
Lessons from literature

European Commission

Towards the S3 for SDGs approach

Aim: reflect and make concrete suggestions on how smart specialisation can help territories in Europe and beyond address sustainability challenges and contribute to the policy agendas of the European Green Deal and the UN 2030 Agenda for Sustainable Development.

Approach: comprehensive literature review and interviews with selected academic researchers to understand different perspectives on integrating sustainability-related aspects and goals in S3.



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Drawing lessons for S3 from research on sustainability transitions

We focused on **three interdisciplinary research fields** focused on system change:

- Sociotechnical transitions
- Social-ecological resilience
- Challenge-oriented innovation policy.

We conducted a comprehensive review and focused reflection on concrete lessons these areas of research offer for revising the S3 framework and process to better align it with the SDGs and the transformative ambition of the 2030 Agenda.

Perspectives	**Core concepts**	**Examples of papers combining place-based innovation, transition and sustainability**
Sociotechnical transitions	Sociotechnical system Multi-level perspective (MLP) Transition pathways Experimentation	Truffer and Coenen (2012) Coenen et al. (2012) Wieczorek et al. (2015) Hansen and Coenen (2015) Kivimaa et al. (2017) Sengers et al. (2019) Veldhuizen (2020) Binz et al. (2020)
Social-ecological resilience	Social-ecological system Transformational resilience Social learning	Eriksen et al. (2011) Brown (2014) Biggs et al. (2012, 2015) Colvin et al. (2014) Wamsler et al. (2014) Elmqvist et al. (2019) Bevilacqua et al. (2020) Castro-Arce and Vanclay (2020)
Challenge-led innovation policy	Transformational failures Transformative innovation policy Mission-oriented innovation policy Responsible research and innovation Policy mix for sustainability transitions	Weber and Rohracher (2012) Foray (2018) Tödtling and Trippl (2018) Magro and Wilson (2019) Fitjar et al. (2019) Uyarra et al. (2019) Thapa et al. (2019) Wanzenböck and Frenken (2020) Panciroli et al. (2020)

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Source: Miedzinski et al. 2021

Drawing lessons for S3 from research on sustainability transitions (2)

Example: Insights from the literature for the S3 governance

Limitations of the S3 model	Insights from sociotechnical transitions	Insights from social-ecological resilience	Insights from challenge-oriented innovation policy
Limited inclusion of civil society and vulnerable groups Insufficient arrangements for the continuous discovery, experimentation and learning Insufficient interregional coordination to address sustainability challenges.	Ensure inclusivity of the process. Reflect on the roles, interests and expectations of incumbent and niche actors in S3 governance (e.g., to anticipate and manage capture of the process by incumbents).	Ensure inclusivity of the process, especially to include previously excluded or underrepresented groups. Engage local actors to develop shared ownership of S3 and localise the SDGs.	Facilitate challenge-oriented or mission-led collaboration for transformative innovation and the SDGs. Support inclusive governance, ensuring the participation of civil society and citizens.

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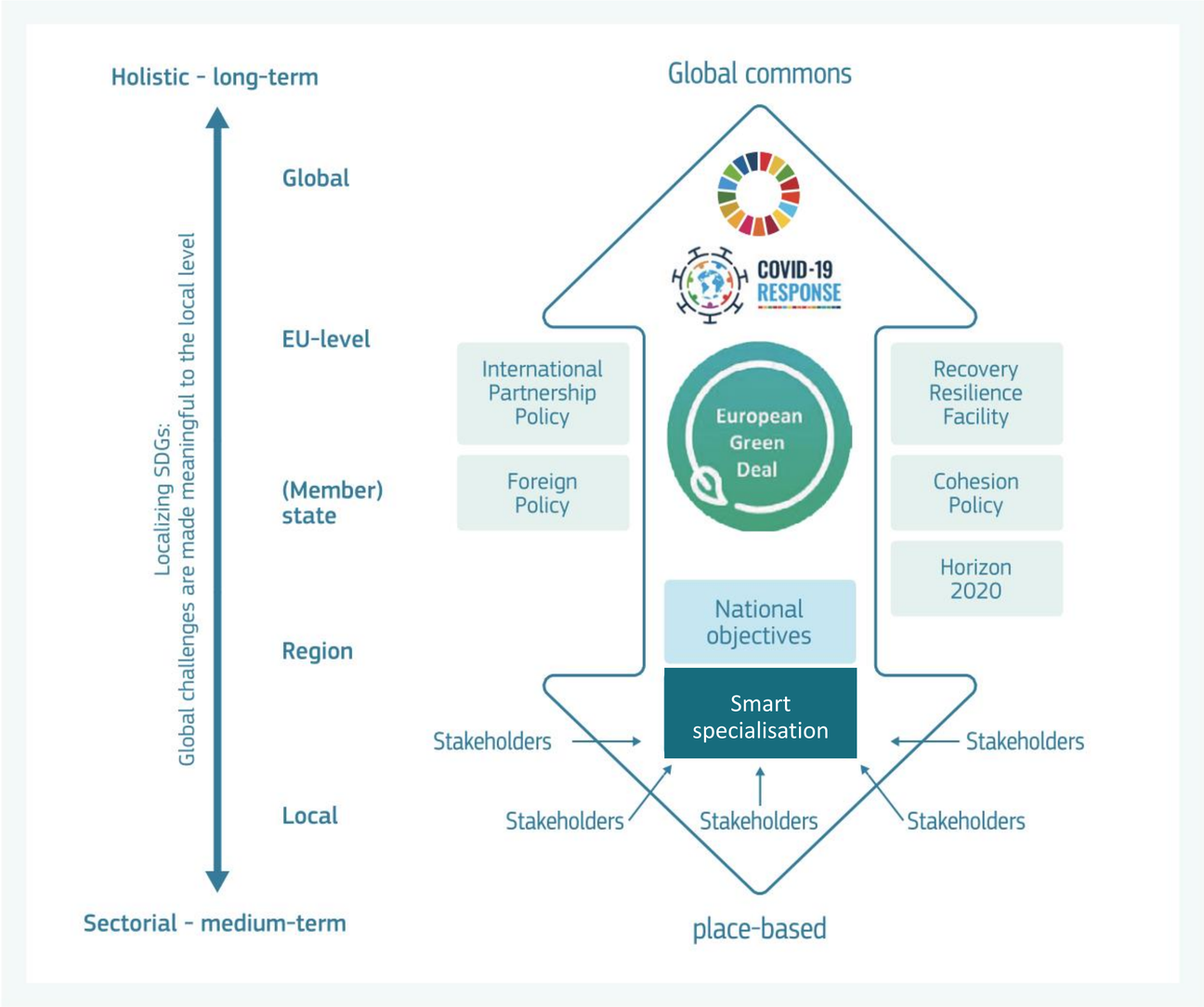
Source: Miedzinski et al. 2021

S3 for the SDGs: “policy space” where directionality is deliberated by top-down and bottom-up dynamics



Source: Nakicenovic et al, 2021

Principles of S3 for the SDGs

Shared direction towards the SDGs	• SDGs as an overarching strategic framework of smart specialisation giving a shared direction and the sense of urgency to the discovery process and the selection of S3 priorities
Whole-system transformation towards sustainability	• Foster innovations contributing to wider sociotechnical and social-ecological transitions needed to accomplish the SDGs • Embrace complex, multi-actor, multi-scalar and often uncertain nature of sustainability transitions
Responsibility and reflexivity	• SDGs as a compass helping S3 to navigate difficult ethical and moral choices while considering short- and long-term sustainability impacts of its priorities and actions • Nurture learning and reflexivity about possible impacts of transition on vulnerable groups and territories (‘just transitions’)

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Source: Miedzinski et al. 2021

Implications of embedding sustainability in S3

S3 principles	**Shared direction towards the SDGs**	**Whole-system transformation**	**Responsibility and reflexivity**
Choices, prioritisation and critical mass	Smart Specialisation priorities to build and harness 'critical mass' of the regional research and innovation potential and interregional and international partnerships to address sustainability challenges.	Focus on a broader suite of social and technological innovations with the potential to foster systemic transformation of the region towards more sustainable modes of production and consumption.	Choice of S3 priority areas and transition pathways to be underpinned by an assessment of economic, social and environmental impacts and value created inside and outside the region.
Competitive advantage	Ensure that developing a competitive advantage does not come at external costs - or does not create future pressures - for society and the environment inside and outside the region	Focus on creating value for local communities and economies by transforming unsustainable systems of production and consumption. The transformation should contribute to social-ecological resilience locally and globally.	Reflect on potential implications of strategic choices driven by building competitive advantage of the region for social groups and natural environment in regions potentially adversely affected by these decisions.
Connectivity and clusters	Provide incentives to develop a shared vision and alignment with the SDGs. This alignment should create synergies and define single territorial contributions to the wider 2030 Agenda for Sustainable Development.	Develop challenge-led or mission-oriented partnerships, clusters and networks engaged in emerging niches or promising demonstrations of transformative innovation addressing sustainability challenges.	Ensuring the new challenge-oriented or mission-oriented partnerships, clusters and networks include broader set of stakeholders (quadruple helix) and are not captured by incumbents with vested interests in status quo.
Collaborative leadership	Ensure political commitment and leadership to mobilise collective action and embrace the sustainability orientation of the 2030 Agenda for Sustainable Development and the SDGs.	Experimenting with new forms of entrepreneurial discovery and collaborative leadership and forms of governance suitable for orchestrating long-lasting multi-actor and multi-level processes of change.	Ensure that decisions taken on priorities and transition pathways, as well as the forms of leadership and governance of transitions, have a broad social mandate.

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Source: Miedzinski et al. 2021

Aligning S3 with the SDGs

Lessons from policy practice and action research

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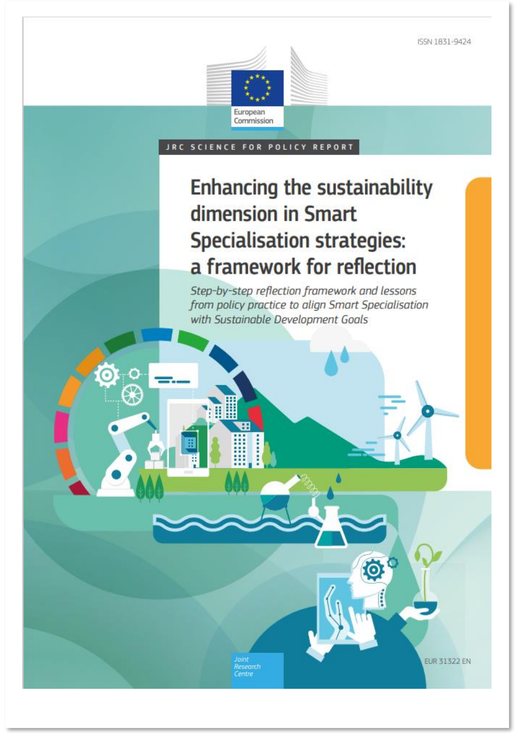
Lessons from policy practice

Aim: develop guidance and collect examples on how to align S3 for SDGs; support policy processes aimed to align S3 with challenge-oriented policy (e.g. missions).

Approach: interviews with selected regions and countries in the EU and beyond to understand different perspectives and experiences of integrating sustainability-related aspects and goals in S3; action research in a close collaboration with policy makers (e.g. Czechia).



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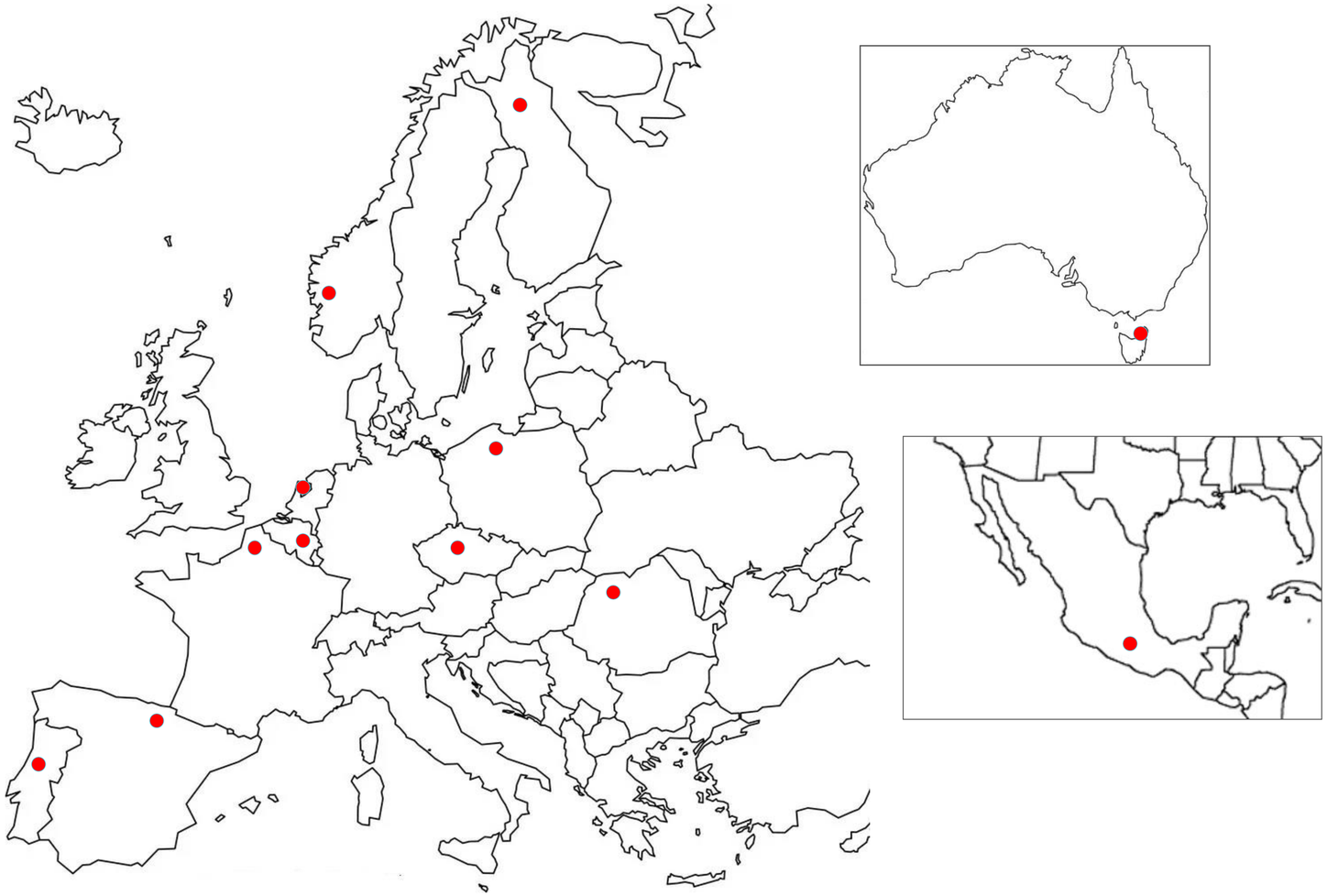
Source: Miedzinski et al. 2022, Reid et al. 2023

Co-creation with policy practitioners from EU and beyond

- Australia, Gippsland
- Belgium, Wallonia
- Czechia
- Finland, Lapland
- France, Hauts-de-France
- Mexico, Hidalgo
- Netherlands, Northern Netherlands
- Norway, Vestland
- Poland, Pomorskie
- Portugal, Centro
- Romania, North West
- Spain, Basque Country.



Workshops had three sessions: (1) experiences of integrating sustainability in Smart Specialisation, (2) feedback on reflection framework of Smart Specialisation for the SDGs, (3) self-assessment tool for strengthening the sustainability dimension of S3.

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Source: Miedzinski et al. 2022

Reflection framework: a formative policy tool

Formative tool created to assist policymakers, practitioners and analysts in reflecting on how to localise and integrate sustainability challenges and goals in smart specialisation.

- Comprehensive approach to embed sustainability throughout the policy cycle and the S3 steps
- Questions to guide reflection and self-assessment of the current S3
- Challenges and opportunities of re-orienting innovation policies and S3 towards sustainable development
- Lessons learned and concrete examples of existing practices collected from S3 practitioners
- Selected reading and learning resources.

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Diagnosis

Challenges for diagnosis

- Identify current, emerging and future localised impacts and risks associated with sustainability challenges for the regional economy and technical infrastructure, local communities, and natural environment.
- Map and assess territorial research and innovation potential and capabilities to anticipate, adapt and innovate to address localised sustainability challenges.
- Develop robust evidence base including scientific knowledge, diverse local expertise and stakeholder perspectives on the localised challenges and the SDGs, including views held by vulnerable groups.

Lessons and case studies

- Reflections and examples from the Northern Netherlands (NL), Gippsland (AU), Serbia, Vestland (NO)

Questions to guide reflection and self-assessment

- Does the diagnosis include evidence on the current and potential future impacts and risks for your territory associated with global environmental and societal challenges?
- How do you collect and interpret different types of evidence and data on sustainability challenges and opportunities to support the design and implementation of Smart Specialisation strategy?
- How inclusive is the diagnostic process? Does the diagnosis consider diverse perspectives on the societal challenges, including from previously not involved or marginalised groups?
- Does the analysis of the existing specialisation areas and competitive assets of your territory include evidence on the strengths and weakness of actors, institutions and infrastructures to adapt and innovate to address sustainability challenges and the SDGs?

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Source: Miedzinski et al. 2022

Governance

Challenges for governance

- Broaden participation in S3 governance to engage new actors, including civil society. Broader inclusion is key for ensuring shared ownership and legitimacy of the process and helps to prevent the risk of capture. Engaging new actors can help translate SDGs into specific local (or trans-local) measures and missions.
- Strengthen institutional capacity and build new transformative capabilities in public sector to ensure challenge-led collaborative governance in S3.
- Reconsider the role of intermediaries in engaging difficult-to-reach groups and previously excluded groups and territories.

Lessons and case studies

- Reflections and examples from Basque Country (ES), Gippsland (AU), Ukraine.

Questions to guide reflection and self-assessment

- Do the design, implementation and monitoring of S3 ensure a broad, inclusive and continuous participation of stakeholders relevant to the sustainability transformation of your region or country?
- What are the specific arrangements for identifying and addressing the risk of capture of the process by dominant incumbents who impose their perspectives on sustainability transition or are less concerned with sustainability objectives?
- Are there governance mechanisms within and across public and private sectors that allow the identification and generation of inter-institutional synergies between policies, instruments and budgets?

Source: Miedzinski et al. 2022

Vision

Challenges for developing vision

- Develop a shared territorial vision based on the systemic reflection on the opportunities, risks and uncertainties of sustainability transitions.
- Focus the vision and scenarios on the role of research and innovation in fostering alternative transition pathways towards the SDGs.
- Use foresight tools to deliberate alternative transition pathways considering the role of variety of innovation approaches to tackle sustainability challenges.
- Consider developing scenarios and transition pathways for each specialisation (priority domain) of the region. This can create a more active engagement of stakeholders in the process and becomes part of a challenge-led EDP.

Lessons and case studies

- Reflections and examples from Basque Country (ES) and the Northern Netherlands (NL)

Questions to guide reflection and self-assessment

- What is the importance of sustainability challenges and the SDGs in the S3 vision and visions underpinning other relevant development strategies of your region or country?
- How is desirable future portrayed in the S3 vision? What is the relative importance of economic, social and environmental dimensions in the vision?
- Is the vision known and shared by the key stakeholders?
- Does S3 include a reflection on alternative development scenarios and transition pathways to explore the role of research and innovation in achieving sustainability goals? Does the reflection on alternative pathways consider their potential economic, social and environmental impacts?

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Source: Miedzinski et al. 2022

Priorities

Challenges for setting priorities

- Focus priorities on challenge-oriented domains to ensure that S3 mobilises research and innovation potential to respond to sustainability challenges
- Ensure a dynamic balance between top-down identification of priorities with bottom-up entrepreneurial discovery. The bottom-up processes of discovery and social learning are essential for situating sustainability goals in the regional context.
- Consider adopting a challenge-oriented approach to EDP to align it with the directionality towards sustainability challenges and harness bottom-up ideas for transformative innovations and experimentation.
- Place a stronger emphasis on ensuring the inclusiveness and continuity of EDP. EDP can become a transformational process supporting social learning.

Lessons and case studies

- Reflections and examples from Czechia, Wallonia (BE), the Northern Netherlands (NL), Northern Romania (RO)

Questions to guide reflection and self-assessment

- Were societal challenges taken into account in the definition of your S3 priority domains? If yes, how do they address sustainability challenges and the SDGs?
- What are the incentives, drivers and barriers for including sustainability-related specialisation areas and objectives, including the SDGs, in the S3 priorities?
- How do you balance top-down goals and bottom-up perspectives in selecting and shaping your priority domains? What is the role of EDP in this context?
- Do any of the selected S3 priorities focus on existing or emerging niches with a potential to experiment, demonstrate or scale transformative innovation with an ambition to address sustainability challenges and the SDGs in your region or country?

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Source: Miedzinski et al. 2022

Action plan

Challenges for action plan

- Use action plan to provide a strategic framework and mechanisms for ensuring coherence and directionality of policy mix towards sustainability goals.
- Open policy mix to new instruments supporting different types of innovation and collaboration with other policies relevant for sustainability challenges.
- Use demand-side instruments to develop and nurture niche markets for transformative innovation.
- Support experimentation and demonstration fostering innovation aligned with the selected transition pathways. Include learning from experimentation and acceptance of risk in the design of instruments.
- Be flexible to allow adjustment of the action plan based on monitoring and evaluation and on the EDP.

Lessons and case studies

- Reflections and examples from Pomorskie (PL), Serbia, Vestland (NO).

Questions to guide reflection and self-assessment

- Would you describe your S3 as challenge-led or mission-oriented? Has the inclusion of sustainability challenges led to changes in the selection of priorities and the design of instruments?
- Does the action plan include instruments designed to support experimental and transformative innovation focused on sustainability challenges?
- What are the barriers and drivers to developing and implementing instruments supporting sustainable innovation in your region and country? How can you introduce them without disrupting parts of the innovation eco-system that have proven to work well?
- Does the S3 action plan include coordination mechanisms to ensure internal coherence of S3 and external synergies between S3 and other policies?
- Is the action plan designed to ensure corrective measures are taken to adjust it based on the continuous process of entrepreneurial discovery and insights from monitoring and evaluation?

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Source: Miedzinski et al. 2022

Monitoring and evaluation

Challenges for monitoring and evaluation

- Need to strengthen capacities to monitor and evaluate direct and indirect socio-economic and environmental outcomes of research and innovation policies, including on the level of portfolios and policy mix.
- Extend the scope of M&E system to include social and environmental sustainability effects of S3 and broader regional innovation policy (e.g. new evaluation frameworks and metrics, policy learning environment).
- Develop and test new approaches and methods to evaluate transformative outcomes of S3 and their contribution to sustainability transitions.

Lessons and case studies

- Reflections and examples from Centro (PT), Basque Country (ES), Gippsland (AU)

Questions to guide reflection and self-assessment

- Does the M&E system allow you to identify, analyse and measure sustainability outcomes of research and innovation instruments? Have you considered how such outcomes could be analysed and measured?
- Is there evidence of innovations supported by S3 in your territory that resulted in sustainability benefits or unintentionally generated negative social or environmental impacts? What are these impacts and have you reflected how to learn from these results?
- Does M&E system include methods, indicators and processes designed to capture transformative outcomes of S3 such as social learning effects or behavioural changes?
- Do M&E processes encourage continuous policy learning from S3 experiments and implementation? How are lessons from evaluations communicated to and between various departments?
- Does M&E system ensure continuous participation and feedback from and between stakeholders? What are links between M&E process and the EDP?

Source: Miedzinski et al. 2022

Mission-oriented approaches for S3

Aim and approach: support policy processes aimed to align S3 with challenge-oriented policy (e.g. missions); action research in a close collaboration with policy makers (Czechia).

Selected takeaway messages

- Mission-oriented approaches can become an approach to strengthen directionality and transformative ambition of S3
- Missions may serve as a powerful consolidation mechanism that helps improve policy coherence and effectiveness
- Mission-oriented approach may help to build new policy collaborations and extend S3 policy mix to demand side (e.g. innovation procurement) and regulatory instruments.

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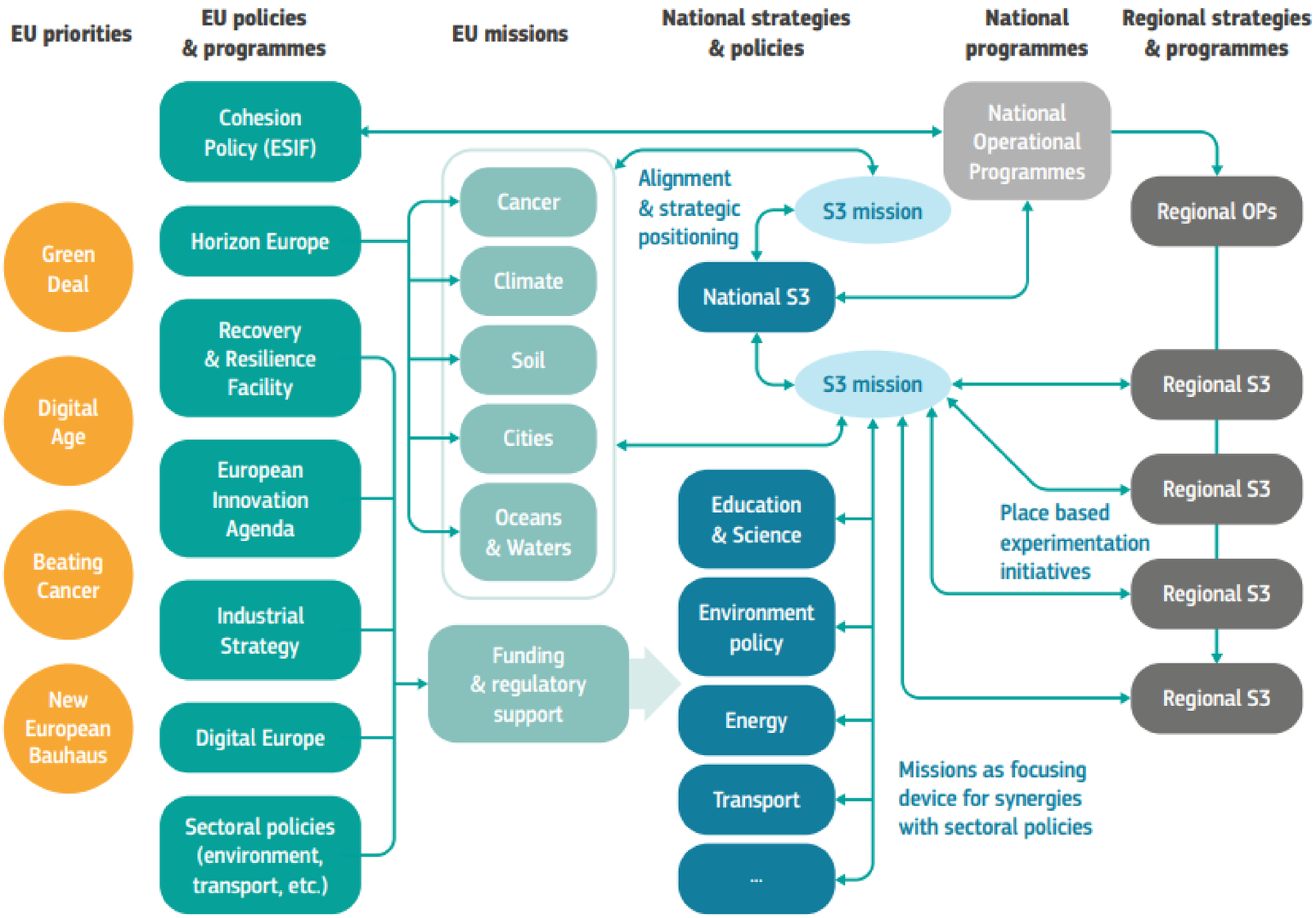

Source: Reid A., Steward F., Miedzinski M., (2023) Aligning smart specialisation with transformative innovation policy.
Lessons for implementing challenge-led missions in smart specialisation, Publications Office of the European Union.

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Mission-oriented roadmap framework for S3

Dimensions	Current state and challenges	Short-term	Medium-term	Long-term (2030 & beyond)	Overall vision
Mission objectives and transition pathways					
Problem statement and the narrative of change underpinning the mission (single or multiple transition pathways)					
Mission objectives and targets over time (attributable to mission)					
Wider sustainability benefits (contributions to the SDGs)					
Innovation pathways					
Priority R&I areas and explanation how they contribute to the mission					
Flagship R&I projects and experiments					
Key actors and partnerships (local, national and international)					
Innovation capacities for the missions (individual, organisational, network)					
Geography of mission (roles of regions and cities in accomplishing the mission)					
Policy and governance roadmap					
Governance and coordination mechanisms, including mission management, stakeholder engagement and policy coordination					
Mission instruments and resourcing: • Direct support instruments (e.g. confirmed and foreseen R&I investments in mission projects) • Demand side instruments (e.g. procurement, tax system) • Soft support system (e.g. networks, clusters)					
Policy learning and capacity building					

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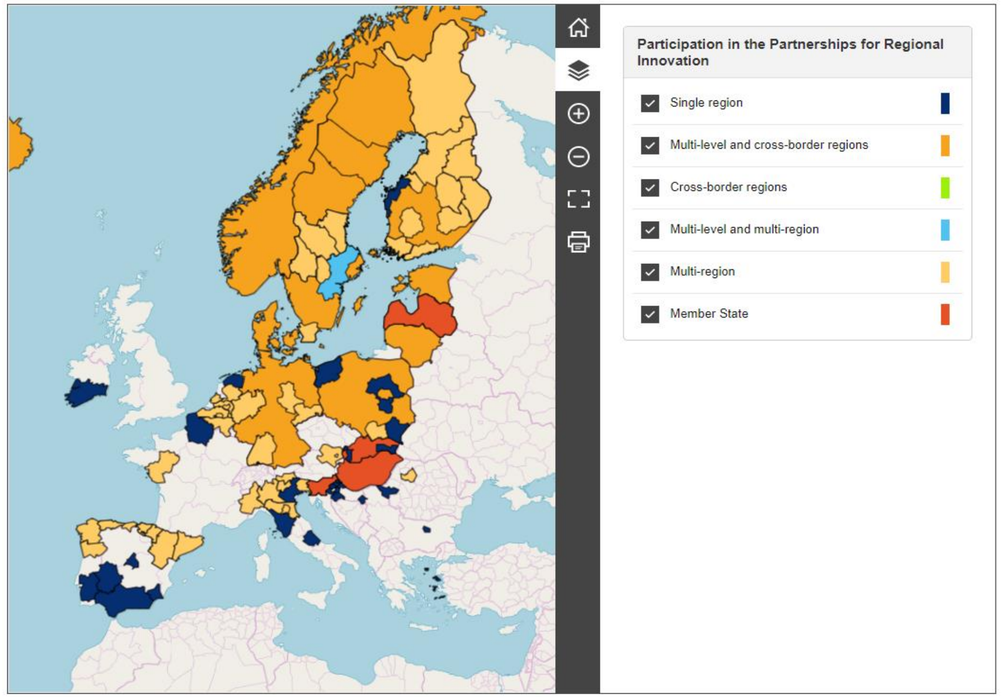
Source: Reid et al (2023)

Partnerships for Regional Innovation

An approach to innovation-driven territorial transformation, linking EU priorities with national plans and place-based opportunities and challenges.

PRI Playbook and ACTIONbook

Initial support document for a pilot engaging Member States, regions and groups of regions who have volunteered to co-develop the approach, centred on a selection of practical policy tools.



Pilot action

- ***74 territories****: 4 Member States, 63 regions (28 single applications, 35 networks), 7 cities, 6 networks of regions*
- *Carried out by the JRC and the Committee of the Regions*

https://s3platform.jrc.ec.europa.eu/pri-map

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Closing remarks

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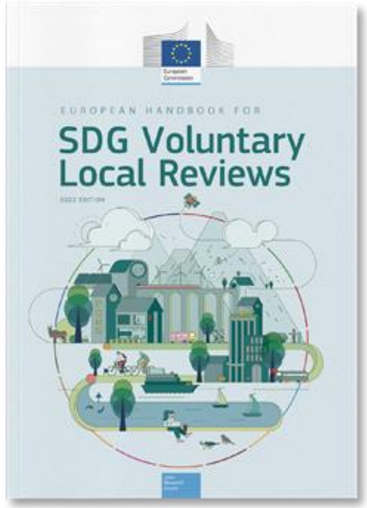
Towards transformative regional innovation strategies?

- **Directionality and system change**: Smart specialisation needs to embrace sustainability challenges and consider a wide variety of innovation pathways to accelerate sustainability transition. Transformative S3 need to focuses on how R&I system can be mobilised and strengthened to contribute to sustainability goals.
- **Real-life experimentation**: S3 can become a “policy space” to co-create, experiment and scale innovation responding to local and global sustainability challenges.
- **Comprehensive policy mix**: S3 policy mix needs to balance the support for portfolios of challenge-oriented R&I projects with a patient systemic support to strengthening capacities in regional innovation systems.
- **Multi-level governance**: S3 governance mechanisms need to create synergies between policies at different governance levels and orchestrate alignment between bottom up and top down policy mechanisms.
- **Policy learning**: S3 needs to invest in formative approaches nurturing policy reflection and policy learning between policy makers and relevant stakeholders.

Selected JRC publications



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Thank you

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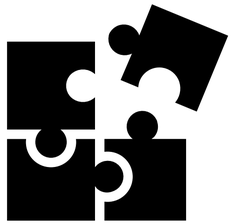

ICE BREAKER

- ✓ WHAT IS OUR MISSION?
- ✓ WHY AND HOW?
- ✓ WHEN AND WHERE?
- ✓ WHO WE ARE?

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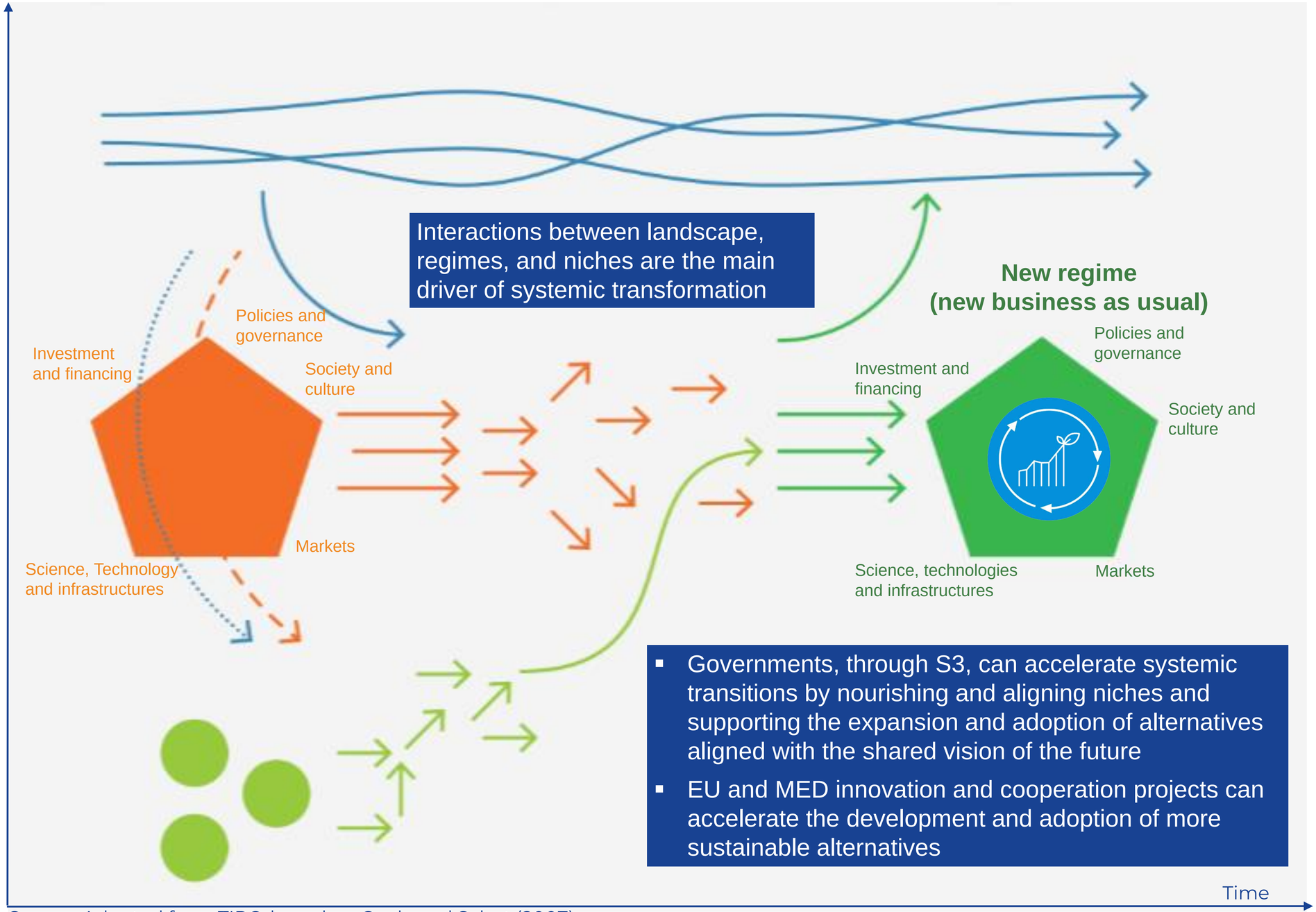
WORKING SESSION 1
First part

Multilevel perspective framework (MLP)

Global trends / landscape (aging of the population, climate change, digitalization, geopolitical tensions) generate pressure on the current dominant systems, destabilising them and opening windows of opportunity for alternative practices

Current dominant regime: "business as usual" (policies, technologies, markets, social values, infrastructures) adapts slowly to global changes becoming dysfunctional and not delivering the expected results

Emerging alternative practices (niches) with the potential to lead to the "new business as usual"

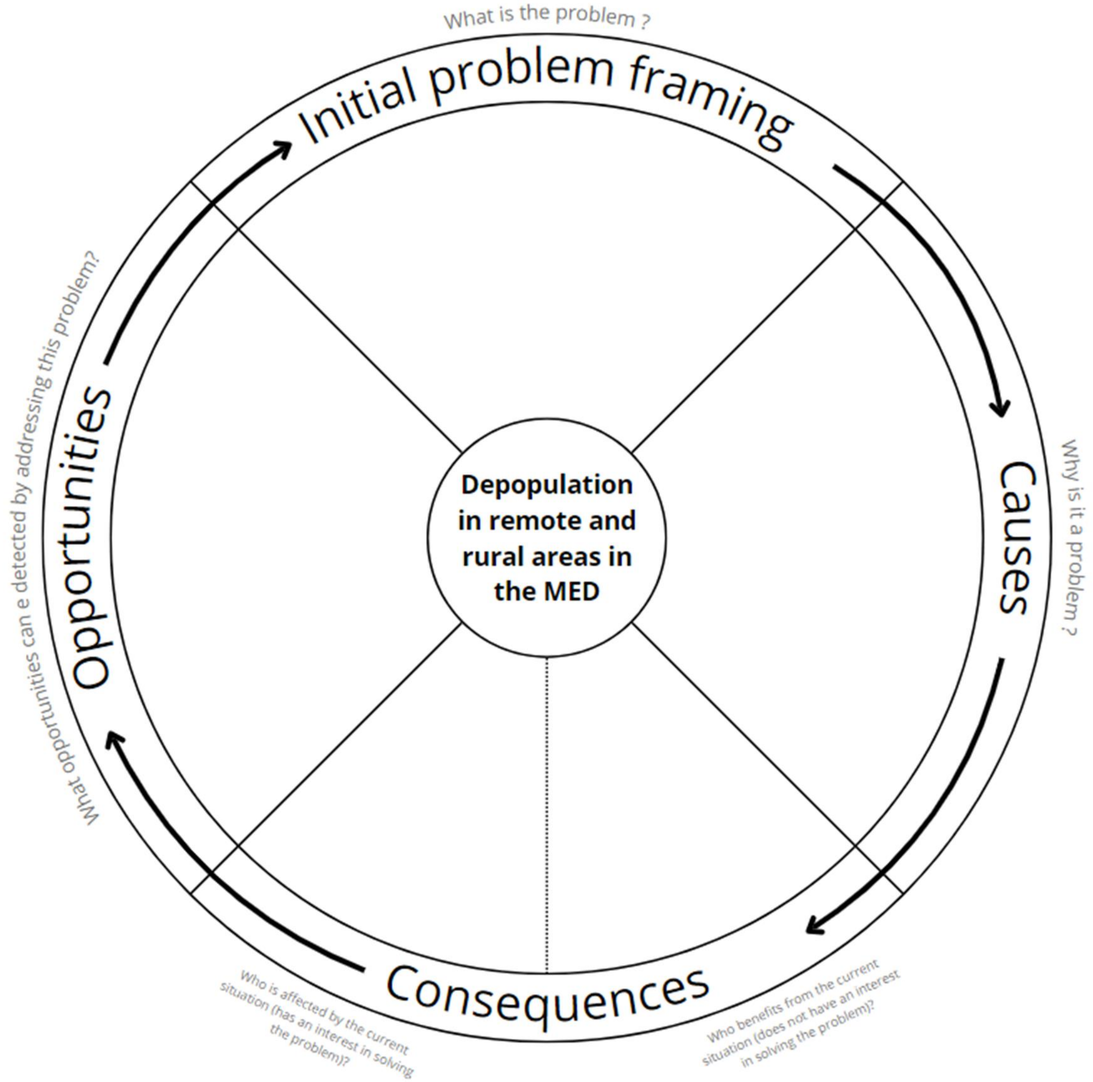


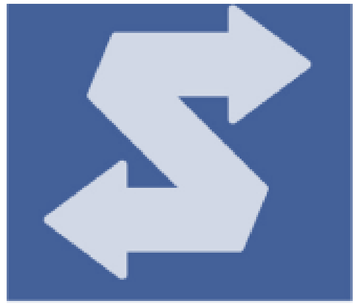
- Governments, through S3, can accelerate systemic transitions by nourishing and aligning niches and supporting the expansion and adoption of alternatives aligned with the shared vision of the future
- EU and MED innovation and cooperation projects can accelerate the development and adoption of more sustainable alternatives

Source: Adapted from TIPC, based on Geels and Schot (2007)

Understanding the complexity of the problem of depopulation in remote and rural areas

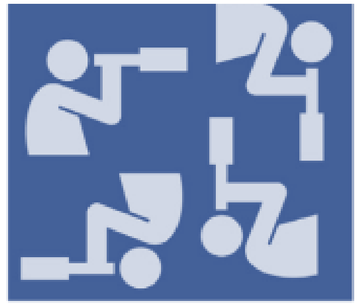
50 minutes (11.15 – 12.05)



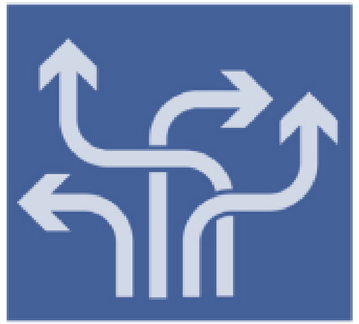


Data is uncertain, contradictory or incomplete

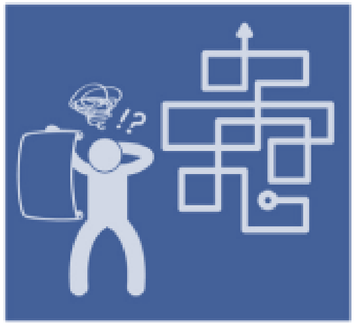
Multiple stakeholders + sites of responsibility + multiple potential starting points



Problem/s are difficult to define - dependent on context + perspective



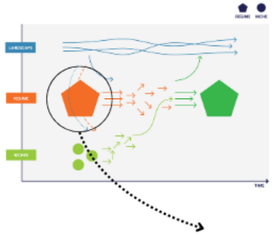
Interconnected problems with no clear cause + effect



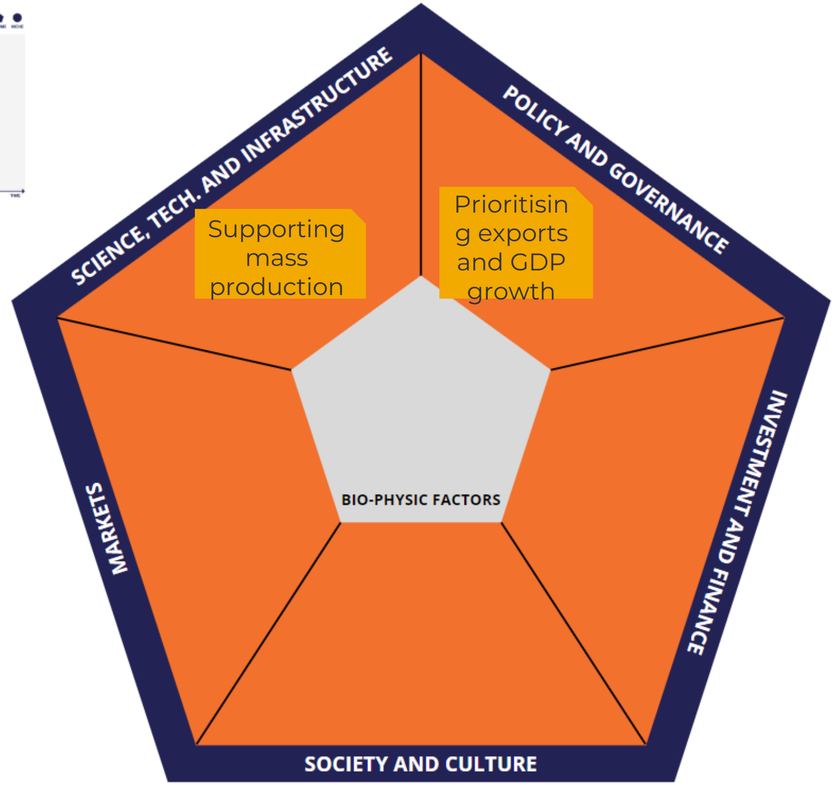
Solution can't be planned without testing it in practice - + consequences are hard to imagine

'Solutions' are not technical + they often involve behaviour + mindset shifts

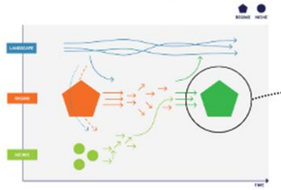
UNDERSTANDING THE CURRENT SYSTEM - MLP



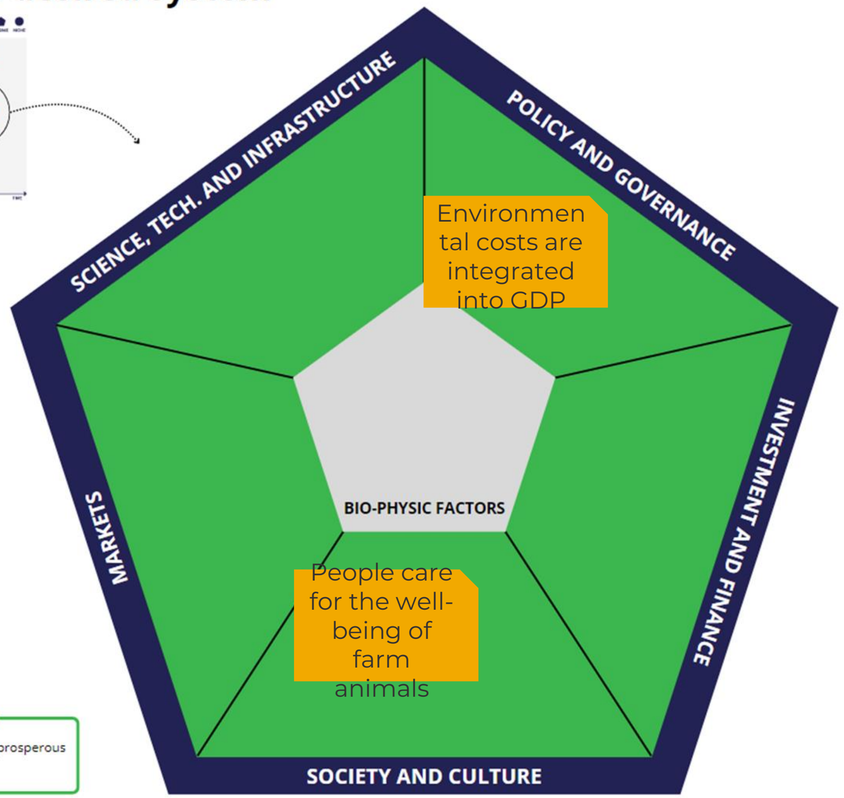
65 minutes:
12:25 – 13:10
14:30 – 14:50



Envisioning the desired system



30 minutes:
14:50 – 15:20



Vision of the future 2070

Stronger, more connected, resilient and prosperous rural and remote areas

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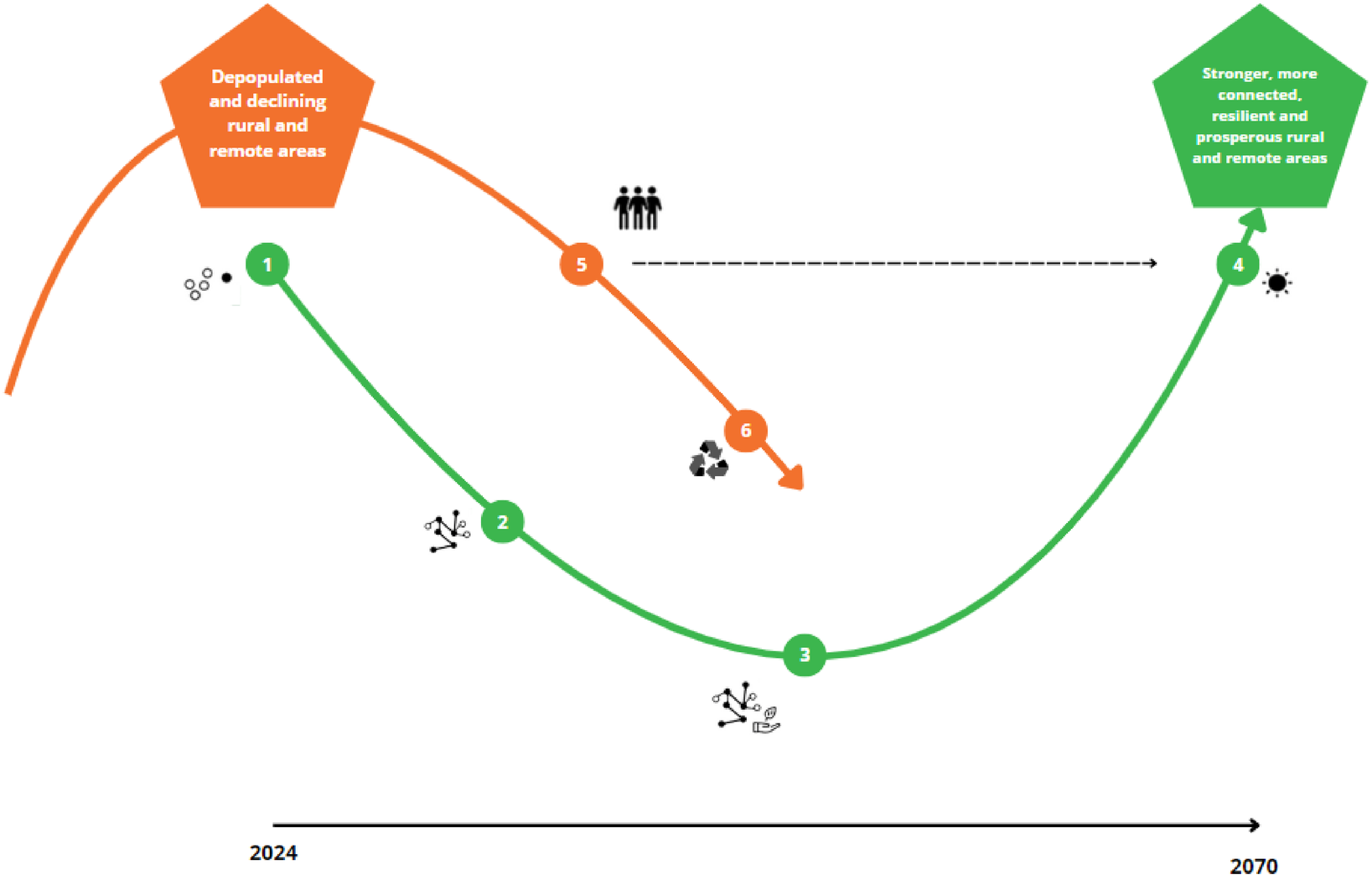
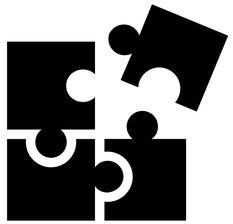
Envisioning transition pathways

WE ARE IN 2070 and we have strong, connected, resilient and prosperous rural and remote areas

- What was the pathway that made it possible?
  - What did we let go from the past (2024) and how did we support it?
  - What has emerged and how did we support it?
- Describe the pathway that made it possible from 2024 to 2070 considering the different dimensions and the necessary changes in mindsets and behaviours at individual and organisation levels.

60 minutes:
15:20 – 16:20





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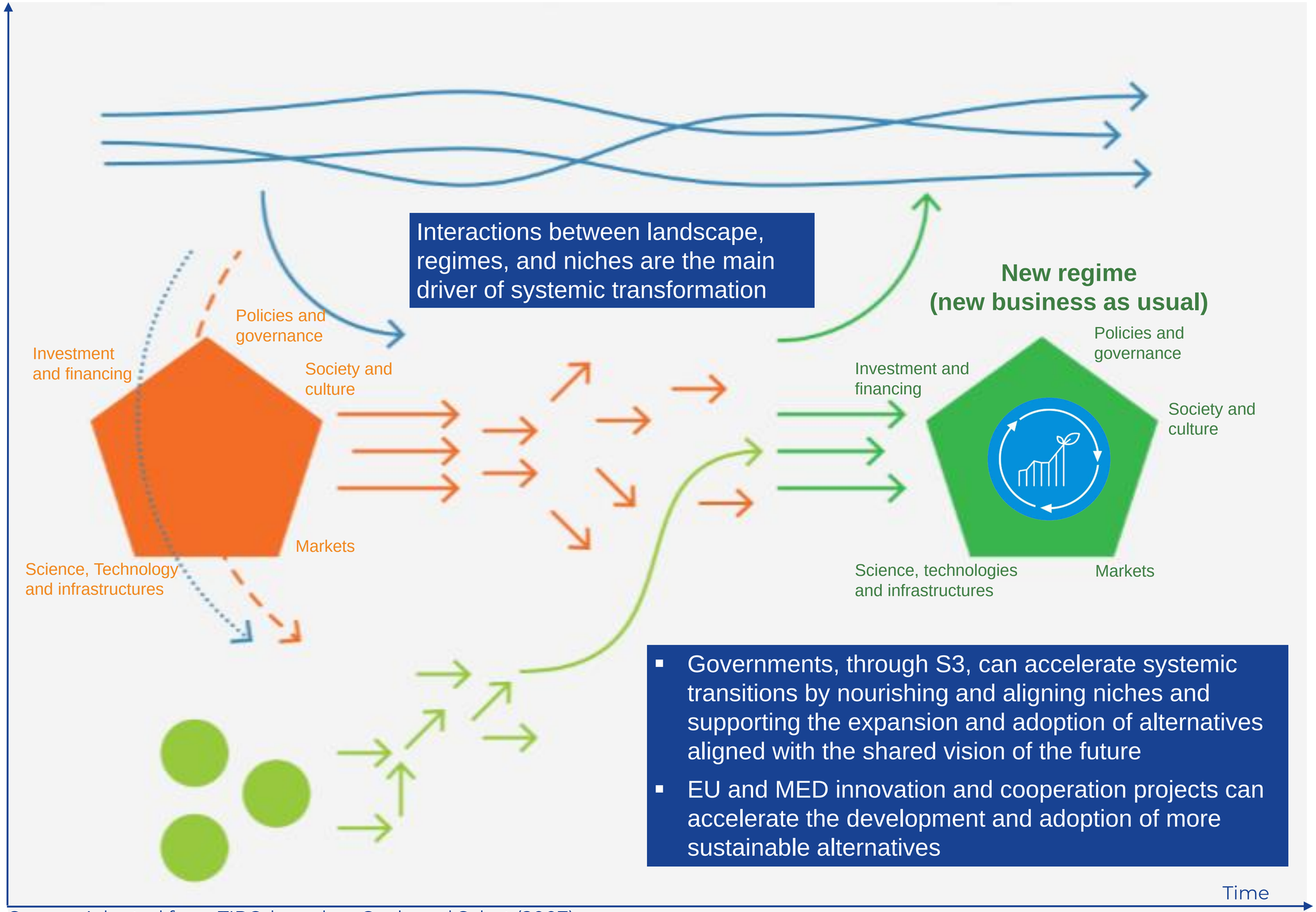
WORKING SESSION 1
First part

Multilevel perspective framework (MLP)

Global trends / landscape (aging of the population, climate change, digitalization, geopolitical tensions) generate pressure on the current dominant systems, destabilising them and opening windows of opportunity for alternative practices

Current dominant regime: "business as usual" (policies, technologies, markets, social values, infrastructures) adapts slowly to global changes becoming dysfunctional and not delivering the expected results

Emerging alternative practices (niches) with the potential to lead to the "new business as usual"

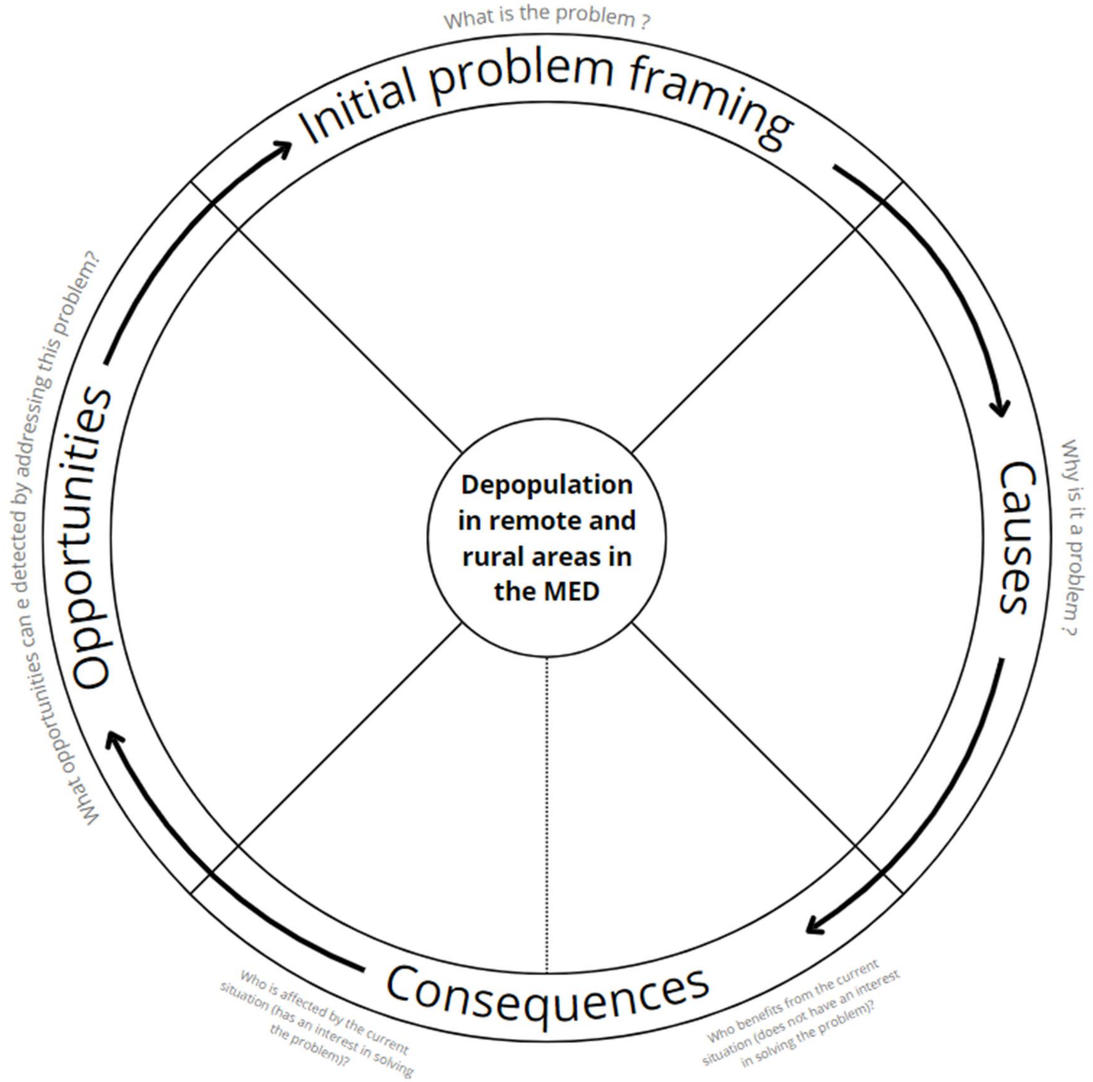


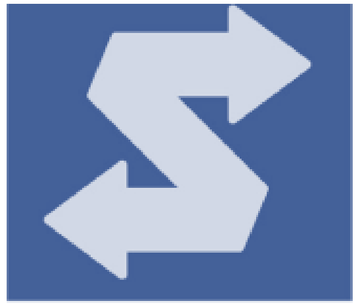
- Governments, through S3, can accelerate systemic transitions by nourishing and aligning niches and supporting the expansion and adoption of alternatives aligned with the shared vision of the future
- EU and MED innovation and cooperation projects can accelerate the development and adoption of more sustainable alternatives

Source: Adapted from TIPC, based on Geels and Schot (2007)

Understanding the complexity of the problem of depopulation in remote and rural areas

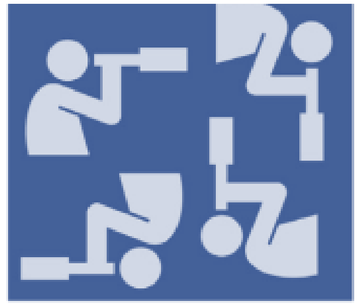
50 minutes (11.15 – 12.05)



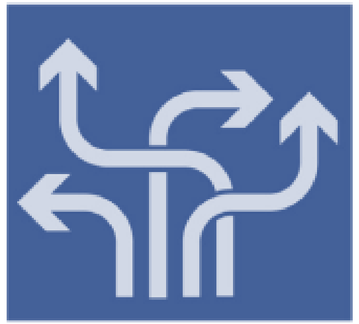


Data is uncertain, contradictory or incomplete

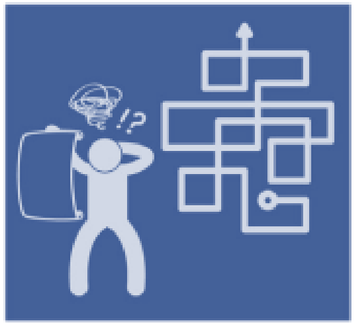
Multiple stakeholders + sites of responsibility + multiple potential starting points



Problem/s are difficult to define - dependent on context + perspective



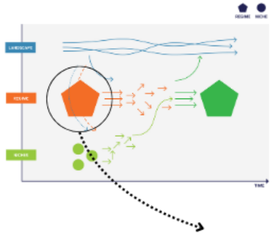
Interconnected problems with no clear cause + effect



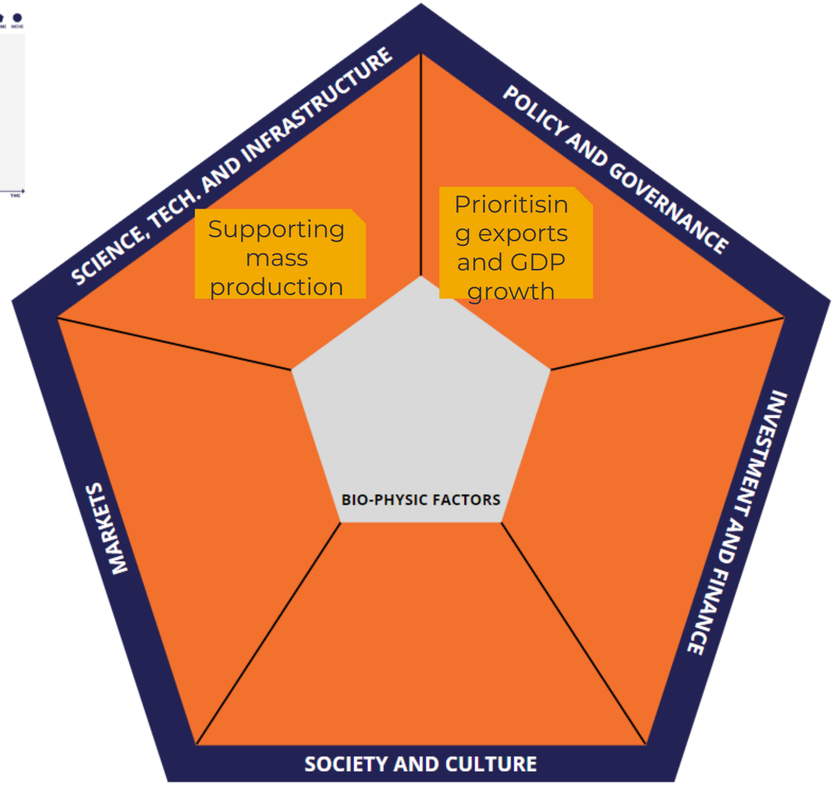
Solution can't be planned without testing it in practice - + consequences are hard to imagine

'Solutions' are not technical + they often involve behaviour + mindset shifts

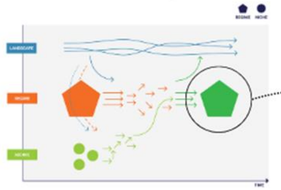
UNDERSTANDING THE CURRENT SYSTEM - MLP



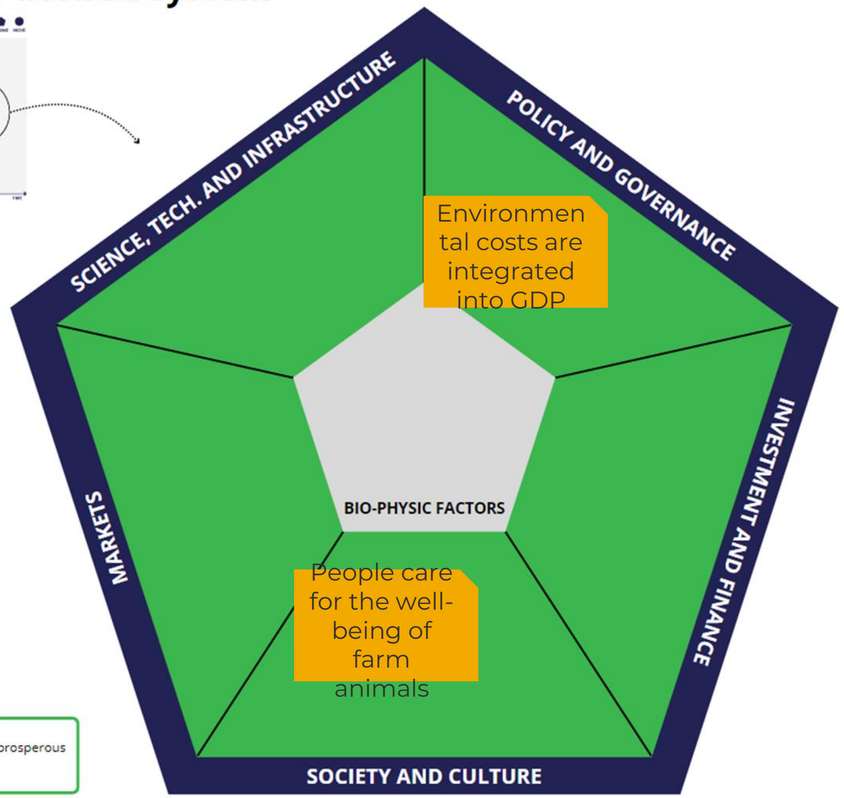
65 minutes:
12:25 – 13:10
14:30 – 14:50



Envisioning the desired system



30 minutes:
14:50 – 15:20



Vision of the future 2070

Stronger, more connected, resilient and prosperous rural and remote areas

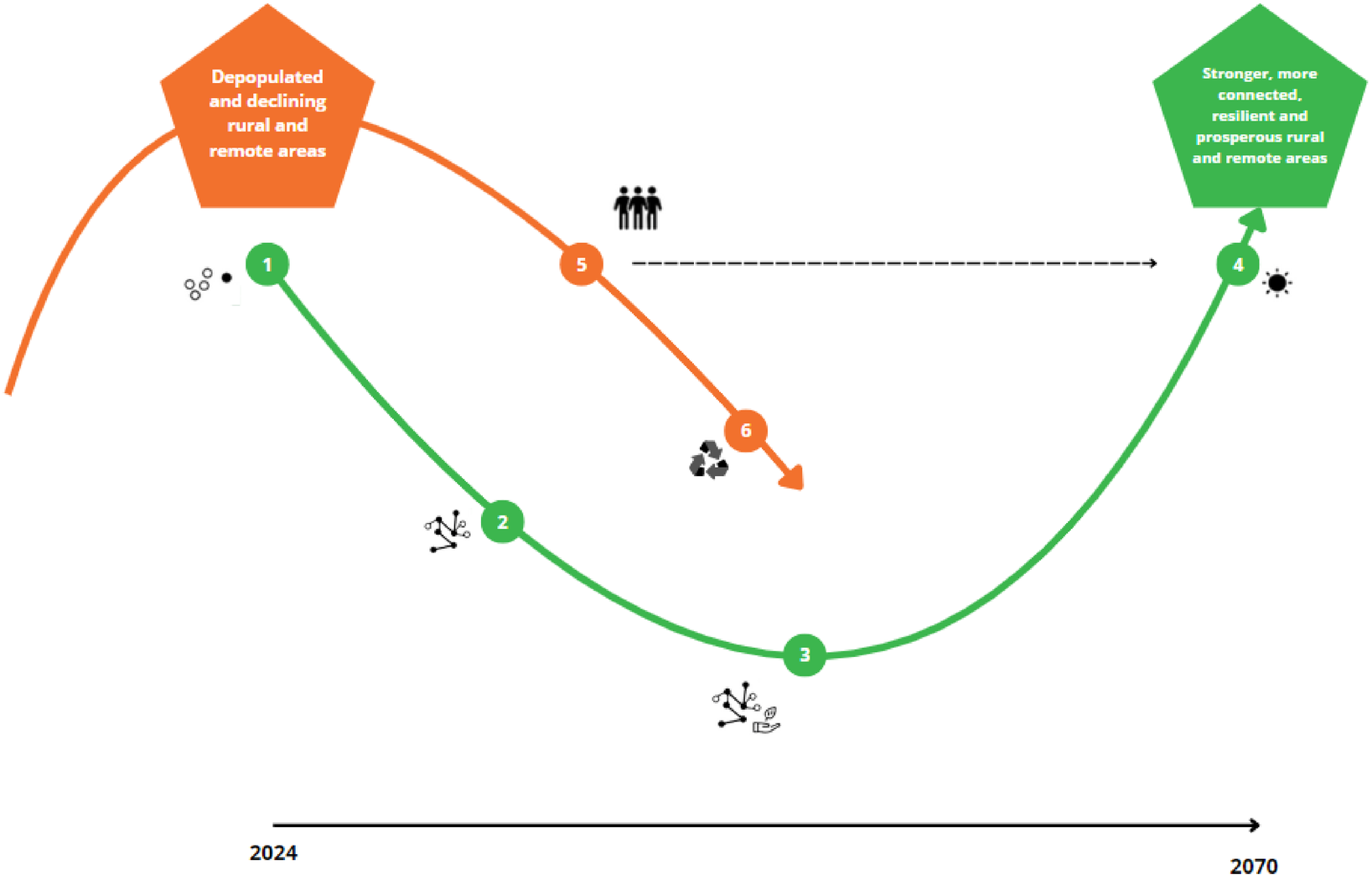
ovative onomy | Interreg Euro-MED | Co-funded by the European Union

Envisioning transition pathways

WE ARE IN 2070 and we have strong, connected, resilient and prosperous rural and remote areas

- What was the pathway that made it possible?
  - What did we let go from the past (2024) and how did we support it?
  - What has emerged and how did we support it?
- Describe the pathway that made it possible from 2024 to 2070 considering the different dimensions and the necessary changes in mindsets and behaviours at individual and organisation levels.

60 minutes:
15:20 – 16:20



LUNCH BREAK

WORKING SESSION 1
Second part

PLENARY SESSION

A project labelled by the UfM

Union for the Mediterranean
Union pour la Méditerranée
الاتحاد من أجل المتوسط

Welcome to the Innovative Sustainable Economy Mission

2nd Innovation Camp

BARCELONA 28-29 May 2024

Innovative sustainable economy | Interreg Euro-MED | Co-funded by the European Union

Moving into action: connecting MED projects, S3 and the MED Innovative Sustainable Economy Mission (MISE)

Elisabetta Marinelli,
S3 CoP

Alasdair Reid,
EFIS Centre

Fernando Mérida,
Spanish Government

Alessandro Daraio,
Dialogue4Innovation

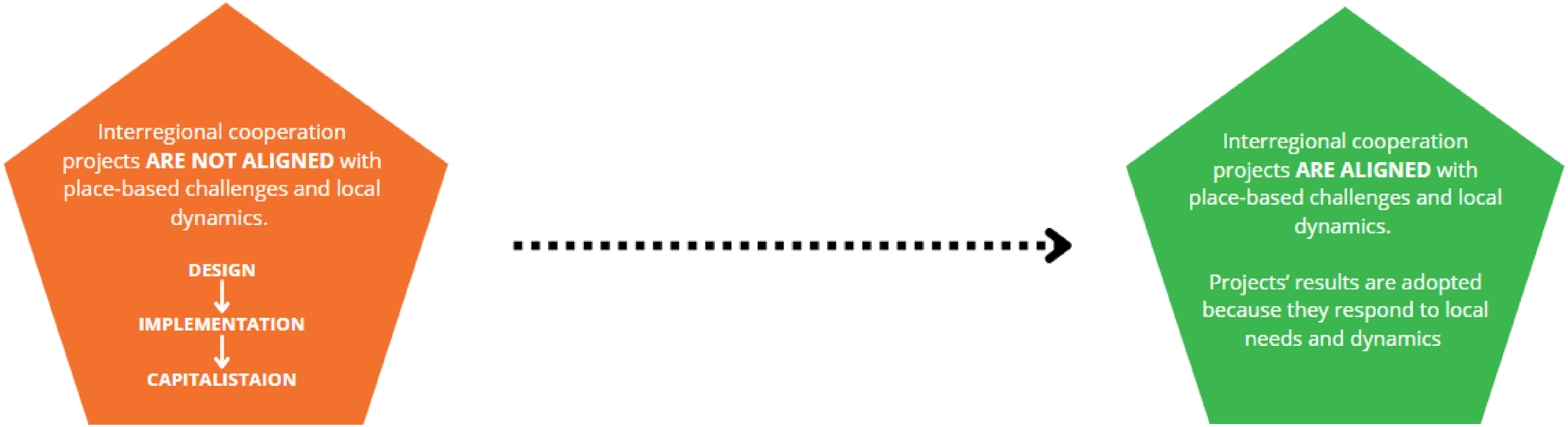
Session moderated by Cynthia Echave

Innovative sustainable economy | Interreg Euro-MED | Co-funded by the European Union

WORKING SESSION 2
First part

Transformative innovation for a more sustainable economy in the MED: conceptual framework, capacity building and tools proposed by the Dialogue4Innovation Project

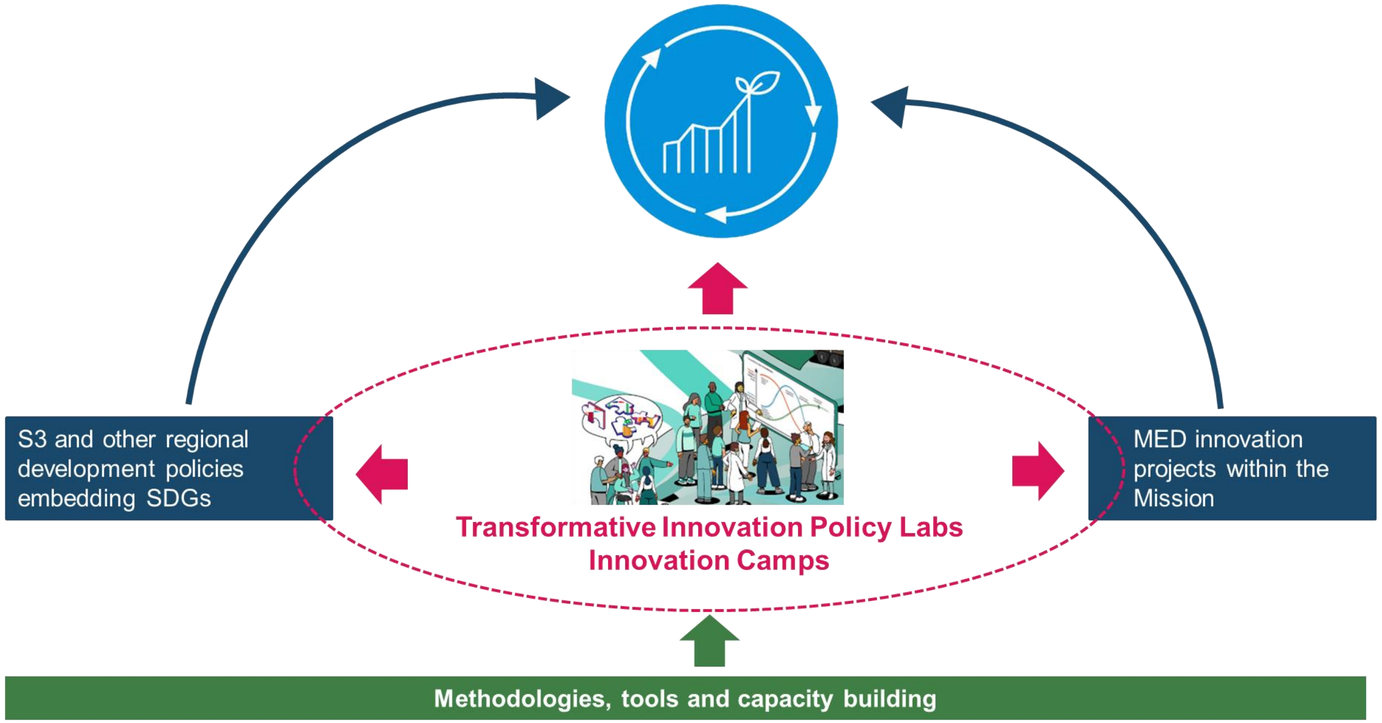
TODAY

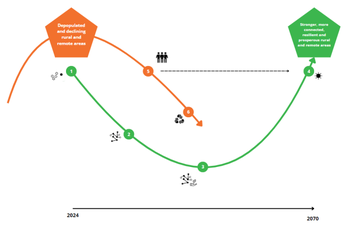

Interregional cooperation projects **ARE NOT ALIGNED** with place-based challenges and local dynamics.
DESIGN
IMPLEMENTATION
CAPITALISTAION
Interregional cooperation projects **ARE ALIGNED** with place-based challenges and local dynamics.
Projects' results are adopted because they respond to local needs and dynamics

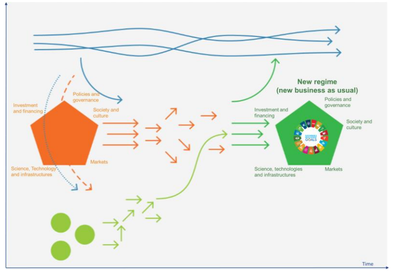
How can we create spaces for place-based and challenge-led action for an Innovative Sustainable Economy in the MED?

SPACES FOR:

1. **UNDERSTANDING THE PLACE-BASED CHALLENGE**
   - Stakeholders develop a shared systemic and MLP understanding of the problem they want to address
   - Stakeholders define a shared vision of the future they want to work for and explore possible pathways
2. **ACTION:** Stakeholders collaborate in experimental spaces to explore, develop, test and demonstrate alternatives aligned with the shared vision of the future
3. **LEARNING AND DIFFUSION OF ALTERNATIVES:** generation of new knowledge and evidences facilitating the adoption of alternatives aligned with shared the vision of the future
4. **ADOPTION OF ALTERNATIVES: A NEW BUSINESS AS USUAL**







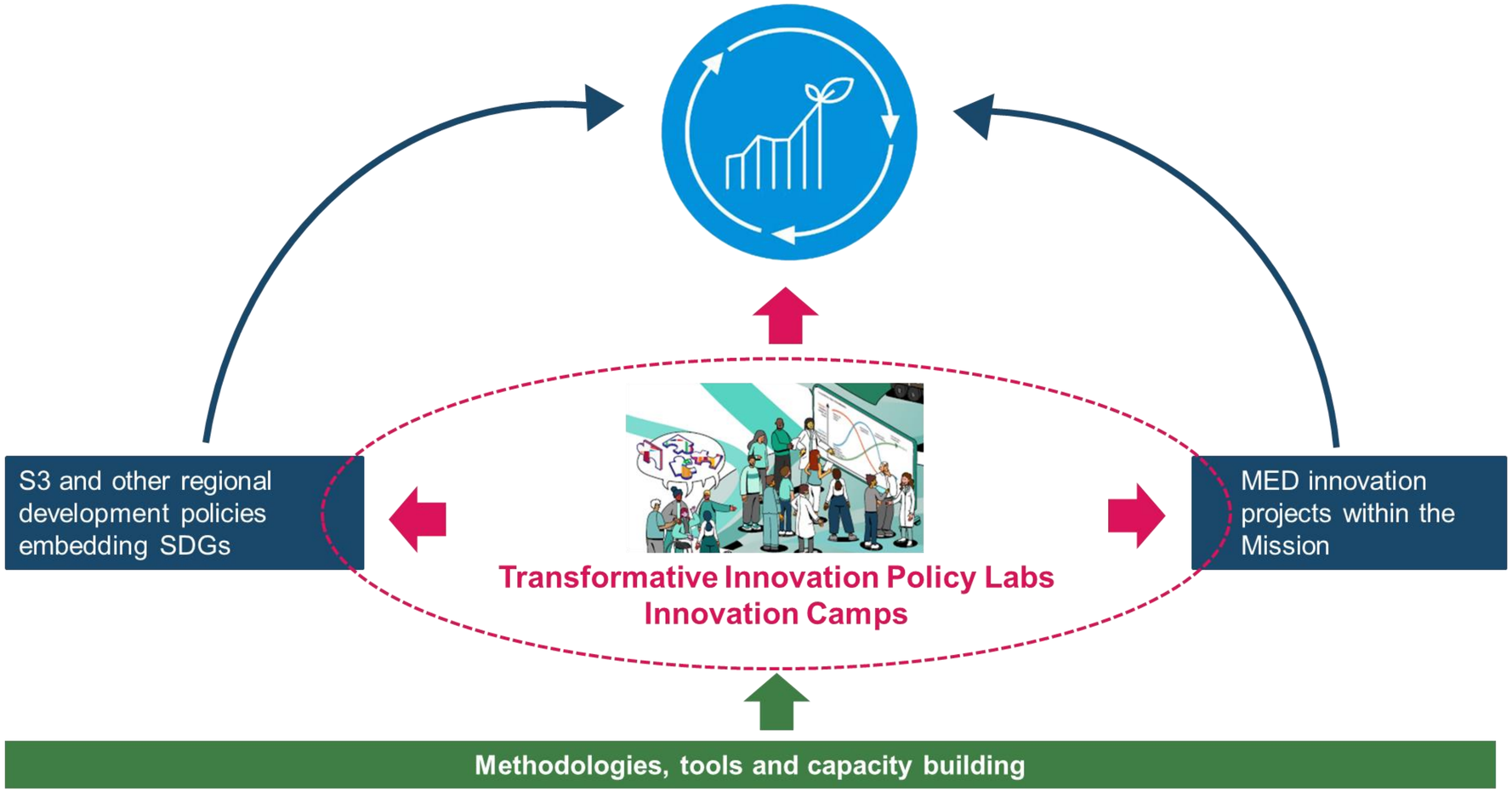
Dialogue4Innovation proposal

- Conceptual frameworks and guidelines to address MED sustainability challenges more effectively through Transformative Innovation Policy
- Capacity building and tools for S3 policy makers and Interreg Euro MED thematic projects (MOOCs, Innovation Camps)
- Co-design and deployment of a MED network of Transformative Innovation Policy Labs (TIPL): meeting spaces to align local, regional, national and MED priorities and stakeholders' efforts for a more Sustainable Innovative Economy within the MED

The roadmap to design and implement TIPL

- **2024-2028: Innovation Camps, guides, methodological tools MOOCs**
- **2025-2026: Design and deployment of the first generation of TIPL:**
  - Led by D4I Partners in their regions or directly or (in the case of CPMR, AIE, OSC, ARC-Medwaves) through public authorities or groups of stakeholders engaged with a policy action falling under the Mission scope willing to implement the proposed approach.
  - The first-generation TIPLs will foster a learning by doing process
  - Development and implementation of a monitoring-evaluation-learning (MEL) framework for monitoring the results of the TIPL: experimenting, testing, learning and co-creating more effective approaches, guidelines and tools to increase the transformative impact of S3 and MED thematic projects
- **2027-2028: Deployment of the second generation of TIPL**
  - Training for “MISE Ambassadors”, selected in a transparent and inclusive way across the Mediterranean to replicate TIPL in other MED territories
  - The “hosting” institutions of TIPL will be selected through an open call from the MISE hub and will be supported by a dedicated technical assistance package.

How do we envision TIPLs?



Today

Exploring the opportunities to amplify the impact of Interreg Euro MED innovation projects and MED S3

How can the Dialogue4Innovation Project support this process?

Co-designing the Transformative Innovation Policy Labs

Today's agenda

09:00 h	**Registration & welcome coffee**
09:30 h	**Round table.** Moving into action: connecting MED projects, S3 and the MED Innovative Sustainable Economy Mission (MISE)
10:30h	**Working session 2 (first part) Moving into action in the ISE Mission** - *Group 1 (policy makers, S3). S3 embedding SDGs and connected to the ISE Mission* - *Group 2 (MED projects). MED projects connected to place-based challenges and the ISE Mission.*
11:45 h	**Coffee-break**
12:15 h	**Plenary session**
12:30 h	**Working session 2 (second part).** *Moving into action in the ISE Mission*
13:30 h	**Lunch break**
15:00 h	**Plenary session**
15:50 h	Wrap up & next steps.
16:30 h	End of the innovation camp

BREAK

WORKING SESSION 2
Second part

LUNCH BREAK

WRAP UP SESSION