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CLUSTERS MEET REGIONS



MALMÖ **15-16**
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CLUSTERS AS BOOSTERS OF INNOVATION
IN INDUSTRIAL ECOSYSTEMS |



#SingleMarket30

Session 4: Interregional Collaboration

- **Esa Kokkonen**, Main Coordinator, Policy Area Innovation of the EU Strategy for the Baltic Sea Region
- **Lars Persson Skandevall**, CEO, Bron Innovation and Vice Chairman of the Board Clusters of Sweden

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EUSBSR EU STRATEGY FOR THE BALTIC SEA REGION

Session 4: Interregional collaboration EU Strategy for the Baltic Sea Region



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Interreg
Baltic Sea Region



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BSR INNOVATION POWERHOUSE!

STRONG

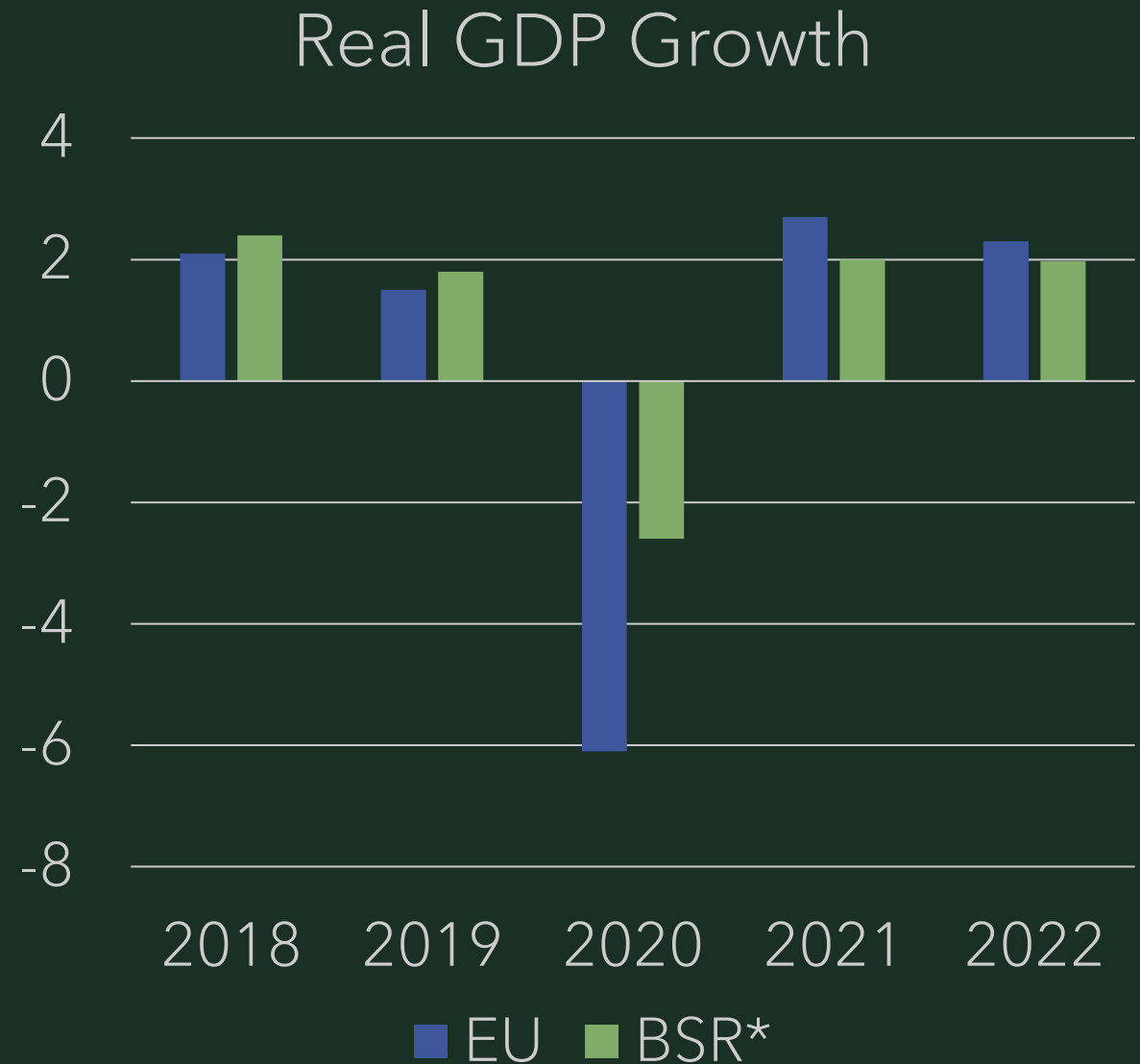
- 6 BSR countries among top performers relative to income in the Global Innovation Index
- BSR outperforms the EU average by roughly 20% on the overall score on the EU Innovation Scoreboard
- BSR is home to 5 out of the top 20 regions globally by S&T intensity
- BSR is home to 265 out of 1000 leading European companies by R&D spend

Source: Christian Ketels, 2022

STILL THE TOP OF EUROPE?

- Dependency on global economic climate

What happens to the
Winner of Globalization
when
Globalization is changing?





BSR INNOVATION POWERHOUSE?

BUT SMALL

- BSR is home to 1 out of the top 50 regions globally by S&T volume
- BSR is home to 15 out of 100 leading European companies by R&D spend
- BSR is home to 90 out of 2500 leading global companies by R&D spend
- Top 5 companies account for 50% of all BSR corporate R&D spend

Source: Christian Ketels, 2022



INNOVATING IN
THE REGION

INNOVATING AS
THE REGION

Source: Christian Ketels, 2022

Implementation of the EUSBSR

- ✓ 3 main objectives
- ✓ 14 interconnected Policy Areas



EUSBSR
EU STRATEGY
FOR THE BALTIC
SEA REGION

EUSBSR Policy Area Innovation: New Action Plan 2021-

Added value:

Policy Area Innovation (PA INNO)

- promotes a globally competitive position within innovation for sustainable economic growth in the BSR, and provides a strong platform for an enhanced macroregional collaborative ecosystem for innovation, research, SMEs and digitalization.
- 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 programs and investments and in the development of solutions for common challenges; and
- enhances BSR's profile, visibility and attractiveness as a partner of choice for international innovation cooperation within and beyond the BSR.

EUSBSR Policy Area Innovation: New Action Plan 2021-

EU or other policy framework

PA Innovation is related to the following EU- regional - and international strategic frameworks:

- **European Strategic Cluster Partnerships (COSME)**
- Smart Specialisation Strategy
- Digitising European Industry, in particular the support to Digital Innovation Hubs that can support SMEs with their digital transformation
- Activities to support cultural and creative industries
- Digital Single Market
- EU Blue Bioeconomy Roadmap and Bioeconomy Strategy
- Policy goals of Horizon Europe
- A new Circular Economy Action Plan for a Cleaner and More Competitive Europe

The innovation AP is to be **linked to the Green Deal**, support for R&I being a cross-cutting element of the pact. It will also be directly linked to certain texts of the Green Deal: the new industrial strategy, the new circular economy action plan, the farm-to-fork strategy

EUSBSR Policy Area Innovation: New Action Plan 2021-

Key PA achievement so far

- PA INNO has helped versatile BSR innovation cooperation to evolve into **strategic and complementary actions with stronger impact and more scalable results**.
- Altogether, 27 PA INNO flagships have been implemented during the EU programme period 2014-2021, 10 ongoing in 2023
- PA INNO flagships such as **BSR Stars, SUBMARINER Network, ScanBalt, Baltic Science Link and BSR Digi co-lab** have produced numerous interesting and highly relevant results and new solutions in the fields such as research collaboration, health, blue growth, and circular and digital economy.
 - PA INNO has supported the flagships in the project development, promotion, dissemination and scaling-up of their results, in policy learning and dialogue, and facilitated the development of the flagships' follow-up/new project initiatives.
- PA INNO experiences and results on transnational S3 are providing strong evidence and basis for the next wave of S3 in the next EU programming period.

EUSBSR Policy Area Innovation: Coordinators

PA INNO is managed and coordinated in close cooperation of the three PACs:

The Baltic Institute of Finland – main coordinator

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EUSBSR Policy Area Innovation: Steering Group

- PA INNO SG consists of representatives of the national or regional governments of EUSBSR Member States. SG members come from key ministries or authorities in the relevant field.
- In PA INNO SG, representatives of non-EU neighbouring countries are invited as members (Norway, Iceland)
- PA INNO has prioritised Smart Specialisation to secure that innovation measures are designed to better meet the local and subregional level need of actions. Therefore, also subregional/local level will be represented in the SG (one subregional/local level SG member)
- A representative of the European Commission's Directorate-General for Regional and Urban Policy (DG Regio) participates in SG meetings as a strategic advisor.

EUSBSR Policy Area Innovation: Focused topics

Action 1: Challenge-driven innovation

Macroregional challenge-driven innovation policies and actions **aiming at fostering disruptive, breakthrough and market-shaping innovations to respond to the 21st century social, environmental, and economic grand challenges in the BSR** (e.g. climate change, resource efficiency, demographic change, pandemics, rapid urbanization, healthy living and aging, clean energy, inclusive societies, sustainable food and feed production and various environmental challenges of the Baltic Sea).

Potential topics

- **Sector/S3 priority-specific S3/4 initiatives (e.g. on blue growth, circular economy/industrial symbiosis, health, industry 4.0, smart cities, low carbon energy) having the potential to solve BSR challenges, to generate new business, and to encourage the development of BSR value chains**
- **Promotion of stronger BSR value/supply chains that would be able to respond to future undesired external disruptions**
- **Methods and tools for the facilitation of the systemic change needed for green transition and sustainable and inclusive growth**
- **Initiatives on public procurement for innovation (challenge-based procurement)**

Action 2: Digital innovation and transformation

Digital transformation is a societal change in BSR. Emerging digital technologies such as AI, VR/AR, blockchain, robotics and Internet of Things (IoT) are key tools to tackle societal challenges, facilitate new businesses, innovations, services and more sustainable, usable and vital living environments and infrastructures, and develop BSR innovation (e.g. smart city initiatives) and startup ecosystems.

Potential topics

- **Real-Time Economy; Development of common standards for interoperable public and private solutions**
- **Joint development and implementation of Digital Innovation Hubs (DIHs)**
- **Digital, data-driven solutions for sustainable business and growth in BSR (promoting the twin transition in BSR), e.g. Digital transformation of (blue) bioeconomy /circular economy in BSR**

EUSBSR Policy Area Innovation: Focused topics

Action 3: Co-creative innovation

Ecosystems and platforms are emerging as key frameworks for economic and innovation activity also in BSR. **Transnational platforms and change agents are needed to connect Baltic Sea region innovation ecosystems** and having access to public, research and business groups, to engage them in the collaborative process of co-creation to bridge the existing knowledge, skills and market access gaps for SMEs. **Efficient transnational linkages and matching of end users, innovative firms and research partners** for team co-creation, and access to other resources such as knowledge and prototyping is a critical success factor for co-creation scale up and growth. Transnational linkages allow organisations **to tap into a larger base of ideas and technology, find complementary expertise and pool competencies** in order to overcome barriers, such as lack of management resources.

Potential topics

Co-creation as a horizontal theme / overarching approach to all EUSBSR PA INNO actions, it can be applied in any topic/project

- **To scale up the use of co-creation among BSR SMEs** through improving their capabilities and absorptive capacities to efficiently turn market demand driven ideas into innovations
- **To connect innovation ecosystems across BSR** through developing and piloting systematic models and practices to engage BSR SMEs, researchers, test facilities and end users in co-creation activities
- **To facilitate the understanding and change of mindset among policy-makers** and SMEs to scale up practical co-creation activities in BSR and
- **To promote transnational cooperation and SMEs access to RDI infra**, and transnational exchange and joint development between Innovation Infrastructure Organisations and incubators.

EUSBSR Policy Area Innovation projects in the Interreg Baltic Sea Region first call

BSR Food Coalition: Baltic Municipality's Food Coalition (*Action 1 – small project*)

We make transition!: Towards sustainable and resilient societies through empowered civil society and collaborative innovation (*Action1*)

Distance LAB – remote service hub for SME's and public sector (*Action 3*)

BSI_4Women: The Baltic Sea Initiative for the Development of Business Activity of Refugee Women (*Action 1*)

Liveability - Designing public services for resilient neighbourhoods (*Action 1*)

PPI4Cities: Supporting BSR cities to implement public procurement of innovation while providing practical tools created using AI technologies and gamification methods (*Action 1*)

SusTool: Sustainability Reporting Tool (*Action 2*)

TETRAS: Technology transfEr for Thriving Recirculating Aquaculture Systems in the Baltic Sea Region (*Action 1*)

ChemClimCircle: Integrating criteria for chemicals, climate and circularity in procurement processes (*Action 1*)

BALTIPLAST: Baltic Approaches to Handling Plastic Pollution under a Circular Economy Context (*Action 1*)

Circular Spaces: Circular Economy makerspaces (*Action 1*)

EUSBSR PA INNO and smart specialisation (1/3)

- In 2014-2021, **EUSBSR PA INNO has prioritised Smart Specialisation** 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): **Challenge-driven innovation; Digital Innovation and transformation; Co-creative innovation**
- Supported by EUSBSR PA INNO, **BSR sub-regions have been actively developing their S3** in line with the EU Green Deal and with increasing focus on interregional cooperation
- 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 specialization strategies for sustainability (S4), with **a strong focus on inclusive sustainability, green and digital transition**
- **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

EUSBSR PA INNO and smart specialisation (BSR S3 Ecosystem) (2/3)

- The flagship EUSBSR PA INNO platform project on S3, 'BSR S3 Ecosystem' (Interreg Baltic Sea Region, 2018-2022) was aligning various EUSBSR S3 initiatives to better steer investments across BSR
- The platform was build 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
- The key outputs from the project included a **first-stage value chain mapping exercise across key territories of the macro-region in the area of Circular Bioeconomy**
- Experiences and results 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, including utilisation of the new EU instrument for interregional innovation investments (I3)
- Recommendations and results of BSR S3 Ecosystem project, materialized as
 - '**BSR Innovation Hub**', as a source of strategic advice and support for the macro-region's innovation community, which also constitute a basis for the EUSBSR PA INNO's S3 agenda and actions from 2022 onwards, and as
 - related **BSR S3 Ecosystem based consortia/proposal selected to take part in the Partnership for Regional Innovation (PRI) Pilot Action** co-sponsored by the EC's Joint Research Centre and the EU Committee of the Regions



EUSBSR PA INNO and smart specialisation (The BSR S3 Ecosystem Innovation Hub: a test-case in building the EU's Innovation Valleys?) (3/3)

- **The European Commission's July 2022 Communication on the New Innovation Agenda** contains five Flagship actions to upgrade the EU's innovation performance, in the context of significant global challenges. One of these Flagships is dedicated to strengthening European Innovation Ecosystems by creating **regional innovation valleys**
- The learning and evidence from the BSR S3 Ecosystem project and the core objectives the BSR Partnership for Regional Innovation (PRI) pilot aim to facilitate the EUSBSR/MRS contribution the EU's new Innovation Valley architecture
 - **Exploring how S3 can be better aligned to SDG and Green Deal objectives**, providing new tools and upgrading capacity across BSR territories to realise these objectives
- Upgraded support and cooperation infrastructures are needed, including strategic connections to wider EU 'pathways' and 'valleys', **to join up efforts across EU value chains linked to twin transitions**
- **Cross macro-regional cooperation (linked to S3 alignment)** is very important opportunity and policy framework in this



New PA INNO initiative, 'Collaborative BSR Decarbonization'

- One of the key actions of PA is to support developing **Grand Challenge innovation projects**. The leadership of the EU in the climate crisis, including the Green Deal, Fit for 55 package and the climate missions (Adaptation to Climate Change and Climate Neutral and Smart Cities) provide an excellent framework on a transnational level for addressing climate related challenges
- The **climate issues are strongly embedded** in the national strategies of all key actors across the region. Decarbonization ambitions have been set locally and nationally as well as within firms
- From the perspective of EUSBSR the approach to address the climate crisis has been primarily from marine environment (Save the Sea), but also from the perspective of distinct substance areas – PA's Bioeconomy, Transport, Energy, Nutri, Spatial Planning; with clearly defined sustainability actions defined
 - However, **integrative approaches to systemic cross-sectoral innovations**, specifically on city level, are yet missing on strategy level
- The **EU ambition regarding international city or regional collaboration is moving towards even stronger collaboration constellations**. In addition to the EU Cities Mission, this also supported by the new EU innovation agenda aiming for a network of collaborating regional innovation valleys
- This new direction of EU innovation policy must be strongly included in EUSBSR strategy implementation

BSR Stars Innovation Express 2013-2027

- Innovation Express represented a common approach for **supporting the internationalisation of SMEs through cluster initiatives**.
- The funding instrument aimed at facilitating internationalisation, smart specialisation, and cross-border learning and competence development by **developing transnational linkages between SME networks, clusters and other specialised research and innovation nodes** – for the benefit of their members.
- Innovation Express was a series of joint calls for proposals implemented within the framework of the BSR Stars programme – a flagship of the EU Strategy for the Baltic Sea Region.
- The calls were **funded by national/regional funding agencies** to initiate, develop or enhance transnational cooperation activities – leveraging cluster organisations (or similar) to develop proposals for their SME members.

Innovation Express 2021

- 'Innovation Express 2021' was a cross-macro-regional cluster matchmaking initiative led by **EU Strategy for the Danube Region (EUSDR)**.
- It was based on EUSBSR 'BSR Stars Innovation Express' instrument fostering the internationalization of SMEs through clusters or business networks and encompassing a **cluster-to-cluster matchmaking events**, a coordinated transnational call for proposals (where approved projects were funded through distributed regional/ national sources), and a number of capacity building and policy learning activities.
- Innovation Express 2021 was designed (through cross-MRS planning process) as a quick response to the economic recovery after Covid-19 offering SMEs the possibility to widen their markets and develop new products and services with partners in Europe.
- In its first call (summer 2021), Innovation Express 2021 represented a common approach for supporting SMEs at international matchmaking and joint R&D projects in the fields of **'Artificial Intelligence in Healthcare Applications'** and **'Digital solutions in sustainable industry'**.

Training programmes for cluster managers

- **Baltic Leadership Programme for Cluster Managers (2017-2019)**
 - led and funded by Swedish Institute and supported by EUSBSR PA INNO and Policy Area Education
 - 30 participants from Baltic Sea region
- **Cluster Manager Education programme (2020-2022)**
 - aimed to improve the quality of cluster management in the Baltic Sea region.
 - 24 participants from 8 the Baltic Sea Region countries – Denmark, Estonia, Finland, Germany, Latvia, Poland, Sweden, and Lithuania.
 - funded by Erasmus+, and implemented by the Lithuanian SmartFood cluster together with the Kaunas University of Technology and five other partners from Sweden, Finland, and Germany.

Submariner Network

- The SUBMARINER Network is a unique platform that brings actors from the whole Baltic Sea Region together to actively **promote innovative and sustainable uses of marine resources**.
- It operates across the whole knowledge triangle integrating perspectives from local to international scale, different science disciplines as well as policy and economic stakeholders.
- The SUBMARINER Network promotes innovative approaches to the sustainable use of marine resources and offers a cooperation platform to related actors and initiatives in the Baltic Sea Region.
- Coordinates the **EU Mission Restore our Ocean and Waters Baltic & North Sea Lighthouse, 'BlueMission BANOS'**; the flagship inspires, engages and supports stakeholders across the Baltic and North Sea to reach a carbon-neutral & circular blue economy.

Policy Area Coordinators



Interreg
Baltic Sea Region



Co-funded by
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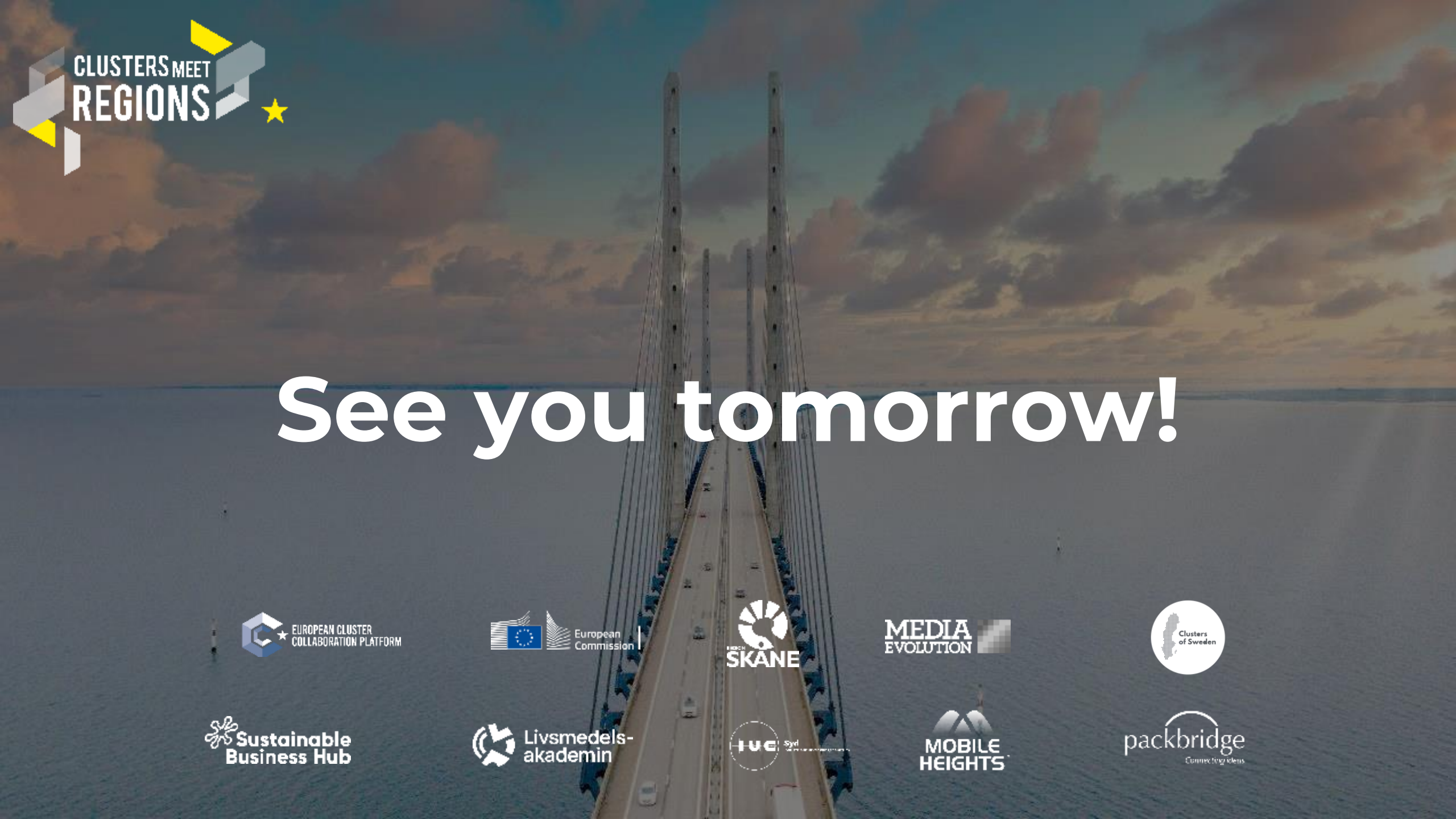
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Bubbles & Networking





See you tomorrow!

