



EUSBSR Policy Area Innovation

Steering Group meeting minutes

Friday 8 November 2024 r., online (Teams)

from 10.00 to 13.00 CET (11.00 to 14.00 EET)

Participants (13):

EUSBSR PA Innovation Coordinators (PACs) and their team members:

1. **Esa Kokkonen, PAC**, The Baltic Institute of Finland, **Finland**;
2. **Aino-Maija Koljonen**, The Baltic Institute of Finland, **Finland**;
3. **Jenny Uusikartano**, The Baltic Institute of Finland, **Finland**;
4. **Kristi Aruküla, PAC**, Ministry of Economic Affairs and Communications, **Estonia**;
5. **Zuzanna Kozłowska, PAC**, Ministry of Science and Higher Education, **Poland**;
6. **Karolina Pawłoś**, Ministry of Science and Higher Education, **Poland**;

EUSBSR PA Innovation Steering Group (SG) Members:

7. **Eivind Lorentzen**, Royal Norwegian Ministry of Trade, Industry and Fisheries, **Norway**;
8. **Gytis Puišė**, Ministry of Economy and Innovations, **Lithuania**;
9. **Jens Unruh**, Economic Development Agency Brandenburg (WFBB), **Germany**;
10. **Katarzyna Tyczko**, Ministry of Economic Development and Technology, **Poland**,
11. **Kaarel Lehtsalu**, Ministry of Economic Affairs and Communications of Estonia, **Estonia**;
12. **Petri Koistinen**, Directorate-General for Regional and Urban Policy (DG Regio), **European Commission** (PA INNO strategic advisor);
13. **Venla Virkamäki**, Helsinki-Uusimaa Regional Council, **Finland**;

SG meeting proceedings:

- **Welcome** by Esa Kokkonen (PAC Finland);
- **Opening** by Katarzyna Tyczko (Poland), who led the meeting in compliance with SG presidency procedures;
- **Item 1:** The Steering Group **meeting agenda** was presented and approved.
- **Item 2:** Esa Kokkonen (PAC Finland) presented an update on the latest **PA INNO activities from spring till autumn 2024**. In April 2024, the Polish Ministry of Science and Higher Education hosted a **live SG meeting in Warsaw**, followed by a hybrid **discussion on Ukraine-EUSBSR innovation cooperation**. The goal of the discussion was to build connections with Ukraine stakeholders, and to consider actions supporting the inclusion of Ukraine in BSR innovation structures and ecosystems. The event reached higher than expected participation rates and fostered useful discussion. PA Innovation was also particularly busy with **project support** activities this spring, as the next Interreg BSR call was open till June. The call was highly popular; around 200 idea papers were submitted, and more than half of them were linked to innovation priorities. A large number of applicants were in contact with PA INNO Coordinators, who gave them guidance and support on how to develop their proposals, connect with ongoing projects, or find partners. PA Innovation also contributed to project idea generation and development outside the BSR, for example through the Interreg Central Baltic Programme call. Within the Interreg BSR Programme itself, around 20 ongoing projects contribute currently to PA Innovation goals and activities. PA Innovation team had contributed to their preparation, and now, in their development phase, the team supports them for example in project results dissemination, by attending and contributing to their project-related events. PA Innovation has also participated in important **networking and**



stakeholder engagement events in autumn, such as the European Hydrogen Valleys Investment Forum 2024 in Riga (September 2024). The Finnish coordinator stressed the major cross-border relevance of those investments. He then pointed to the **local and regional level innovation cooperation** supported by PA Innovation, such as climate-centred city alliances and informal networks of cities and companies. Next, the coordinator summarised the latest PA Innovation **cross macro-regional collaboration** activities, underlining that EUSBSR is not and should not become an isolated platform. Other macro-regional strategies in the EU are excellent tools for BSR to connect with other parts of Europe. All four EU macro-regional strategies have in fact similar priorities, and PA Innovation is connecting with all of them, for example during relevant events such as the last Mediterranean coast and MRS Week in Slovenia (September 2024), where the topic of smart villages was raised. Even in Basque Country, that develops the strategy for Atlantic regions, there is a clear will to connect with the BSR. Subsequently, the coordinator summarised key findings of the last week's **EUSBSR Annual Forum 2024** that took place in Visby (Sweden) in October 2024. The Annual Forum is a key EUSBSR event organised each year by one of the EUSBSR member states. The Forum attracted 650 participants, including around 60 Ukrainian stakeholders. PA Innovation organized and co-organized a number of sessions during the event, and during the Engagement Day that preceded the Forum. Zuzanna Kozłowska (PAC Poland) related impressions from the discussion she led during the Forum with the group of stakeholders from Norway, Poland, Belgium, Sweden and Finland, focused on university cooperation and research. Then Kristi Aruküla (PAC Estonia) related highlights from her session “Digital and Smart Solutions for Supporting Sustainable Business Environment”, which enticed useful discussions amongst its participants. Esa Kokkonen (PAC Finland) then concluded the Forum-related exchange by stating that the event has definitely attracted new stakeholders to EUSBSR and to PA Innovation networks, and he introduced the main theme of the present SG meeting – the EUSBSR Action Plan update and the SG members’ input on the changes proposed by PA Innovation.

- o Notes from the discussion:
 - Referring to the PA Innovation activities related by the PACs, Katarzyna Tyczko (Poland) indicated that Poland, and more broadly the BSR, **lack support for the start-up ecosystem**. More collaboration is needed in the BSR in that domain. Together, the Region stands a better chance at creating real impact. As the Draghi report indicates, Europe is lacking compared to USA and Asia. We are still underdeveloped – not just Poland, but the whole Region. There is an urgent need to stop the brain drain and keep our start-ups, and catch up with **new technologies**, such as AI (which Poland has a great appetite for, together with a lot of talent in IT, and mathematics). Otherwise, the Region and Europe will lose the technological race. The Region also needs to be better connected and create **one-stop-shops for start-ups**, providing comprehensive information and support, including matchmaking opportunities with potential partners. It needs to be as simple as possible, since there is too much confusion and distraction regarding the support, both in the Region and in Poland, where the funding system is too fragmented and dispersed. The Polish SG member recommended that **BSR should adopt a start-up policy and an AI policy**. That way, the BSR could gain competitive advantage, and become a pioneer in the domain. One example to follow is the Israeli system for start-up, which is very easy and user-friendly, and provides interested parties with ready-to-use templates. Another one is Estonia – the “digital tiger” of Europe.



- Petri Koistinen (DG Regio) thanked PACs for the update and for the feedback regarding the Annual Forum in Visby from the point of view of PA Innovation. He then shared information about the **next EUSBSR Annual Forum in Poland in October 2025** and suggested that PA Innovation could propose innovation as its theme (the theme of the last Forum was resilience and security).
- Katarzyna Tyczko (Poland) informed the SG that the Polish MFA held a national interministerial EUSBSR meeting at in Warsaw on 6 November 2024, during which the next Annual Forum was discussed. The Polish MFA is coordinating the preparations in close cooperation with Pomorskie Voivodeship. The idea is to put different stakeholders together by inviting different institutions to bring their EUSBSR-related events to the Forum.
- Esa Kokkonen (PAC Finland) thanked the Polish SG member and DG REGIO for their comments and suggestions, and he mentioned that within PA Innovation Estonia is especially focused on the digital, and that those activities have already led to a number of projects, for example in **smart mobility**.
- **Item 3:** Esa Kokkonen (PAC Finland) then moved on to present the **EUSBSR PA INNO Action Plan update proposal**, referring to the draft document sent out to the SG members before the meeting. The coordinator underlined that the strongest PA Innovation action so far – *Challenge-driven innovation*, which attracted the biggest interest of the stakeholders, is now proposed to become a horizontal priority, present in all PA Innovation endeavours. The new proposed PA Innovation actions are: Action 1: *Tackling common challenges through place-based innovation*, Action 2: *Leveraging digital transformation to address common challenges*, and Action 3: *Accelerating growth and the triple transition by connecting business and innovation ecosystems*. Overall, the goal of the update of PA Innovation actions is to make them more BSR-specific by implementing the concept of **place-based innovation**, focused on shared BSR challenges, not just the environmental and societal ones (including urbanisation, aging, entrepreneurship levels, etc.), but also those related to security. The aim of PA Innovation is to foster a **collaborative ecosystem for innovation enabling an effective and fair triple green, digital, and social transition**. To that aim, local and regional level engagement is key, including the important role of universities that should actively perform their “3rd mission” in society. The Action Plan update process is also an opportunity for PA Innovation to better connect its vision to **EU level missions** and initiatives. The Finnish coordinator then indicated next steps of the update process, and opened the floor to the SG’s discussion, comments and proposals.
 - Notes from the discussion:
 - Venla Virkamäki (Finland) concluded that the message for today is that **we are the second most innovative region in Europe, and that our aim is to become the most innovative one**. She then shared relevant news regarding the recent recommendation paper issued by Tuija Telén, Regional Mayor of Helsinki-Uusimaa Regional Council, calling for a place-based approach in the EU’s next Framework Programme for Research and Innovation.
 - Eivind Lorentzen (Norway) commented that the shared draft of the updated PA Innovation Action Plan is **a document of high value to the SG**, though it is quite dense and long. He suggested that the final document should be formulated in a **more concise and direct way**, so that it is **suitable for a larger audience**.
 - Katarzyna Tyczko (Poland) also commented on the good quality of the document. In her opinion the document is not too long, it’s well-structured and it describes well the common challenges we face today as a Region. She also seconded the Finnish SG member’s ambitious call for the BSR to become the most innovative region in Europe. She reiterated that in order to achieve



that, we need to **better inform the public of the BSR opportunities**, and perhaps create a repository of good practices in the Region. For example, Polish researchers would be willing to collaborate more closely with other countries from the Region, and set up and develop start-ups together. Also, Poland would benefit from an exchange on the education system design, especially with Finland. To sum up, the resources are there, but the information is still too scarce. We should improve the communication in order to truly avail ourselves of the resources that we already have. The potential of the BSR is indeed remarkable. We should explore it and promote Poland as the fastest growing economy in Europe, and the BSR as the key European innovator. **The BSR and EUSBSR are still not visible enough.**

- Regarding the idea of a base of good practices in the BSR, Esa Kokkonen (PAC Finland) pointed out that a lot of structures are already in place. One specific example is Smart City Expo World Congress (in 2024 held in Barcelona).
- Kristi Aruküla (PAC Estonia) then commented on the PA Innovation **indicators**. She remarked that it is particularly difficult to measure our impact and not to confuse and mix it up with external influences.
- Referring to the PA Innovation's Action Plan proposal, Petri Koistinen (DG Regio) pointed out that the Action Plan itself is already a lengthy document. The Policy Areas should keep their parts **short and concise**. He agreed with Estonian PAC's statement that the trickiest part of the document are indicators. Policy Areas have to carefully consider what the added value of their actions is, and decide how to measure their impact. The DG Regio representative admitted that the EC language might be difficult too. The goal, however, should be to **make the Action Plan understandable for outsiders**, and he recommended PA Innovation to have the text run through with someone outside the Strategy.
- Gytis Puišė (Lithuania) **offered Lithuania's help with further work on the Action Plan update.**
- Jens Unruh (Germany) suggested that **Action 3** should be more concrete. The PACs should add **concrete examples** of how PA Innovation can achieve those goals. Also, **there is a need to strengthen the cooperation between academia and companies**, and the Action Plan should reflect that. Regarding Poland's case, and the start-up comments made by the Polish SG member, the speaker shared information about **Germany's start-up strategy**, and expressed that **Brandenburg is open to cooperate on that issue with Poland.**
- Venla Virkamäki (Finland) shared information about Finland's innovation funding law, indicating that the country is trying to achieve a 4% R&D target. She approved the new **PA Innovation Action Plan's linkages to EU missions and policies**, pointing out that EU and BSR policies and programmes need to be well aligned in order to avoid duplication. The Finnish SG member also stated that the Helsinki region recognises **the importance of place-based solutions**, and the **key role of regional and municipal funding**, as well as the need for flexibility, and she shared examples of actions, projects and initiatives developed in the Helsinki region linked to e.g. circular economy and sustainable food systems.
- Esa Kokkonen (PAC Finland) thanked the SG members for their comments, and concluded that the BSR needs to be better at **strategically connecting local, municipal, regional, national, macro-regional, and EU funds**. There are lessons to be learnt from other macro-regional strategies (e.g. Spain sets a good example of advanced coordination of resources).



- In that context, Kaarel Lehtsalu (Estonia) shared that **Estonia is now in the process of changing its regional way of organising innovation system**. The country is introducing management level between the regional and national levels, and considering ways to re-establish the network so that it is more valuable for SMEs, and more accessible locally. It is important to **eliminate the project-based approach**, and move towards a more **sustainable innovation ecosystem**.
- Katarzyna Tyczko (Poland) agreed and said that we need **venture capital** instead of grants.
- Jens Unruh (Germany) replied that **Germany can offer good practices** in that regard, and suggested arranging knowledge exchange meeting between Poland and Brandenburg.
- **Item 4:** Esa Kokkonen (PAC Finland) raised the question of the **next PA Innovation SG Presidency**. The current Polish Presidency will last until the end of June. The coordinator indicated that the best practice is to simply follow the EUSBSR Presidency cycle within the SG, which would mean that as of 1 July 2025 the Presidency would be taken over by **Estonia**, which was confirmed by the Estonian representatives. Subsequently, the SG discussed the next SG meeting in Spring. Poland proposed to host a **live SG meeting in Warsaw in March/April 2025**.
- **AOB:** Kaarel Lehtsalu (Estonia) inquired about the Baltic Sea Strategy Point's proposal of an online meeting with SG regarding the Action Plan update and the role of the SG members in the process in November. Katarzyna Tyczko (Poland) suggested choosing one joint date for a PA Innovation meeting with BSSP to better coordinate the SG's efforts.