Smart Specialisation Strategies in the Mediterranean

Exploring opportunities for addressing MED challenges and SDGs

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Dialogue4Innovation

23 May, Sarajevo

Interreg Euro-MED

Co-funded by the European Union

Innovative sustainable economy

A project labelled by the UfM

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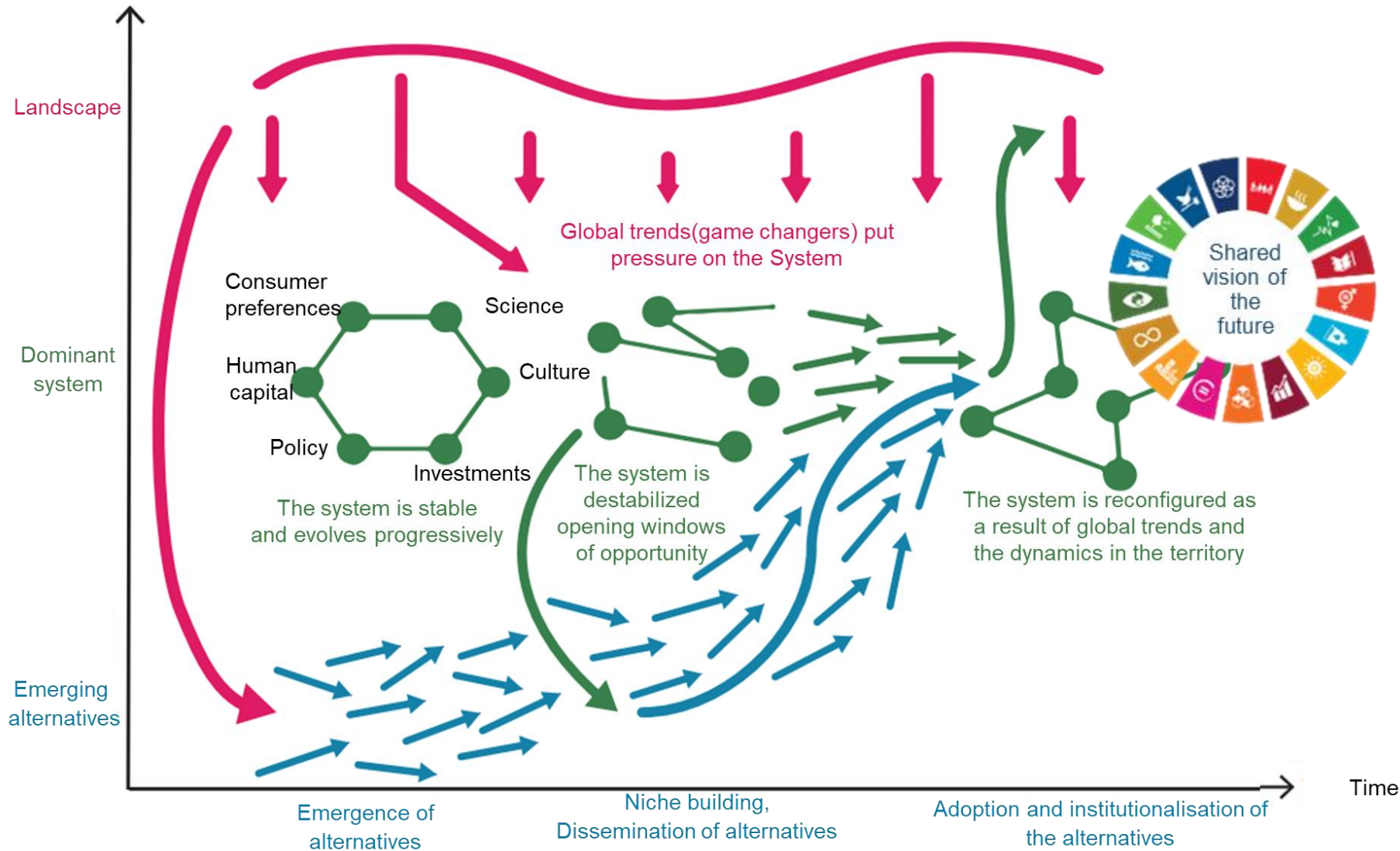# Addressing SDGs requires S3 with transformative and systemic approaches

Moving up along value chains;
Adding value to existing activities;
Niches to compete on international markets

Reorienting the economy towards human well-being

Economic potential

Innovative potential

Societal challenges

European Green Deal

Creating new innovative solutions

Scientific potential

Environmental challenges

Aligning social and environmental objectives

Harnessing knowledge to avoid negative environmental impacts

Source: Nakicenovic et al. (2021) doi:10.2760/766406

☐ Persistent environmental and social challenges place sustainability and inclusive development at the forefront of political agendas and of S3

☐ **"Transformative innovation requires a clear direction at political level, place-based strategies, well-designed tools, entrepreneurial actors with the right skills, institutional capacity and a culture open to policy experimentation and risk-taking"** (Mariya Gabriel)

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Dialogue4Innovation supports S3 / missions based on place-specific needs and contributing to MED and EU goals (European Green Deal, SDGs...)

Designed by Mario Magaña / WeDo Project Intelligence Made Easy SL

☐ Reconfiguration of place-based innovation system structures

 - integrating public administrations and civil society

 - creating new collaboration networks within the region/country and with other regions/countries

☐ Adoption of systemic and transformative innovation approaches

☐ Development of dynamic MEL frameworks (monitoring - evaluating - learning approaches)

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S3, transformative innovation and the multilevel perspective framework

Landscape

Dominant system

Emerging alternatives

Global trends(game changers) put pressure on the System

Consumer preferences
Science
Human capital
Culture
Policy
Investments

The system is stable and evolves progressively

The system is destabilized opening windows of opportunity

The system is reconfigured as a result of global trends and the dynamics in the territory

Shared vision of the future

Time

Emergence of alternatives

Niche building, Dissemination of alternatives

Adoption and institutionalisation of the alternatives

S3, through EDP, identify windows of opportunity and align efforts and resources (bottom-up) to develop alternatives that reconfigure the dominant system in the desired directions (SDGs)

Source: Adapted from Geels and Schot (2007)

Transformative Innovation Policy Labs

Tatiana Fernández, PhD

Dialogue4Innovation

23 May, Sarajevo

The transformative innovation policy labs from Dialogue4Innovation

☐ **Goal**: to support S3 / missions promoted by local / regional / national actors to address challenges:

local ➡ regional ➡ national ➡ MED ➡ EU ➡ SDGs challenges

☐ **Who promotes them?** Dialogue4Innovation partners in a first phase, in collaboration with local/regional/national authorities. In a second phase they will be expanded to other MED regions.

☐ **How?** Providing methodologies and tools to address local and regional challenges aligned with MED priorities and SDGs with systemic and transformative approaches and building new collaboration networks for innovation in the MED

- Offer a safe, neutral, and facilitating environment in which the local actors can co-create and experiment with more sustainable alternatives connected with the MED innovation community
- Cultivate a systemic vision of the territory's challenges and promote transformative innovation oriented towards sustainability;
- Promote the participation and inclusion of all relevant actors in the processes with a flexible and adaptable approach
- Develop methodologies of experimentation that combine research and action;

TIPL as new structures for transformative innovation (transformative S3 / missions)

Moving toward transformative innovation requires:
Creation of new structures and collaboration networks for transformative innovation
Development of skills and capacities for transformative innovation
Mobilisation and reorientation of existing innovation structures towards regional challenges and SDGs

- Abilities to develop, test and ensure the wider acceptance and uptake of innovation, novel practices and solutions
- Abilities to identify and frame place-based problems and regional vulnerabilities
- Strong orchestration capacities to coordinate multi-actor processes; mediate between different interests and minimise trade-offs and conflicts between regional innovation and path development, activities and scales; formulate shared visions and set collective priorities.

TIPL are about addressing local/regional/national challenges with a systemic approach connecting the local/regional/national to the MED/EU/global

LOCAL CHALLENGE

The territory needs a change in the economic model

The current economic model is not attractive to retain and capture population. The 95% of municipalities have less than 5,000 inhabitants
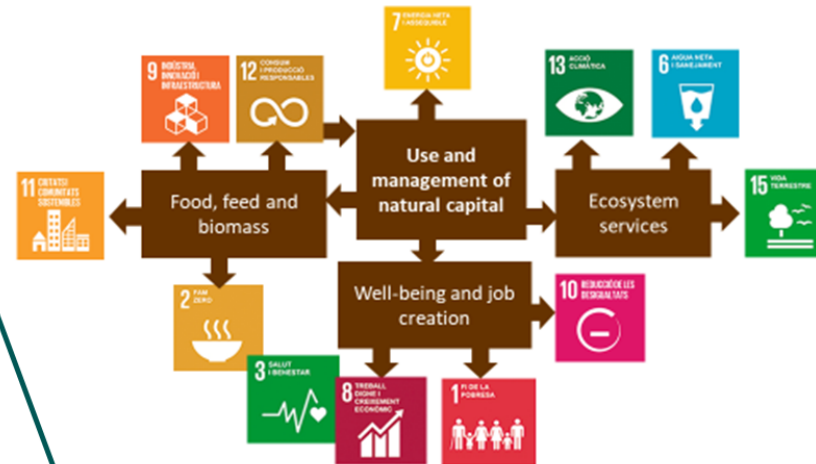
Up to 0%
0% to 7%
More than 7%
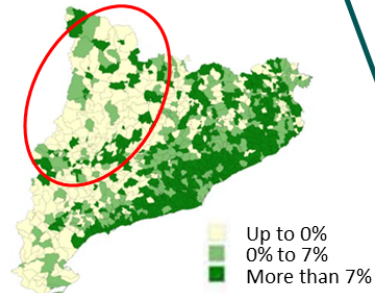
Predicted population growth (%) 2018-2033. Source: Idescat

Demographic, activity and occupation indicators confirm the loss of human capital coupled with low added value economic production with little capacity to generate attractive jobs

Indicator	Lleida	Catalunya
Cumulative GVA 2007-2018 (crisis/recovery balance)	-4,2%	+6,2%
Affiliation contraction 2007-2018	-5,5%	+1,3%
Population variation (2011-2020)	-1%	+3%

GLOBAL OPPORTUNITY

Rural territories are rich in natural capital and they are key actors to achieving a green and climate-neutral Europe

The European Green Deal

Food, feed and biomass

Use and management of natural capital

Ecosystem services

Well-being and job creation

Example from the Shared Agenda of Terres de l'Ebre, Pirineu i Aran in Catalonia

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TIPL support 3 processes for transformative innovation S3 / missions

1. **Preparation of the foundations for collective action:**

- Definition of a desired future vision aligned with the SDGs based on a deep Understanding the dominant system:

  - How global trends affect the current system

  - The barriers to change (policies, regulations, markets, cultural values, etc.)

  - Existing innovations that challenge current dominant practices and may facilitate the transition towards the desired future

  - Points of intervention to move the system toward the desired future (leverage points)

2. Construction or strengthening of alternatives, through testing, validating, and developing ideas, technologies, and social practices (engaging all relevant stakeholders within the region and with the MED innovation community)

3. Adoption of the alternatives (bringing forward the transformation in the desired directions)

# Integration of systemic and transformative innovation approaches to S3

☐ **Dominant system**: reducing resistance to change, supporting and accelerating transitions

- through regulations, incentives, training, social policies, institutional changes

☐ **Emergent system:** discovering opportunities and supporting solutions and practices aligned with SDGs

- S3 and EU funds for developing alternatives, experimenting, building new collaboration networks, risk-taking…
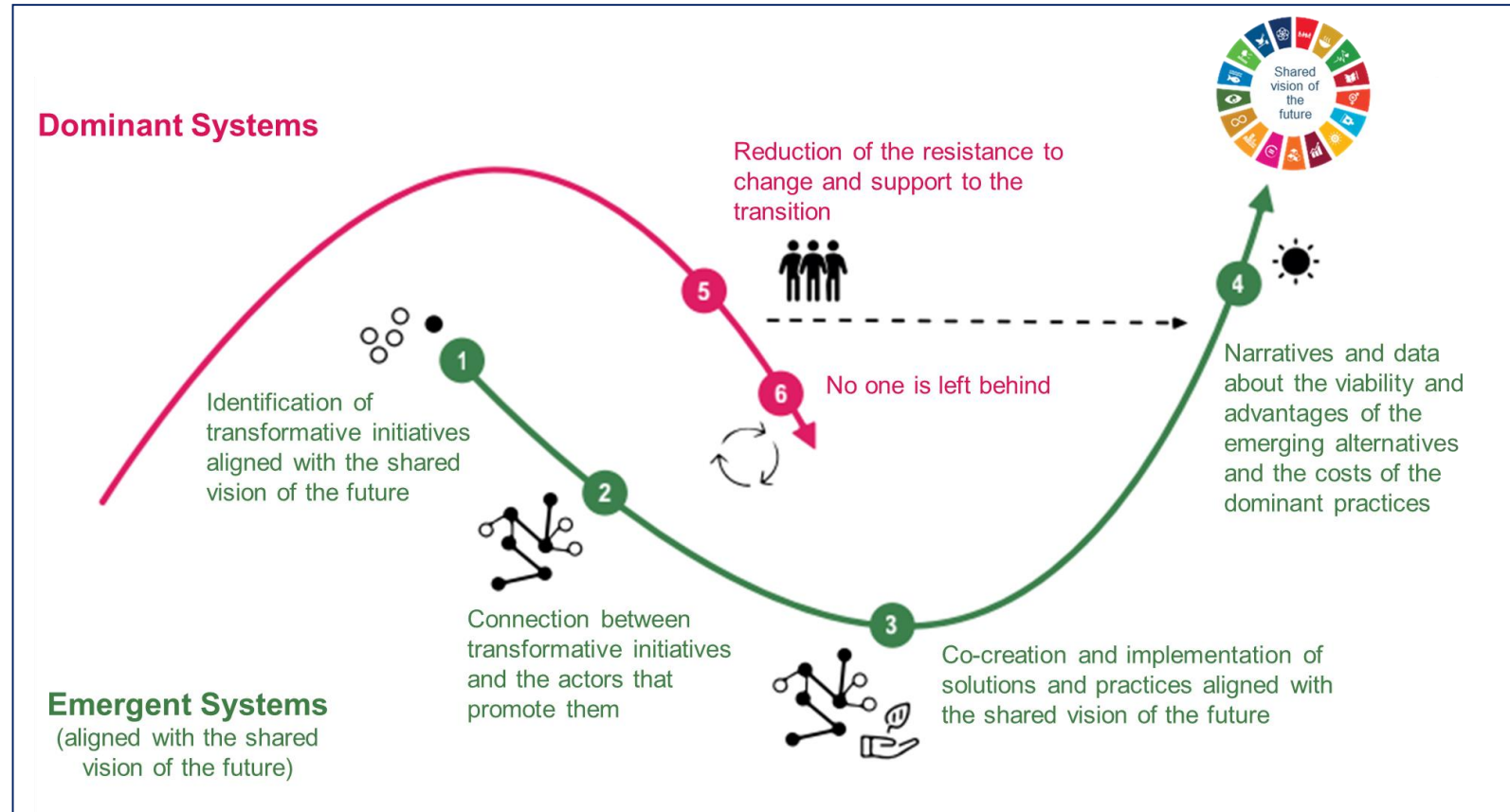
Adapted from Berkana Institute

- Shared vision of the future (aligned with SDGs): How do we see our territory after the transformation? (S3)

- Consensus based on endogenous resources and potential, taking into account global trends

- Consensus (among those who shared the vision of the future) around the system's leverage points: where action is needed to shift the system towards the desired direction.

- Spaces and methodologies to build shared understandings and expectations and to align stakeholders towards the shared vision and transformative change

Shared vision of the future

Transformative innovation policy labs

Challenge-driven innovation ecosystem
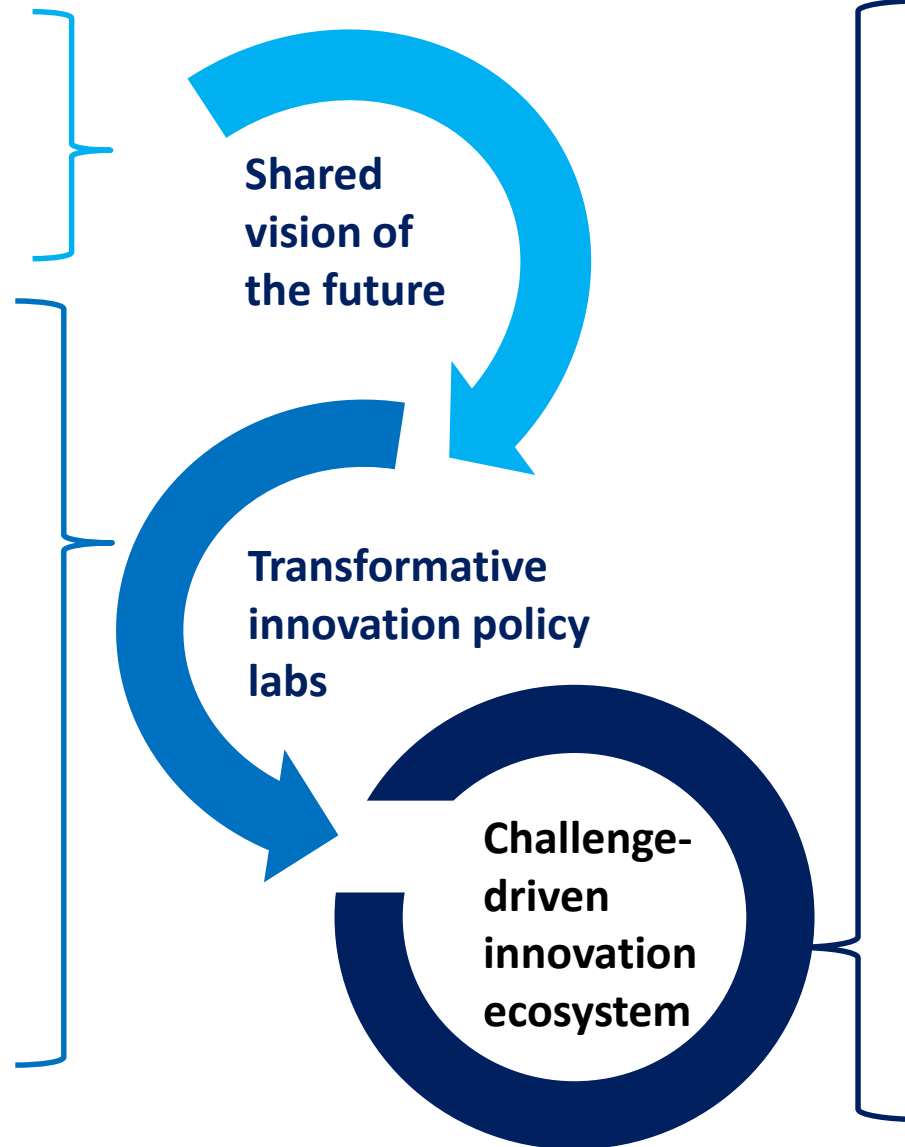
- Physical spaces to support experimentation, validation, learning and scaling-up of the solutions identified to advance towards the vision

- Collaborative work methodology based on stakeholders' expectations regarding the shared vision of the future, its associated opportunities, the obstacles to be overcome and the solutions to be developed

- Collective and sustained action over time by actors addressing the challenge (administration, academia, companies and civil society)

- Transformative collective action supported by flexible and participatory governance and monitoring systems (investments, policy instruments, financing regulation, social awareness, etc.)

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