

ECA Critical Study on Smart Specialisation (S3)

Implications for EUSDR PA7 Knowledge Society

Prof. Dr. Viktor Nedović, EUSDR PA7 co-coordinator, Serbia

Dr. Dijana Štrbac, IEN, EUSDR PA7 support team member, Serbia



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Why We Are Discussing This Today?

- The **European Court of Auditors (ECA)** published in 2025 a **critical review of Smart Specialisation Strategies (S3)** in the EU.
- **S3 directly governs how innovation, research and ICT investments are prioritised** under Cohesion Policy.
- Since **PA7 focuses on knowledge society, R&I and ICT**, this study is highly relevant to:
 - our project pipeline,
 - our funding priorities,
 - and our strategic positioning after 2027.
- Today's aim:
 - Introduce the key messages of the ECA review
 - Frame the **implications specifically for PA7 and the S3 Working Group**



What is Smart Specialisation (S3)?

- S3 is the **EU's place-based innovation strategy framework**.
 - Each region defines **priority areas for R&I and innovation investment** based on:
 - economic strengths,
 - scientific capacity,
 - market potential.
 - It is a **mandatory condition** for accessing ERDF funds for:
 - research,
 - innovation,
 - digitalisation,
 - skills for smart specialisation.
 - It guides **more than €73.8 billion of EU funding (2014–2027)**
- ➔ For PA7: S3 directly shapes **what kinds of education, research, innovation and ICT actions can be financed.**



Why the ECA Reviewed S3?

- S3 was introduced EU-wide **without a prior impact assessment**.
- It became **system-wide very quickly**.
- The ECA wanted to assess:
 - Whether S3 really improves **strategic investment in innovation**
 - How well:
 - stakeholder engagement,
 - funding alignment,
 - monitoring and evaluation,
 - and interregional cooperation work in practice.
- This is a **policy effectiveness review**, not a financial audit



Relevance of S3 for the Knowledge Society

According to the ECA, S3 is intended to:

- Concentrate **R&I and digital investment** instead of scattering funding
- Strengthen:
 - regional research ecosystems,
 - digital transformation,
 - knowledge transfer to business,
 - skills for innovation.
- In many regions:
 - S3 determines **which education, innovation and ICT projects get funded**
- In lagging regions:
 - ERDF + S3 are often the **main drivers of innovation capacity building**

➔ This makes S3 a **core strategic tool for PA7 objectives**.



Main Positive Findings of the ECA

- Most regions confirm that:
 - S3 helps them **prioritise innovation investment**
- **Entrepreneurial Discovery Process (EDP):**
 - Brings together universities, research centres, companies and authorities.
- **Alignment of projects with S3 priorities:**
 - Generally good for 2014–2020
 - Even stronger in 2021–2027 due to stricter legal conditions
- **Interregional cooperation:**
 - Especially important for less innovative regions
 - Helps share knowledge, skills and technologies



Critical Weaknesses Identified

The ECA highlights several structural weaknesses:

1. No EU-level evaluation of S3 impact

- After more than 10 years, there is still **no clear evidence of overall results**.

2. Monitoring and evaluation remain weak

- Regions struggle with:
 - indicators,
 - long-term impact measurement,
 - data availability.

3. Entrepreneurial Discovery is demanding

- Especially difficult for:
 - small regions,
 - weaker research and innovation ecosystems.

4. Risk of “box-ticking” - S3 can become a **formal funding requirement**, not a real strategy.



A Key Issue for PA7: Weak Alignment with EU Digital & Innovation Priorities

- S3 is **bottom-up** (regional priorities).
- EU industrial and digital policies are **top-down** (AI, chips, hydrogen, cybersecurity).
- The ECA finds:
 - **No formal mechanism to align regional S3 priorities with EU strategic technologies.**
- This creates risks of:
 - fragmented ICT investment,
 - weak positioning in key European technology value chains,
 - missed opportunities for digital transformation synergies.

➔ For PA7: This is critical for **ICT, digital skills, AI, cyber and research infrastructures.**



Challenges Specifically Relevant to PA7

From a **PA7 (knowledge society) perspective**, the ECA findings raise key questions about:

- **Education & Skills**

- Are skills actions clearly linked to S3 priorities?
- Do we invest in skills for *future technologies* or only current needs?

- **Research & Innovation**

- Are priorities focused enough to build real research excellence?
- Or are they too broad to create critical mass?

- **ICT & Digitalisation**

- Are digital priorities aligned with:
 - EU digital decade targets?
 - Strategic tech agendas (AI, data, cybersecurity)?
- Or are they fragmented across too many small initiatives?



Interregional Cooperation: A Big Opportunity for PA7

- The ECA confirms that:
 - Interregional cooperation **significantly strengthens innovation ecosystems**
 - Especially for:
 - research capacity,
 - pilot digital solutions,
 - testing new technologies.
- Yet:
 - Many regions still use this **below their potential**
- For PA7 this creates opportunities for:
 - joint R&I projects,
 - shared digital infrastructures,
 - cross-border education and skills initiatives.



What the ECA Defines as the 3 Future Challenges (Simplified for PA7)

1. Better Smart Priorities

- Clearer, more focused priorities for:
 - research,
 - innovation,
 - ICT,
 - skills.

2. Real Impact Measurement

- Move from:
 - reporting activities → to measuring real knowledge-society impact.

3. Stronger Cooperation

- More structured:
 - interregional research collaboration,
 - digital innovation partnerships,
 - joint skills development.



What This Means for PA7 Strategically?

For PA7, the ECA review implies we should reflect on:

- Whether S3:
 - truly supports **knowledge-based development**, or
 - mainly structures funding formally.
- Whether PA7 investments:
 - reinforce **S3 priorities strategically**, or
 - operate in parallel.
- Whether:
 - monitoring focuses on **real knowledge-society outcomes** (skills, innovation uptake, digital maturity),
 - not only financial absorption.



Key Questions for the PA7 & S3 Working Group Discussion

1. Are our **education, research, innovation and ICT priorities** sufficiently focused?
2. Is our **entrepreneurial discovery process** truly engaging universities, researchers, ICT actors and civil society?
3. Do we have **clear indicators to measure the impact of PA7 on the knowledge society**?
4. Are we:
 - aligned with **EU digital and innovation priorities**?
 - active enough in **interregional cooperation**?
5. What should we **adjust already in the current programming period**, and what should we prepare for **post-2027**?





For more information



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