



EUSBSR Policy Area Innovation

Steering Group meeting minutes

12 April 2023 r., online (Teams)

9.30 to 11.30 CET (10.30 to 12.30 EET)

Participants:

- **EUSBSR PA Innovation Coordinators (PACs):**

1. **Esa Kokkonen**, The Baltic Institute of Finland, **Finland**;
2. **Kristi Aruküla**, Ministry of Economic Affairs and Communications, **Estonia** – PAC Estonia since 1 January 2023 r.;
3. **Reet Reismaa**, Ministry of Economic Affairs and Communications, **Estonia** – PAC Estonia till 31 December 2022 r.;
4. **Zuzanna Kozłowska**, Ministry of Education and Science, **Poland**.

- **EUSBSR PA Innovation Steering Group (SG) Members:**

1. **Eivind Lorentzen**, Royal Norwegian Ministry of Trade, Industry and Fisheries, **Norway**;
2. **Harri Lämsipuro**, Ministry of Economic Affairs and Employment of Finland, **Finland** (SG member substitute);
3. **Jens Unruh**, Economic Development Agency Brandenburg (WFBB), **Germany**;
4. **Kaarel Lehtsalu**, Ministry of Economic Affairs and Communications of Estonia, **Estonia**;
5. **Petri Koistinen**, Directorate-General for Regional and Urban Policy (DG Regio), **European Commission** (PA INNO strategic advisor);
6. **Samanta Budrecka**, Ministry of Economics, **Latvia** (SG member substitute);
7. **Lucille Ehrhart**, **CPMR Baltic Sea Commission** (regional representative);
8. **Patrycja Wzorek**, Ministry of Economic Development and Technology, **Poland** (SG member substitute);
9. **Venla Virkamäki**, Helsinki-Uusimaa Regional Council, **Finland** (SG member substitute);
10. **Viktorija Misekaite**, Ministry of the Economy and Innovation, **Lithuania** (SG member substitute).

SG meeting proceedings:

- Opening by Esa Kokkonen (PAC Finland);
- Short introductions and updates by all participants;
- **Item 1:** The Steering Group approved the meeting agenda.
Item 2: Esa Kokkonen (PAC Finland), supported by the remaining PACs, presented an **update on PA Innovation activities and the 2022 report to the Interreg BSR programme** (Annex: PA INNO activity report 2022). The coordinator gave an overview of PA Innovation priorities and 2022 activities to be soon reported to the Interreg BSR programme. He has reminded the SG that the framework for PA Innovation activities is set out in the EUSBSR Action Plan, which defines 3 core Actions under the PA Innovation: 1. *Challenge-driven innovation*, 2. *Digital innovation and transformation*, and 3. *Co-creative innovation*, of which the first one is the most prevalent one, as it pertains to current climate, health, sustainable development, demographic & societal challenges. The second action is also very strong, and it is led by PAC Estonia in connection to the Estonian Real Time Economy (RTE) initiative that aims to reduce administrative burden on SMEs through unified and standardized business reporting model that not only eliminates data overlaps, but also provides entrepreneurs with actionable feedback about their companies' performance. In a broader sense, the action promotes the development of smart governments that utilise interoperable data for the benefit of the



society. Thanks to PA INNO commitment to this action and its promotion the RTE concept has already reached the EU Commission level, and it is now discussed with other EU macroregions. The third PA INNO action aims to scale up the involvement of different actors and stakeholders in co-creation of innovative solutions throughout the BSR. Apart from those, PA INNO has also strongly prioritised regional innovation policy and smart specialisation strategy (S3) development. In PACs' opinion, EU investments for regional innovation are used in a smart and coordinated way, and the PA INNO has contributed to that by reducing overlaps and preventing fragmentation of BSR efforts in the area of innovation. A sizeable part of PA INNO activities is devoted to project support. EU has recently granted PA INNO-related projects, that tackle challenges related to, amongst others, social and digital innovation, blue and circular economy, and offer support for Ukrainian refugees, more than 20 million euros worth of financial support. PACs have initiated successful collaboration with 1st and 2nd Interreg BSR call winners, offering project developers various forms of support, including consultations, promotion, and event contributions. PA INNO has also actively promoted BSR as an innovative region through multiple contributions to key stakeholder events (such as the Annual EUSBSR Forum or annual EU macro-regional strategies week), including speeches, workshops, and discussions. PA INNO feels that it is crucial to further develop cooperation between the BSR countries, in close connection to EU policies and missions, in order to achieve critical mass in the area of innovation policy. All the while, PA INNO remains open to Europe-wide collaboration that transcends the BSR, and utilises funding mechanisms outside the Interreg BSR programme, such as Horizon Europe. PA INNO should strive to become a platform for creation and facilitation of major Europe-wide projects, which is difficult to achieve by small institutions, regions, or universities, but possible on a PA level. Esa Kokkonen (Finland) also informed the SG about the new PA INNO website under the main EUSBSR page, as well as PA INNO plans to start a cross-macro-regional working group on innovation in 2023, following the already initiated informal collaboration.

- **Item 3: The Steering Group discussed and expressed its feedback regarding the activities and accomplishments of the Policy Area Innovation coordinators in 2022**, in line with the Interreg Baltic Sea Region programme reporting requirements.
 - *Notes from the discussion:* Having reviewed the progress and achievements of the PACs in coordinating the policy area in the period January – December 2022, the PA Innovation Steering Group has stated that it is satisfied with the progress achieved by the PACs in coordinating the policy area. The SG considered the following as the main achievements of the PAC work in 2022:
 - continued promotion of digitalisation and digital economy under the umbrella of the 'Real Time Economy' initiative led by the Estonian Ministry of Economic Affairs and Communications, that has succeeded in launching its new related flagship project 'Sustainability Reporting Tool', approved in the 1st call of the Interreg BSR programme in 2022;
 - PA INNO's further work in the area of regional innovation policy and smart specialisation, especially via partnership and active contribution to 'BSR S3 Ecosystem Platform' project (2019 – June 2022, financed by Interreg BSR, led by Region Västerbotten), which resulted in the 'BSR Innovation Ecosystem Advisory Hub' concept (June 2022) and related BSR pilot under CoR/JRC Partnerships for Regional Innovation initiative (led by Region Västerbotten, PA INNO as a partner, launched in May);
 - organisation and contribution to multiple events that have enabled PA INNO to efficiently communicate and promote the values and goals of the EU Strategy for the Baltic Sea Region, and to ensure the visibility of the Policy



Area Innovation, its achievements, as well as ongoing and planned activities developed under its three core Actions: 'Challenge-driven innovation', 'Digital innovation and transformation', and 'Co-creative innovation'.

The SG has also been informed about the progress made by the PACs in supporting project idea generation, and it has expressed its satisfaction with the achievements so far, in particular, concerning the above-mentioned projects, as well as other projects developed under the two 2022 Interreg BSR calls.

Furthermore, the SG formulated the following recommendations that should be considered by the PACs in their work during the upcoming year:

- The SG recommended aiming for even more clarity in describing the activities as valuable contributions to European policy objectives.
 - PA INNO communication should also clearly indicate how its actions adapt to the changing geopolitical and economic context, especially given the recent circumstances, including the pandemic and the war in Ukraine.
 - Further clarifications are also needed when it comes to communicating strategic EU and BSR-level collaboration platforms, programmes and initiatives (e.g. those related to S3, S4, and regional innovation valleys), as well as the Strategy itself, as stakeholders tend to find them overly complicated and overwhelming. It is difficult to single-handedly assess the added value of those different initiatives, and so PA INNO should strive to explain them in a clear-cut manner.
 - The SG suggested that, in addition to biannual SG meetings, PACs set up an extra communication format with the SG members regarding the ongoing PA INNO activities and EUSBSR message, for example via easy to follow monthly updates distributed via e-mail and posted on PA INNO website. This should facilitate the task of communicating the PA INNO developments by SG members on a state and regional level.
 - The SG underlined that the multi-level (regional, national, macroregional, and EU) reporting processes should be streamlined as much as possible in order not to duplicate efforts in that area.
 - The SG expressed its hope for a closer integration of pro-innovative efforts under the EUSBSR pillar 'Connect the Region'.
 - The SG also underscored the value of joint call for proposals similar to the Innovation Express initiative. Synchronised calls offer the opportunity to engage not just intermediate actors in the Region, but also companies. The collaboration opportunities under those schemes seem grand, as national strategies of the BSR countries match and overlap in various points.
 - Finally, the SG emphasised that in order to further strengthen its position and impact, PA INNO needs to clearly report its added value, which comes from its capabilities to connect, collaborate and find areas where stakeholders could collaborate more. Mutual BSR learning is one opportunity e.g. for defining and deploying national missions, activating SMES to increase their RDI, ambitious Net Zero targets and making them true.
- **Item 4:** Esa Kokkonen (PAC Finland) gave a focused presentation entitled ***BSR S3 Ecosystem and Partnership for Regional Innovation (PRI) Pilot Action: a test-case in building the EU's regional innovation valleys***. The coordinator summarised the action and informed the SG about the ongoing Regional Innovation Valleys calls for proposals. Both Interregional Innovation Investments (I3) Instrument and Regional Innovation Valleys present new funding



opportunities for interregional cooperation and constitute a new territory that should be further explored throughout the Region. PA Innovation has tested those new paths with commendable outcomes. The ability to obtain funding outside the Interreg programme is crucial for the success of the BSR collaboration, and PA Innovation is committed to leading the way in that respect. PA Innovation has prioritized and promoted Smart Specialisation Strategy (S3) related projects and solutions, both within the current and previous programme period, which has resulted in many valuable collaborations and facilitated implementation of smart solutions. While some regions proved very skilled in utilising and coordinating all available means and funding schemes, including I3, others continue to operate on a case by case (or 'project by project') basis and need support and guidance in order to develop and implement a more strategic approach to innovation advancement. I3 is a complicated instrument, and since I3-related expertise and advice services are limited, regions are not yet prepared to utilise it. This results in few applications and high acceptance rate. The coordinator encouraged the SG to join the EU Macro-Regional Strategies Week 2023 stakeholder session "Innovation funding: accelerating sustainable, strategic innovation collaboration across the EU's macro-regions" (organised by PA INNO) to be held on 24 April, that will explore those issues further. To conclude, Esa Kokkonen admitted that while exploring and implementing I3 and Regional Innovation Valleys is not an easy exercise, it offers new opportunities that need to be utilised for the benefit of the Region.

- **Item 5:** PACs presented an update on **upcoming PA INNO activities and events**, including two **EU Macro-Regional Strategies Week 2023 stakeholder sessions to be organised by PA INNO** on 24 April ("Innovation funding: accelerating sustainable, strategic innovation collaboration across the EU's macro-regions", and "Real-Time Economy- new mindset and skills for the regions"). The Steering Group took the information about upcoming activities to its attention.
- **Item 7:** A tentative **date of the upcoming SG meeting** was approved. The next SG meeting will be held in a hybrid mode, with a physical component in Riga (Latvia), to take place most probably on 5 October 2023 on the premises of Latvian Ministry of Economy, after the Annual EUSBSR Forum (planned for 3-5 October 2023). The meeting will be led by the Latvian colleagues.