



EUSBSR EU STRATEGY FOR THE BALTIC SEA REGION



SUOMEN ITÄMERI-INSTITUUTTI
THE BALTIC INSTITUTE OF FINLAND

**EUSBSR Policy Area Innovation:
How transnational cooperation can
support the industry in its path to
become more circular?**

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Responsible Industry Leads the Sustainable Development - Industry Clusters and Circular Economy
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EUSBSR PA INNO

- With 85 million inhabitants the Baltic Sea region makes up 17 percent of the EU's total population. Part of the EU Strategy for the Baltic Sea Region (EUSBSR), **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.**
- Three overall objectives guide this macro-regional cooperation: “Save the Sea”, “Connect the Region” and “**Increase Prosperity**”.
- Operating on a macro-regional scale, the role of the policy area innovation is to:
 - **Enable shared learning through knowledge-transfer activities**
 - **Create and strengthen networks across the Baltic Sea region**
 - **Align resources and regulations e.g. through co-ordination of funding sources**
 - **Facilitate the joining up of forces in common programs and investments and in the development of solutions for common challenges**
 - **Enhance BSR's profile, visibility and attractiveness as a partner of choice for international innovation cooperation within and beyond the BSR.**
- Three main actions of PA INNO in the new EUSBSR action plan 2020 -> : **Challenge-driven innovation, Digital innovation and transformation, Co-creative innovation**
- The Baltic Institute of Finland is assigned with the responsibility of coordinating the policy area together with Ministry of Economic Affairs and Communications in Estonia and the Ministry of Science and Higher Education in Poland.

BSR S3 ecosystem: background, post-2020 opportunities

- The EU's growth and industrial competitiveness model is under pressure, with increasing awareness that fragmented, national responses are insufficient. Enhanced cooperation across the EU's territories is essential.
- This pooling of resources builds on aligning domestic strengths, leveraging innovation and investment efforts and further embedding partnerships with neighbouring regions in areas of shared opportunity and challenge.
- **The EU's proposed post-2020 direction emphasises the role that collaborative innovation plays in enabling SMEs to gain a foothold in international markets through connecting industry to value chain opportunities.**
- The 'next wave' of the EU's policy framework for Smart Specialisation is widely expected to focus on interregional collaboration through aligning regional S3 priorities and innovation investment efforts.
- Furthermore, a **new EU instrument is being proposed which would accelerate industry investment in innovation**, through aligning interregional funding efforts, the so-called 'Component 5' instrument.

BSR S3 ecosystem: background, post-2020 opportunities

- The EU's post-2020 proposals for innovation and economic growth offer the stimulus to build the foundations of a **BSR S3 ecosystem, where regions (and their industries) can draw on their collective strengths to carve out new innovation-focused value chain opportunities.**
- **Early piloting efforts are already showing positive signs** that trans-national efforts to 'join forces' in areas of related smart specialisation can generate scaled up innovation efforts, accelerate cross-regional value chains, create stronger innovation investment and generate new market opportunities (e.g. in the areas of Circular Economy, Blue Growth and Digitalisation)
- **There is significant scope for the BSR to influence the direction of this emerging agenda.** Offering a fertile testing ground for its regions to develop new and reinforce existing industry-led collaboration efforts, the BSR has developed a highly tailored and 'place-sensitive' approach to S3.
- The challenge and opportunity remain **to transform the macro-region's S3 success by scaling up successful actions** in areas such as: business / research and science collaboration; open innovation; value chain creation and strengthening; leveraging innovation investment. (e.g. through an Interreg BSR S3 platform proposal)
- The added value of the BSR S3 ecosystem is based on **galvanising S3 action which could not be achieved through the efforts of individual regions acting alone.**

BSR S3 ecosystem: potential benefits

- **Maximising innovation performance** – all BSR regions and partners bring their own assets, ambitions and challenges to this collective action. This is the starting point in building the foundations for collective action and success.
- **The BSR macro-region as an S3 driver**– the EU’s interregional S3 agenda offers an opportunity for the BSR to demonstrate the added value of macro-regional strategies.
- **Enhancing the BSR’s profile, visibility and attractiveness as a partner of choice** for international innovation cooperation within and beyond the BSR, as well as a location for innovation-focused and industry-driven investment
- **Strengthening the BSR’s industrial performance through an S3 ecosystem** – international evidence continues to demonstrate that the industrial ‘winners’ from globalisation are connected to global value chains
- **The BSR’s S3 ecosystem supporting skills agenda** – stronger S3 collaboration across the macro region will provide new and rich insights into skills gaps and future skills needs.
- **Making the case for how the S3 ecosystem connects to BSR citizens.** A more connected BSR (supported by the S3 ecosystem) offers an opportunity for greater mobility across the macro-region (for both accessing employment opportunities and accessing goods and services).
- **S3 as a tool to optimise investment for innovation** – the EU’s ‘investment deficit’ challenge is multi-faceted not least in mobilising financing for new investments.

PA INNO S3 project example: BSR Stars S3

- Improve capacities of regions to **implement regional smart specialization strategies through engaging business and research and utilising international opportunities**
- Increase knowledge among regional authorities and decision makers on **ecosystem based approaches to regional development and business support**
- Enhance **business opportunities in bio-/circular and digital economy** and **help companies to transnationally utilise business services and test facilities**
- Enhance **new partnerships and business-research cooperation** in the Baltic Sea Region



Smart specialization in bio-, circular- and digital economy in the Baltic Sea region through business-research-public co-creation and innovation ecosystem management.

About the project

BSR Stars S3 - Smart specialization through cross-sectoral bio-, circular- and digital economy ecosystems.

Lead partner: The Baltic Institute of Finland
Web site: www.bsr-stars.eu

Duration: May 2016 - April 2019

Total budget: EUR 2,8 Million

European Regional Development Fund:

EUR 2,2 Million

Norwegian Funding:

EUR 145 000

BSR Stars S3 policy brief on industrial symbiosis in BSR



 **Nordregio** #01
POLICY BRIEF JAN 2019

Industrial Symbiosis in the Baltic Sea Region
Current Practices and Guidelines for New Initiatives

Industrial symbiosis (IS) is vitally important in facilitating the move towards a circular economy by helping industries and businesses cooperate in the exchange of natural resources and production infrastructures. Strong public and private sector leadership and firm links between industry and research institutes are essential for the formulation of effective IS initiatives.

BSR Stars S3 policy brief on industrial symbiosis in BSR: recommendations

- **Encourage an active leadership role for public authorities** in motivating and facilitating collaboration through the establishment of regional IS clusters and networks, which helps to build trust among industries, business development organisations and research institutes.
- **Increase efforts to include IS and circular economy activities in regional strategies** by mapping areas of regional IS strengths and development potential in entrepreneurial discovery workshops with local experts.
- **Establish stronger links between local industry and research institutes** to ensure that IS research, training and business models meet the needs of the private sector (see, for example, Karlstad Innovation Park in the Paper Province case).
- **Encourage industry to take a leading role in coordinating the development of IS platforms** by raising its awareness of the potential benefits of involvement (see, for example ECO3 case in Tampere Region).
- **Provide financial incentives for industry and research institutes to engage with IS initiatives**, such as tax exemptions and IS-earmarked national or EU-level public procurement funding.

BSR Stars S3 policy brief on industrial symbiosis in BSR: recommendations

- **Explore private sector IS financing models**, for example private for-profit platform companies.
- **Encourage public authorities, universities and research institutes to map regional material flows and IS stakeholders** (see, for example, the role of university students in the Trøndelag case and the development of online information resources such as the ecosystem monitoring tool from Tampere Region).
- **Disseminate information on IS best practices to promote learning among regional stakeholders** (for example, the ECO3 platform has an updated and informative online presence).
- **Encourage the development of long-term regional IS visions and planning support tools** through the development of strategic roadmaps and future scenario plans (see, for example, the development of roadmaps in the ECO3 case).
- **Advertise regional IS initiatives to international audiences to promote the region's sustainable good practices and image** to maximise the potential for transnational collaborations (see, for example, the active presence of the ECO3 platform among international institutions).



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