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## Annex

### BSR S3 Ecosystem Advisory Hub and the EUSBSR Policy Area Innovation

Strategic and practical macro-regional/interregional S3/innovation collaboration guidelines outlined in the BSR S3 Ecosystem Advisory Hub are highly important and useful as BSR regions are making a shift from S3 to 'sustainable S3' with a stronger and longer-term, not just project-based, interregional focus, and are together tackling climate change and promoting the twin transition and sustainable growth. The EU Strategy for the Baltic Sea Region (EUSBSR) and its Policy Area Innovation (PA INNO) constitute a solid macro-regional strategic framework and support structure for dissemination, policy coordination, exchange and cooperation within the 'BSR S3 Ecosystem Advisory Hub'.

#### EUSBSR PA INNO in brief

EUSBSR PA INNO promotes a globally competitive position within innovation for sustainable economic growth in the Baltic Sea region, and provides a strong platform for an enhanced macro-regional collaborative ecosystem for innovation, research, SMEs and digitalisation. It enables shared learning through knowledge-transfer activities; creates and strengthens networks across the Baltic Sea region; aligns resources and regulations e.g. through co-ordination of funding sources; facilitates the joining up of forces in common programmes and investments and in the development of solutions for common challenges. Moreover, it raises the Baltic Sea region's profile, visibility and attractiveness as a partner of choice for international innovation cooperation within and beyond the Baltic Sea region. EUSBSR PA INNO has helped versatile Baltic Sea region innovation cooperation to evolve into strategic and complementary actions with stronger impact and more scalable results. PA INNO experiences and results on transnational S3 are providing strong evidence and basis for the next wave of S3 in the EU programming period 2021-2027.



BSR S3 Ecosystem



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## **EUSBSR PA INNO and S3**

Regions have an important role in strengthening the commitment of all actors in BSR innovation ecosystems, including the business sector, to move forward with selected strategic direction with interregional cooperation. In 2014-2020, EUSBSR Policy Area Innovation has prioritised the role of regions and S3 to secure that innovation measures are designed to better meet the local and subregional level need of actions. The same regional/S3 focus continues in EU 2021-2027, and is relevant in all three priority innovation actions/themes of the new EUSBSR Action Plan (2021): Action1: Challenge-driven innovation; Action 2: Digital Innovation and transformation; and Action 3: Co-creative innovation. As regards Challenge-driven innovation, smart specialisation is a key policy framework for focusing on interregional collaboration through aligning regional S3 priorities and innovation investment efforts, and to help regions (and their industries) to draw on their collective strengths and common challenges to carve out new innovation focused value chain opportunities. In Action 2, S3 can generate scaled up digital innovation efforts (e.g. on Digital Innovation Hubs), accelerate cross-regional value chains (e.g. on digital transformation of bioeconomy /circular economy) and generate new market opportunities in digital economy. Finally, concerning Action 3, S3 activities can include e.g. joint innovation investments aiming at widening the pool of resources and knowledge bases or at accessing complementary assets. Regions can also develop and improve existing regional policy instruments such as ERDF to supporting the co-specialisation approach to S3.

Supported by EUSBSR PA INNO, BSR sub-regions have been actively developing their S3. Various EUSBSR S3 projects have facilitated the building of long-term strategic innovation cooperation and partnerships that can eventually lead to joint investments, as well as provided insights and tools for regions to develop their smart specialisation strategies for sustainability, with a strong focus on inclusive sustainability, green and digital transition.

## **BSR S3 Ecosystem**

The flagship EUSBSR PA INNO platform project on S3, 'BSR S3 Ecosystem' (Interreg Baltic Sea Region, 2018-2022) is aligning various EUSBSR S3 initiatives to better steer investments across BSR. The platform builds on the experiences of Interreg BSR funded EUSBSR S3 projects LARS, BSR Stars S3, Smart-up BSR and GoSmart BSR/ GoSmart&Excel BSR, as well as S34 Growth, BIOREGIO, ClusterFy and TraCS3, funded by Interreg Europe. Recent developments and experiences, e.g. based on the outcomes of BSR S3 Ecosystem platform project, offer valuable tools and guidance for the effective and coordinated utilisation of EU 2021-2027 opportunities in BSR sub-regions. Even more importantly, they provide a strong basis for more strategic S3 development and cooperation.



BSR S3 Ecosystem



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The BSR S3 Ecosystem project has been underpinned by a highly experimental and interactive process, bringing together BSR (and wider EU) innovation actors from policy, research / science and industrial perspectives, to sharpen the focus of innovation collaboration efforts across the macro-region. Recommendations and results of BSR S3 Ecosystem project, materialized as 'BSR Innovation Ecosystem Advisory Hub' as a source of strategic advice and support for the macro-region's innovation community, constitute a basis for the EUSBSR PA INNO's S3 agenda and actions from 2022 onwards. This Hub should facilitate the upgrading of industrial innovation collaboration opportunities across the BSR towards a stronger EU value chain orientation.

### **Promotion and scaling-up of the BSR S3 Ecosystem macro-regional advisory innovation hub through cross-macro-regional innovation cooperation**

S3 is an important theme of innovation cooperation and projects in all EU macro-regional strategies. MRS policy area coordinators and action groups leaders from EUSBSR, EUSDR and EUSALP have agreed on regular S3 related exchange and coordination with a common aim of promoting new cross-MRS partnerships, projects and events on the topic. MRS S3 experiences and EU 2021-2027 related needs and ideas, especially with regard to ambitious goals and cooperation needs related to twin transition and post-COVID recovery, as well available and tested macro-regional S3 tools, illustrate the need and new opportunities for further cross-MRS cooperation, learning and exchange on S3. The first cross-MRS exchange meeting was organized as an online meeting on 10 December 2021 at the initiative of EUSBSR Policy Area Innovation and as part of GoSmart & Excel BSR project. The meeting gathered 13 participants from EUSBSR, EUSDR and EUSALP (policy area coordinators, action group members, S3 experts and project representatives) to discuss S3 related experiences and cross-MRS cooperation opportunities on S3. From EUSBSR, Trans-S3 by 'GoSmart BSR' and 'GoSmart & Excel BSR' (2021) and BSR S3 Ecosystem were presented and discussed.

The meeting participants agreed to continue S3 related exchange and coordination with a common aim of promoting new cross-MRS partnerships, projects and events on the topic. Facilitation of joint cross-MRS proposals and partnerships in connection with Interregional Innovation Investments (I3) Instrument was especially seen as an attractive and feasible common goal already in 2022. Secondly, a follow-up for Innovation Express 2021 or promotion of other similar coordinated calls under regional funding instruments was regarded as an important joint topic and task. Furthermore, the cross-MRS exchange and coordination on S3 could aim at facilitating exchange of information and good practices, and initiation of cross-MRS cooperation opportunities in connection with other relevant EU funding instruments such as Horizon Europe and Interreg Europe. EUSBSR PA INNO will include cross-MRS cooperation in general, and related S3 cooperation in specific, in its 2022-2024 action plan, and will allocate resources for related coordination in connection with its Interreg BSR funded coordination project for 2022-2024. 'BSR Innovation Ecosystem Advisory Hub' by BSR S3 Ecosystem will be a key element of EUSBSR PA INNO's contribution to this cross-S3 exchange.



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### **The BSR S3 Ecosystem macro-regional advisory innovation hub as part of policy learning and coordination by the EUSBSR PA INNO steering group**

In line with the new EUSBSR action plan requirements, the role of policy area steering groups has been strengthened in EUSBSR PA INNO from 2021 onwards: to disseminate PA INNO/projects' results, ensure policy impact, and actively contribute in strategic level to goals and new processes, projects and activities promoted in EUSBSR/PA INNO. The PA INNO steering group consists of representatives of the national or regional governments of EUSBSR Member States. Steering group members come from key ministries or authorities in the relevant field. Representatives of non-EU neighbouring countries are invited as members (Norway, Iceland). As EUSBSR PA INNO has prioritised S3 to secure that innovation measures are designed to better meet the local and subregional level need of actions, also subregional level is represented in the steering committee (represented by BSR regional networks such as CPMR-BSC and BSSSC). Finally, a representative of the European Commission's Directorate-General for Regional and Urban Policy (DG Regio) participates in steering group meetings as a strategic advisor. Further macro-regional/cross-MRS utilisation of the BSR S3 Ecosystem macro-regional advisory innovation hub will be discussed in connection with EUSBSR PA INNO steering group meetings and in related dialogue and communication between/with the steering group members.