Wallonia’s Smart Specialisation Strategy (S3) 2021-2027

March 2021
Presentation plan

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2. Methodology
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4. Strategic Innovation Areas
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1. Context

\[ S3 = S \text{mart} \ S \text{pecialisation} \ S \text{trategy} \]
Definition

The S3 is an integrated, region-specific economic transformation strategy that:

- Is based on the strengths, competitive advantages and potentials of each region;
- Targets priorities, challenges, and key needs to concentrate available resources: having a strategy means making investment choices;
- Defines priorities through an inclusive process: the Entrepreneurial Discovery Process (EDP);
- Effectively integrates public tools and policies, supporting technological innovation as non-technological innovation and aimed at stimulating private sector investment;
- Includes a monitoring and evaluation system and a review mechanism to update policy choices.
Why do we need a S3?

Enabling condition for European Structural Funds Programming (2021-2027) – Strategic Objective 1: A smarter Europe

To be observed continuously

The S3 is the strategic framework for Research and innovation policy and industrial policy in Wallonia. Priority of the Walloon Government (Government Agreement)

⇒ Opportunity to improve the effectiveness of regional innovation policies by addressing major societal challenges in Wallonia
Reminder: 2014-2020 programmation

- Ex ante conditionality/Innovation axis 2: Smart Specialisation Strategy adopted
- Walloon Government’s Decision September 2015 on its S3
- Incremental approach based on pre-existing policies
Conditionality criteria S3 2021-2027
= Compliance obligation for the EC

- Analysis of challenges, including barriers to the dissemination of innovation
- Existence of a competent regional body responsible for the management of S3
- Monitoring and evaluation tools to measure performance regarding strategy objectives
- Functioning of Stakeholder Cooperation (EDP)
- Actions taken to improve the regional innovation system (link to EU Semester)
- Actions to support industrial transition
- Measures for internationalisation
2. Methodology
S3 Working Group

Steering the S3 renewal process

Composed by:

- Office of the Minister of Economy, Innovation and Research
- SPW Economy, Employment, Research (Directorate of Economic Policy + Department of Research and Technological Development)
- Sowalfin (Innovation Agency)
- Agence du Numérique (Digital Agency)
- SPW General Secretariat (Structural Funds Coordination Department)
- Methodological support from external advisors: Idea Consult, Claire Nauwelaers, Alasdair Reid
Principles of the approach

Participatory process
- More integrated design of issues

Clarified governance
- Flexible and agile piloting
- Roles and responsibilities of actors

Shared strategy
- Going beyond past silos
- Develop collaborations

Strategic framework
= Engine of innovation and change
Renewal of the Walloon #S3
Step by step

- February 2020 Participatory seminar
- July 2020 Innovation Camp
- Ongoing dialogue: linkedin page
- October 2020 Decision of the Government on the 5 Strategic Innovation Areas (SIA)
- November 2020 Policy-mix 5 Workshops per SIA + 1 transversal workshop
- March 2021 Adoption of the Walloon S3 by the Government
- S3 implementation Pursuit of a partnership and inclusive approach
Involvement of the stakeholders: Quadruple helix

- 12th December 2019: Inspirational seminar on S3 (with EC and EU experts): 40 participants
- 14th February 2020: Participatory seminar: 100 participants
- 9-10th July 2020: Innovation Camp: 140 participants in 6 sessions
- 15th July 2020: Debriefing and pooling
- November 2020: Workshops dedicated to the policy-mix: 15 participants * 5 thematic sessions + 35 participants horizontal session

Ongoing dialogue and co-construction approach
The collaborative approach based on stakeholder engagement will be continued for implementation (2021-2027)
= Continuous Entrepreneurial Discovery Process (EDP)
3. Vision and ambitions

An innovative, competitive and collaborative Wallonia, serving affirmed economic and societal ambitions
Ambitions

- Setting up innovative ecosystems around stated strategic priorities, based on Wallonia’s distinctive strengths
- Strengthening the dynamics of collaboration within the regional ecosystem
- Concentration of resources and joint efforts of regional actors on a limited number of priorities, with a strong ambition
- Translating these priorities into roadmaps shared by stakeholders
- Attraction, strengthening and maintenance of a skilled workforce in the Walloon region
- Enhanced effectiveness of regional economic and innovation policy arrangements
- Clarified governance, based on principles of collaboration and inclusion
- Strengthening Wallonia’s international competitiveness and attractiveness and generating significant economic and societal impacts
4. Strategic Innovation Areas (SIA)
What is a Strategic Innovation Area (SIA)?

- A SIA is a coherent and ambitious set of innovative activities, of regional scope, with strong economic impact and societal contribution, capitalising on a combination of Walloon resources and distinctive strengths and centered on the human.

- A SIA contributes to both strengthening the economy and employment, and responding to societal challenges. It positions Wallonia as an international leader.

*This definition was agreed with the actors on the ground.*
On the basis of what criteria were SIAs selected?

1. Links to societal challenges
2. Market potential
3. Industrial forces and potentials
4. Distinctive forces in RDI
5. Positioning in value chains and internationally
6. Complementarity with other EU regions and European programmes
The 5 SIAs validated by the Government

Identification of societal challenges for Wallonia

Regional and EU priorities
Major trends

- Optimization of resources
- Climate and biodiversity crisis
- Walloon economy of the future
- Health and nutrition
- Inclusive society

Energetic Transition

Circular materials

Agri-food chains of the future and innovative environmental management

Energy systems and sustainable habitats

Agile and safe design and production methods

Innovation for enhanced health
These 5 Walloon SIAs are inspiring areas with a strong potential impact on the Walloon economy and the lives of citizens.

They therefore aim to contribute to a resilient and regenerative territory and respond to the major societal challenges that Wallonia «post-COVID» encounters.

Objective: to develop a coherent set of activities within them while maximizing cross-fertilization between fields, technologies, disciplines and actors.
SIA – Circular Materials

It brings together innovative activities related to the “circularization” of materials, with a view to reducing resource consumption, increasing regional autonomy and developing new market opportunities. These activities are based on the regional technological expertise in materials processing as well as the presence of recoverable natural resources.

Circular materials are **inert or biosourced materials** that can be processed at different stages to ensure their future waste status is time-shifted or completely avoided.

- Ecodesign and in particular with second generation materials
- Industrial symbiosis
- The stimulation of the economy of re-employment, of the repair of these materials by mobilizing the actors of the social economy
- Innovation in the recycling of these materials through new technologies, but also other forms of organisation or financing.
- An innovative approach to logistics, particularly through reverse logistics and the physical internet, is a lever of transversal support to all these activities.
SIA - Innovations for enhanced health

- Evolution towards a health system that is both cutting-edge and inclusive, implemented through innovations based on technology in interaction with humans.

- An ambitious and coherent set of innovative activities of a technological, organisational and social nature to ensure the transformation of the health system in the broad sense, in its preventive, diagnostic and curative missions.

- To strengthen Wallonia’s distinctive strengths as an international leader in biotechs and medical technologies, and to respond to the challenge of preserving health capital for all citizens in the context of the Covid-19 crisis.

- Development of new products and solutions for growing markets: home health; e-Health (electronic health) and m-Health (mobile-health).
• The reindustrialisation of the economy and the modernisation of industry in the broad sense have been one of the major priorities of governments at European and Walloon regional levels for some years.

• Innovative activities related to **Industry 4.0** and **advanced manufacturing** processes, development of **digital technologies** for the modernization of production tools, development and integration of **advanced or composite materials**, and **additive technologies**.

• It is based on Wallonia’s distinctive skills in areas such as advanced manufacturing (among other additive) and advanced materials, the Internet of Things, artificial intelligence as well as design and simulation tools for the design of new inserts, motors and structural parts.
This SIA includes new solutions for green energy transition and future housing.

This SIA will be based mainly on the distinct strengths and innovative activities of Wallonia in the engineering, design and simulation of more energy-efficient systems and parts, energy storage and integrated management of energy production and consumption flows within industrial production, buildings and integrated communities ('smart grids'), integrated traffic flow and network management, innovative solutions for improving the energy efficiency of buildings, specifically new insulating materials and/or energy sensors, digital solutions related to security, modelling, simulation and monitoring of energy consumption and performance of buildings, as well as skills in biomass valorization.
SIA - Agri-food chains of the future and innovative environmental management

• Innovative activities to support the emergence of high value-added and market potential products and services within a sustainable and circular agro-food system.

• Wallonia’s current strengths in research and innovation in the agri-food sector are focused on: food quality and safety; sustainable and circular agri-food systems; nutritional and functional ingredients; and industrial biotechnologies (white biotechnologies).

• In order to ensure the long-term sustainability of natural ecosystems (soil health and water cycle), the Walloon potential in the field of environmental ecosystem and biodiversity monitoring services, agroecology and sustainable agricultural/forestry innovation will be strengthened.
Transversal dimensions

The importance of **digital technologies**

The transition to a **low-carbon economy** and the need to incorporate it into innovations to be promoted in SIAs

The adoption of an **integrated approach to innovation**, also covering user/customer orientation, cross-sectoral, functionality and usage, social, organisational and business model innovation, product designs,...
4. Key Principles for Implementation

A single leitmotif: efficiency and impact!

- Reforms of support arrangements
- Reviewed governance
- Strengthening alignment and coordination between instruments and actors
Implementation of SIAs

Co-constructed Roadmaps

= Main reference for the selection of projects and the concentration of resources dedicated to SIAs.
9 guiding principles for the policy mix

- Focusing Walloon **public funding** on the five SIAs
- Integrate the **European and/or trans-regional dimension** for each SIA
- Feeding **Skills for SIAs**
- Strengthen “**value chain**” approaches and new cooperation
- Focus more on **market-related innovative activities**
- More support for **non-technological innovation**
- Condition regional support to **an impact requirement** in relation to the ambition of the SIA or several SIAs
- Bringing ‘**soft’ support’ closer to **financial support**
- Improve **aid management** towards greater agility, speed and simplicity
Reform projects

- Reform of research aid to rationalise and simplify schemes
- Reform of the economic support and innovation landscape for SMEs to ensure quality support for Walloon entrepreneurs
- Adaptation of the Competitive Poles and Cluster Policy in connection with the new S3
- Capitalisation on ongoing training policy reforms
- Stronger focus on international actions
Link between S3 and European policies: A clearly identified need

- Conditionality criteria
- Evaluation elements
- Demand from actors

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<tr>
<th>International positioning</th>
<th>Development of Walloon specialisation areas</th>
<th>Further activate EU levers, in synergy with regional tools</th>
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| • Contribution to EU objectives  
  • External markets | • Collaborations and networks  
  • Search for complementarities | • Prioritisation  
  • Improved governance and policy mix  
  • Structure |
S3 INTERNATIONAL ASPECTS

SUPPORT ACTION TO INTERNATIONALISATION (AWEX - WBI)
- Alignment with S3 and support to SIA roadmaps

EUROPEAN POSITIONING STRATEGY
- Reforms ongoing in the Public Service of Wallonia + SOWALFIN
- Wallonia Inside EU
- NCP, EEN

EU PROGRAMMES
- Horizon Europe
- Digital Europe (e-DIHs)
- Single Market Programme - Euroclusters
- Industrial Strategy
- Industrial Alliances and Ecosystems
- IPCEI

COLLABORATIONS AND NETWORKS
- Vanguard Initiative
- S3 Thematic Platforms, I3
- Interreg

International aspects integrated in the SIA roadmaps
Strong connections with other strategies
5. Governance

Governance
Integrated
Open
Lasting
Continuous EDP
Strategic
Intelligent tracking
Transparent
Governance principles

Sustainable, continuous and integrated governance, with three levels interacting – strategic, operational and participatory

Open governance that seeks synergies with Europe and other regions

Inclusive and collaborative governance through a continuous EDP to monitor SIAs

Strategic governance through a more pro-active role of public authorities

Smart governance through inclusion and strengthening strategic intelligence for decision tracking

Transparent governance through good communication on S3
S3 monitoring and evaluation system

- Measures
- Reforms
- SIAs roadmaps
- Monitoring data

- S3 focused monitoring system
- Knowledge of SIA ecosystems
- Evaluation S3
- S3 monitoring and evaluation system

- Innovation System Macro-sectoral performance
- General regional context
7. Next steps
Pursuit of an inclusive and partnership approach

- Adoption S3 by Government (March 2021)
  - Drafting of roadmaps
  - Elaboration of the monitoring framework

- Adoption of roadmaps (July 2021)
  - Start of implementation
  - Calls
  - Developing stakeholder communities
Thank you for your time!

Contacts:
S3 Team (SPW EER):
secretariat.dpe.dgo6@spw.wallonie.be

https://www.linkedin.com/groups/13874715/
https://economie.wallonie.be/content/smart-specialisation