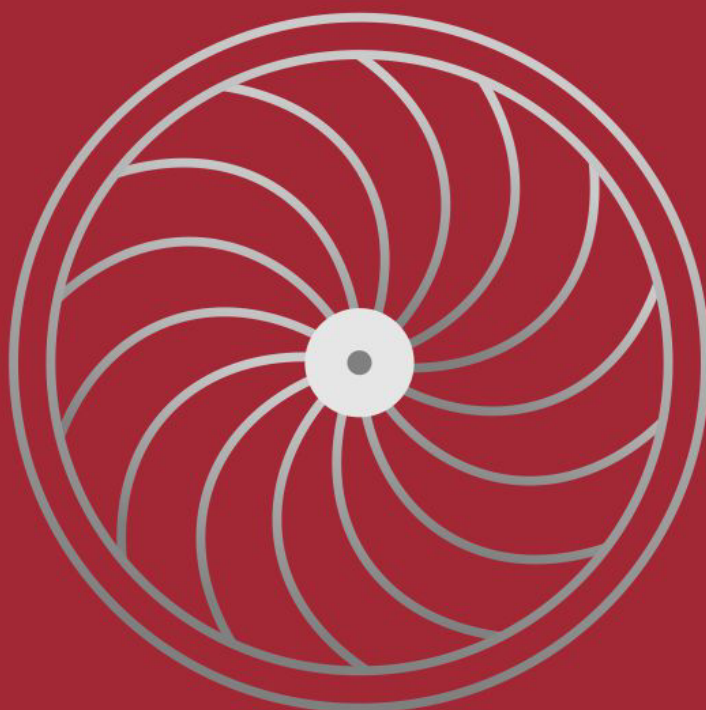




Unidade de Monitorização
de Políticas Públicas

POLICY PAPERS

**GEOGRAPHY AND SMART SPECIALISATION IN THE
DRAGHI AND LETTA REPORTS. TERRITORIALISING
EUROPEAN'S NEW COMPETITIVENESS AGENDA**

Paulo Neto

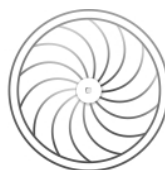
UMPP Policy Papers Nº 4 | 2026



UNIVERSIDADE
DE ÉVORA



UNIVERSIDADE
DE ÉVORA



UMPP®
Unidade de Monitorização
de Políticas Públicas

Ficha Técnica/Technical Specifications:

Designação da publicação/Publication title: UMPP Policy Papers

Série/Series: UMPP Policy Papers - Unidade de Monitorização de Políticas Públicas (UMPP)

Diretor dos UMPP Policy Papers/Editor-in-Chief of UMPP Policy Papers: Paulo Neto

Autor deste Policy Paper/Author of this Policy Paper: Paulo Neto

Numeração/Number: UMPP Policy Papers nº 4 | 2026

Edição/Edition: Universidade de Évora/University of Évora, Portugal

Data/Date: 2026

ISSN: 2183-8208

Periodicidade/Frequency: Quadrimestral/Quarterly

UMPP - Unidade de Monitorização de Políticas Públicas / Public Policy Monitoring Unit

Universidade de Évora / University of Évora

Casa Cordovil, Sala 138, Rua Dom Augusto Eduardo Nunes, nº7

7000-651 Évora - Portugal

e-mail: umpp@uevora.pt

www.umpp.uevora.pt

Os UMPP Policy Papers são publicados sob a responsabilidade da Unidade de Monitorização de Políticas Públicas (UMPP) da Universidade de Évora. As opiniões expressas e os argumentos apresentados nesta publicação não vinculam a Universidade de Évora nem as demais entidades que financiam a atividade da UMPP ou aquelas com as quais a UMPP colabora.

UMPP Policy Papers are published under the responsibility of the Public Policy Monitoring Unit (UMPP) of the University of Évora. The views expressed and the arguments presented in this publication are solely those of the authors and do not necessarily reflect the position of the University of Évora, the entities that fund UMPP's activities, or the institutions with which UMPP collaborates.

APRESENTAÇÃO DA UMPP / UMPP PRESENTATION

A Unidade de Monitorização de Políticas Públicas (UMPP) da Universidade de Évora é uma estrutura técnica e científica dedicada à produção de conhecimento e informação sobre conceção, monitorização e avaliação de políticas públicas.

A UMPP foi criada com o apoio do Programa Operacional Regional do Alentejo 2007-2013 (INALENTEJO) e tem como objetivo principal promover a avaliação e monitorização das políticas públicas implementadas ou em processo de implementação na unidade territorial NUTS II do Alentejo, em Portugal e na União Europeia, bem como assegurar a ampla disseminação desse conhecimento neste âmbito territorial.

A competitividade dos países, das regiões e das empresas está cada vez mais dependente das condições em que uns e outras tomam decisões e as concretizam de forma eficiente e eficaz. Neste sentido, a capacidade e competência na definição e implementação de políticas públicas por parte do Estado e a assertividade na concretização de estratégias e iniciativas bem sucedidas por parte das demais organizações são hoje fatores decisivos para o desempenho das sociedades em que se inserem.

A relevância, pertinência, coerência e valor acrescentado das políticas públicas são hoje aspetos absolutamente cruciais para as condições de desenvolvimento dos países, dos territórios, das organizações e dos indivíduos. Desde logo, em função dos contextos regulamentares e de enquadramento que estabelecem, dos mecanismos de incentivo e estímulo em que assentam, dos paradigmas e visão de futuro para que apontam, do nível de sofisticação e inovação que lhe está associado e da intencionalidade estratégica que imprimem e transmitem, numa perspetiva de médio e longo prazo, aos setores e atividades a que se destinam.

Num momento em que é cada vez maior o nível de exigência técnica e científica associado ao processo de planeamento da economia, da sociedade e dos territórios, e à construção e salvaguarda das suas condições de competitividade e de desenvolvimento, a Universidade de Évora entendeu criar uma Unidade de Monitorização de Políticas Públicas dedicada à produção de conhecimento e à avaliação e monitorização de políticas públicas aplicadas, ou em processo de aplicação nesta região.

A UMPP pauta a sua atividade por princípios de rigor, isenção, transparência e responsabilidade, e uma preocupação constante de auscultação e colaboração com as entidades e agentes da região Alentejo, mas também relativamente às de âmbito nacional e internacional.

Convidamo-lo(a) a conhecer o trabalho que fazemos.

The Public Policy Monitoring Unit (UMPP) of the University of Évora is a technical and scientific unit dedicated to producing knowledge and information on the design, monitoring, and evaluation of public policies.

UMPP was established with the support of the Alentejo Regional Operational Programme 2007-2013 (INALENTEJO). Its main mission is to promote the monitoring and evaluation of public policies that have been implemented, or are currently being implemented, in the NUTS II region of Alentejo, in Portugal and the European Union while also ensuring the broad dissemination of knowledge in this field across the territory.

The competitiveness of countries, regions, and organisations increasingly depends on the conditions under which decisions are made and translated into effective and efficient action. In this context, the State's capacity to design and implement public policies, together with the ability of other organisations to deliver successful strategies and initiatives, has become a decisive factor in the performance of the societies in which they operate.

The relevance, consistency, coherence, and added value of public policies are now crucial to the development prospects of countries, territories, organisations, and individuals. This is reflected in the regulatory and institutional frameworks they establish, the incentive mechanisms on which they are built, the paradigms and future visions they promote, the degree of sophistication and innovation they embody, and the strategic direction they provide to the sectors and activities they are intended to support over the medium and long term.

At a time when the technical and scientific demands associated with planning the economy, society, and territories – and with strengthening and safeguarding their competitiveness and development – are becoming ever more complex, the University of Évora created UMPP as a dedicated unit for the production of knowledge and for the monitoring and evaluation of public policies applied, or in the process of being applied, in the region.

UMPP carries out its work in accordance with the principles of rigour, impartiality, transparency, and responsibility, while maintaining an ongoing commitment to dialogue and collaboration with institutions and stakeholders in the Alentejo region, as well as with partners at national and international level.

We invite you to explore our work.

UMPP POLICY PAPERS

Os UMPP Policy Papers são documentos síntese elaborados sobre questões de natureza metodológica, ou de debate técnico e científico, em torno de questões avaliativas ou de monitorização de políticas públicas. Os UMPP Policy Papers abordarão, entre outros aspetos, exercícios de avaliação e análise em torno de políticas ou de instrumentos de política pública concretas, e serão concebidos com a preocupação de apresentar recomendações ou propostas de orientação futura.

Esta publicação destina-se a cumprir um dos objetivos da UMPP, nomeadamente a produção de conhecimento e de informação sobre a conceção, monitorização e avaliação das políticas públicas implementadas ou em processo de implementação na Região Alentejo, em Portugal e na União Europeia, bem como promover a disseminação dessa informação no contexto regional e nacional.

O UMPP Policy Paper No. 4 | 2026 é dedicado a analisar de que forma os Relatórios Draghi e Letta reformulam a agenda de competitividade da União Europeia a partir de uma perspetiva territorial, bem como as implicações desse reposicionamento para a Especialização Inteligente (S3) enquanto quadro de governação *place-based*.

A implementação das orientações de política e dos quadros estratégicos propostos por estes dois Relatórios não pode ser concretizada através de uma abordagem menos sensível ao território. Muito pelo contrário: pela sua natureza e racional, exigem uma intensificação das abordagens territorializadas e um aprofundamento do investimento em estratégias de especialização inteligente, capazes de mobilizar ativos, capacidades e ecossistemas locais em alinhamento com as prioridades europeias.

O principal objetivo deste *Policy Paper* é, por isso, demonstrar por que razão a geografia se tornou uma variável estratégica para a produtividade, a inovação, a resiliência e a coesão, e propor um roteiro, fundamentado em evidência, para reforçar a S3 em Portugal nos períodos 2025-2027 e 2028-2034.

UMPP Policy Papers are concise publications addressing methodological issues and technical and scientific debate in the field of public policy monitoring and evaluation. Among other topics, they include evaluation and analytical exercises focusing on specific public policies or policy instruments, and are designed to present recommendations and proposals for future action.

This publication contributes to one of UMPP's core objectives: the production of knowledge and information on the design, monitoring, and evaluation of public policies implemented, or in the process of being implemented, in the Alentejo Region, while also promoting the dissemination of this knowledge at both regional and national levels.

UMPP Policy Paper No. 4 | 2026 is devoted to examining how the Draghi and Letta Reports reframe the European Union's competitiveness agenda through a distinctly territorial lens, and to assessing the implications for Smart Specialisation (S3) as a place-based governance framework.

Implementing the policy orientations and strategic frameworks proposed in these two Reports cannot be achieved through a less place-sensitive approach. On the contrary, their underlying rationale calls for a stronger commitment to place-based strategies and for deepening Smart Specialisation, as a way to mobilise local assets, capacities and ecosystems in alignment with European priorities.

Its main objective is, therefore, to show why geography has become a strategic variable for productivity, innovation, resilience and cohesion, and to propose an evidence-informed roadmap to strengthen Portugal's S3 for 2025-2027 and 2028-2034.

GEOGRAPHY AND SMART SPECIALISATION IN THE DRAGHI AND LETTA REPORTS. TERRITORIALISING EUROPE'S NEW COMPETITIVENESS AGENDA

Paulo Neto

University of Évora, Department of Economics, UMPP - Public Policy
Monitoring Unit, CICP - Research Center on Political Science,
neto@uevora.pt , www.umpp.uevora.pt

UMPP Policy Papers nº 4 | 2026

This UMPP Policy Paper develops and expands the invited communication presented by Paulo Neto at the Innovation and Smart Specialisation Forum 2025, organised by ANI - Agência Nacional de Inovação in Porto on 18 November 2025.

Abstract

This policy paper argues that the Draghi and Letta reports should be read not only as competitiveness and Single Market reports, but also as documents with strong territorial implications. Europe's productivity gap, uneven innovation performance, strategic dependencies, talent shortages, and resilience deficits are geographically structured. This makes geography a central strategic variable in the next phase of European integration. Against this background, the paper examines Smart Specialisation (S3) as the most mature policy instrument available to territorialise Europe's renewed competitiveness agenda. It argues that S3 has evolved from a regional innovation requirement linked to ex-ante conditionality in 2014-2020 into a broader governance framework for aligning regional capabilities with European priorities in industrial transformation, innovation deployment, skills, resilience, and strategic autonomy. The Portuguese case provides particularly relevant evidence: S3 improved strategic coherence and the productivity effects of innovation support, but also exposed structural weaknesses, including episodic entrepreneurial discovery, diluted selectivity, fragmented skills alignment, monitoring deficits, and uneven administrative capacity. Building on this evidence, the paper proposes a five-pillar framework for redesigning S3 in Portugal and the European Union for 2025-2034.

Executive Summary

This UMPP Policy Paper expands the author's invited communication delivered at the Innovation and Smart Specialisation Forum 2025, organised by ANI - Portuguese Innovation Agency in Porto, and examines how the Draghi and Letta reports reshape the policy context for Smart Specialisation (S3) in Portugal and the European Union.

The paper advances three central claims. First, the Draghi and Letta reports implicitly reintroduce geography into the heart of the European project. Europe's innovation gap, productivity weaknesses, strategic dependencies, talent shortages, infrastructure bottlenecks, and resilience asymmetries are not evenly distributed. Competitiveness policy must therefore become more territorially intelligent.

Second, S3 is the most mature policy instrument currently available to territorialise Europe's renewed competitiveness agenda. What began as an ex-ante conditionality in 2014-2020 became a binding enabling condition in 2021-2027 and is now increasingly positioned, in the debate on 2028-2034, as a broader governance architecture for linking innovation, industrial transformation, skills, resilience, and strategic autonomy.

Third, Portugal offers a highly relevant empirical case. The Portuguese experience shows that S3 improved the coherence of innovation support and strengthened the productivity effects of Research, Development, and Innovation (R&DI) policy, but also exposed structural weaknesses: entrepreneurial discovery remained too episodic, selectivity was sometimes diluted, coordination between The European Regional Development Fund (ERDF) and European Social Fund (ESF)-type interventions was incomplete, monitoring systems remained uneven, and delivery capacity differed across regions.

On this basis, the paper proposes a five-pillar framework for repositioning S3 in Portugal and Europe: governance and entrepreneurial discovery; funding integration and portfolio logic; skills and talent; cooperation and simplification; and monitoring and performance. These pillars are translated into a two-phase roadmap with 30 evidence-based proposals, combining immediate reforms for 2025-2027 with a broader repositioning for the 2028-2034 cycle. The broader conclusion is that the future of cohesion and the future of competitiveness should not be treated as competing agendas. A more competitive Europe will only be politically legitimate and economically sustainable if it is also more territorially balanced, more resilient, and better able to mobilise the differentiated capabilities of its regions. In that context, Smart Specialisation should no longer be seen merely as a funding condition, but as a strategic policy architecture for territorialising Europe's new competitiveness agenda.

Keywords

Smart Specialisation; geography; cohesion policy; competitiveness; Draghi Report; Letta Report; Portugal; territorial development; place-based policy; regional innovation; resilience; EU governance.

1. Introduction

This UMPP Policy Paper substantially expands the author's invited communication presented at the Innovation and Smart Specialisation Forum 2025, organised by ANI - Agência Nacional de Inovação in Porto on 18 November 2025. The paper retains the core argument of that intervention while extending its analytical scope, bibliographic grounding, and policy implications for Portugal and the European Union.

The publication of the Draghi and Letta reports reopened one of the most consequential questions in contemporary European public policy: how can the European Union reconcile competitiveness, cohesion, resilience, and strategic autonomy in a context defined by technological disruption, climate transition, geoeconomic fragmentation, energy insecurity, and demographic change (Draghi, 2024; Letta, 2024)? Both reports point to the need for a new strategic settlement. Draghi emphasises productivity, industrial transformation, innovation capacity, strategic dependencies, and scale. Letta emphasises the need to deepen the Single Market through speed, security, solidarity, and a stronger framework for knowledge, education, finance, and mobility.

Yet one element remains underexamined in many readings of these reports: geography. Europe's competitiveness challenge is not spatially neutral. Innovation capability, institutional density, talent formation, industrial structure, and resilience vary markedly across territories. The same is true of opportunity. Regions differ in their knowledge assets, industrial trajectories, energy exposure, connectivity, and capacity to absorb and scale innovation. A competitiveness agenda that ignores geography risks reinforcing divergence while claiming to strengthen Europe as a whole.

This is why the future of competitiveness cannot be detached from the future of cohesion. The High-Level Group on the Future of Cohesion Policy explicitly argues that cohesion policy remains the Union's prime long-term investment policy and must evolve to address new structural challenges while sustaining territorial convergence and well-being (European Commission, 2024). The 2023 Strategic Foresight Report reinforces this point by placing sustainability and people's well-being at the heart of Europe's open strategic autonomy and, in doing so, underlining the need for territorially differentiated policy responses (European Commission, 2023).

The analytical strategy adopted in this paper is intentionally policy-oriented. It combines a structured reading of the Draghi and Letta reports with the interpretive lens offered by recent European Union's Joint Research Centre (EU JRC), OECD, European Commission, and Portuguese evidence on Smart Specialisation, place-based development, territorial resilience, and regional productivity. The goal is not merely to summarise these documents, but to use them to build a more integrated argument about how Europe's competitiveness agenda should be territorialised.

In this context, Smart Specialisation deserves renewed analytical and policy attention. S3 has progressively moved from a recommended ex-ante conditionality in 2014-2020 to a binding enabling condition in 2021-2027 and is now increasingly positioned, in the 2028–2034 debate, as a core pillar of the Union’s wider competitiveness and resilience architecture (European Parliament & Council of the European Union, 2021a; Mendez et al., 2025). What began as a framework for prioritising regional innovation investment is becoming a wider territorial governance platform.

The core argument of this paper is therefore straightforward: the Draghi and Letta reports implicitly reintroduce geography into the heart of the European project, and Smart Specialisation is the most mature policy instrument currently available to territorialise that renewed competitiveness agenda.

2. Why Geography Matters Again

The return of geography to the centre of European policy is not accidental. It reflects the cumulative effects of overlapping crises and structural transitions: the productivity slowdown, the commercialisation gap in innovation, the pandemic, the energy crisis, the green and digital transitions, demographic ageing, and the growing relevance of economic security. These developments exposed the limits of territorially blind policy frameworks.

The OECD’s recent work on place-based policy is especially relevant here. It argues that effective territorial development requires policies capable of targeting local needs, mobilising local assets, coordinating across levels of government, and integrating competitiveness, sustainability, inclusion, and resilience into a common territorial logic (OECD, 2025).

The renewed centrality of geography is also visible in the EU’s resilience agenda. The Regional Resilience Dashboard was created to provide a granular view of regional vulnerabilities and capacities across social, economic, green, digital, and geopolitical domains. Its purpose is to help regions conduct structured self-assessments and identify priority interventions (Hériaud et al., 2025).

Geography matters here in at least four senses. First, it refers to the location of assets: firms, knowledge bases, infrastructure, natural resources, and skilled labour. Second, it refers to institutional capacity: the quality of governance, coordination, intermediation, and policy learning. Third, it refers to connectivity: the extent to which places are linked to wider European and global circuits of finance, innovation, production, logistics, and mobility. Fourth, it refers to vulnerability and resilience: the differentiated exposure of territories to shocks and their ability to adapt, recover, and transform.

The cohesion-policy debate has progressively absorbed this reasoning. The High-Level Group on the Future of Cohesion Policy insists that Europe’s prosperity depends not only on its strongest metropolitan and high-performing regions, but also on its capacity to unlock potential in places that remain structurally weaker or are undergoing transition. In this sense,

place-based development is not a compensatory afterthought; it is a strategic condition of Europe's long-term competitiveness (European Commission, 2024).

This is why geography has returned not as a nostalgic concern with territorial balance, but as a strategic variable in the design of Europe's next growth model. The more growth depends on innovation, decarbonisation, advanced manufacturing, talent, and resilience, the more those territorial differences matter.

3. Smart Specialisation as a Territorial Governance Framework

Smart Specialisation emerged in response to policy imitation, fragmentation, and a lack of strategic focus in regional innovation policy (Foray et al., 2009; McCann & Ortega-Argilés, 2015). Its founding insight was that regions should identify domains where existing capabilities, related variety, institutional learning, and future opportunity could be combined to support structural transformation, rather than simply imitate the priorities of stronger places.

Over time, however, S3 evolved from a prioritisation device into a broader governance framework. In 2014-2020, it functioned mainly as an ex-ante conditionality linked to ERDF investment in research and innovation. In 2021–2027, it became a binding enabling condition, requiring continuous entrepreneurial discovery and stronger governance arrangements. In the emerging 2028–2034 debate, it is increasingly being positioned as part of a broader architecture involving performance, simplification, resilience, and more integrated funding logics.

The European Court of Auditors' 2025 review captures both the scale and the limits of this evolution. S3 has guided substantial funding across 2014-2027, but monitoring remains heterogeneous, prioritisation still carries risks, interregional cooperation is underused, and EU-level coherence is insufficient (European Court of Auditors, 2025). These issues indicate that S3 has reached a stage where its future value depends on stronger governance, clearer directionality, and better evidence systems.

The JRC literature deepens this picture. Laranja and Reimeris (2024) show that advanced discovery-oriented policy requires institutionalised collaborative processes capable of moving from broad agendas to territorially grounded goals and concrete action roadmaps. Molica et al. (2025) show that S3 can incorporate mission-oriented features, provided that greater directionality is reconciled with bottom-up openness. Woolford et al. (2024) demonstrate that skills are central to territorial transformation rather than peripheral to it.

In addition, the JRC's Innovation for place-based transformations ACTIONbook series helps clarify the practical steps needed to build partnerships for fair green and digital transitions. Its emphasis on experimentation, partnership-building, and coordinated action across places is highly relevant to a next-generation understanding of Smart Specialisation.

Table 1. Lessons 2014-2020 & Policy Reset 2021-2027: ECA Review 05/2025 (S3 in the EU)

Theme	Key conclusion
Scale & alignment of funding	S3 guides more than €70-74 billion across 2014–2027; alignment strengthened in 2021-2027.
EU-level coherence gap	No EU-level mechanism fully aligns regional S3 priorities with wider EU industrial and R&I priorities.
EDP centrality & burden	EDP is mandatory in 2021-2027, but many authorities still consider it demanding and seek clearer guidance.
Interregional collaboration	Cooperation is a recognised success factor, yet many regions still underuse the available mechanisms.
Monitoring heterogeneity	Approaches and indicators vary widely across territories, limiting comparability and learning.
Evaluation gap	No comprehensive EU-level evaluation of S3 as a policy process has yet been completed.
Prioritisation risks	Priorities may become too broad or too narrow, weakening strategic focus.
Calls/projects linkage	In 2014-2020, alignment criteria were absent in part of the calls; linkage to S3 priorities varied substantially.
Strategy scale & design	Strategies vary widely in territorial scale and governance arrangements.
Perceived usefulness	Despite burdens, most surveyed authorities still consider S3 useful.

Source: European Court of Auditors (2025), Review 05/2025: Smart specialisation strategies in the EU.

Three consequences follow. First, S3 is now expected to organise not only what regions prioritise, but also how they govern policy. Second, it increasingly operates as a coordination framework across instruments, actors, and policy domains. Third, it is becoming one of the main channels through which the EU can territorialise larger strategic agendas such as industrial policy, missions, resilience, and strategic autonomy.

4. The Draghi Report and the Territorialisation of Competitiveness

Draghi's report diagnoses Europe's productivity and scale challenge, its innovation-commercialisation gap, fragmented markets, high energy costs, and strategic dependencies. Read through a territorial lens, it implies that competitiveness requires differentiated territorial capabilities, that project logic must give way to portfolio logic, that strategic autonomy has a geography, and that governance speed matters.

The innovation-commercialisation gap has a spatial structure. Some regions combine strong research institutions, entrepreneurial ecosystems, industrial capacities, and public institutions capable of moving knowledge toward deployment and scale-up. Others remain weaker in absorptive capacity, entrepreneurial density, or institutional coordination. This means that any meaningful competitiveness strategy must engage differentiated territorial capability.

Table 2. How Draghi Report Informs S3 Strategic & Operational Rationale

Competitiveness report conclusion	Implication for S3 strategic rationale	Operational implications for S3 delivery (Portugal)
Close the innovation–commercialisation gap	Make S3 directional toward frontier technologies and scale-up outcomes	Build sequenced pipelines from R&D to demonstration and scale-up; tie calls to market-entry milestones
High energy costs threaten competitiveness	Prioritise net-zero and energy-system domains as coherent portfolios	Use procurement and regulatory sandboxes; measure cost-to-compete KPIs
Strategic dependencies require action	Embed supply-chain resilience in S3 domain logic	Add redundancy and recovery KPIs; broker offtake and stockpile arrangements
Fragmented Single Market impedes scale	Align S3 domains with EU value-chain pathways and standards	Require EU-scaling plans and prioritise interregional consortia
Massive investment need	Design S3 as investable portfolios capable of crowding in finance	Blend ERDF with InvestEU/EIF and publish bankable pipelines
Skills are binding constraints	Couple each S3 domain with a talent and skills sub-strategy	Co-fund micro-credentials and training tied to domain roadmaps
Need coherent policy mixes	Run S3 at portfolio level with pro-competitive design	Use open calls and monitor crowd-out risks
Governance must speed up	Institutionalise continuous EDP and agile reprogramming loops	Quarterly checkpoints; simplified templates and proportionate audit
Need fewer, larger, coherent actions	Consolidate scattered projects into mission-oriented portfolios	Appoint domain portfolio managers and common dashboards
Cohesion must be preserved	Keep S3 place-based and diffusion-oriented	Dedicated technical assistance for weaker regions and beyond-GDP tracking

Source: European Commission (2025c), The future of European competitiveness.

Draghi’s emphasis on scale also implies a shift from project-by-project intervention to portfolio logic. The Portuguese evidence discussed below suggests that productivity effects were stronger where R&D subsidies were combined with other innovation supports rather than deployed in isolation. This points toward the need for more coherent, sequenced, and investable portfolios.

Strategic autonomy likewise has a geography. Critical raw materials, semiconductors, green technologies, industrial inputs, and logistics systems are territorially embedded. A next-generation S3 should therefore include resilience and dependency metrics within its domain logic, linking regional capabilities to wider EU priorities such as strategic technologies, industrial transformation, and economic security.

Finally, Draghi's concern with governance fragmentation has a territorial dimension. Even the most ambitious EU strategy will underperform if regional and national delivery systems remain weakly coordinated, slow, or administratively cumbersome. The territorialisation of the Draghi agenda therefore requires governance instruments capable not only of allocating money, but also of sequencing interventions, brokering portfolios, and learning from implementation.

5. The Letta Report and the Territorial Deepening of the Single Market

If Draghi foregrounds productivity and industrial transformation, Letta foregrounds integration, scale, speed, security, and solidarity. His report argues that the Single Market remains Europe's most valuable asset, but that it must be renewed to meet the demands of a world shaped by scale competition, technological transformation, and geostrategic pressure.

Table 3. How Letta Report Informs S3 Strategic & Operational Rationale

Letta report conclusion	Implication for S3 strategic rationale	Operational implications for S3 delivery (Portugal)
Add a "5th freedom" for research–innovation–education	Make S3 explicitly about knowledge flows, talent mobility, and shared R&I assets	Tie each S3 domain to EU data spaces, mobility schemes, and shared infrastructures
Build a Savings & Investments Union	Design investable S3 portfolios that crowd in long-term private finance	Blend ERDF with market vehicles and publish bankable pipelines
Scale matters	Orient S3 toward EU-scale value chains and standards	Require EU scaling plans and interregional consortia
Integrate networks in energy, telecoms, finance	Prioritise domains that hinge on integrated networks	Use innovation procurement and cross-border pilots tied to EU roadmaps
Simplify and speed up rules	Reduce delivery frictions to accelerate experimentation and scaling	Standard templates, simplified costs, and regulatory sandboxes for SMEs
Strengthen enforcement and reduce gold-plating	Protect level playing fields across regions	Common national guidance and transparent comparable KPIs
Use public procurement to pull innovation	Make demand-side tools central to S3 portfolios	Set PCP/PPI targets and publish procurement calendars
Advance European standards	Embed standardisation as a pathway from lab to market	Finance testbeds, conformance labs, and standards participation
Address strategic dependencies	Build resilience into domain choices and metrics	Add redundancy and time-to-recover KPIs to monitoring
Pair freedom to move with freedom to stay	Keep S3 place-based and inclusive in lagging areas	Combine mobility with territorial opportunity and service provision

Source: Letta (2024), Much more than a market, as synthesised in the Neto (2025) ANI Forum presentation.

Read through a territorial lens, Letta's report suggests that the Single Market is not spatially neutral. Regions with stronger firms, denser knowledge bases, and better institutions tend to

benefit more from integration than weaker territories. This makes territorial capacity a condition of market deepening rather than a secondary implementation issue.

Letta's emphasis on a "fifth freedom" centred on research, innovation, education, knowledge, and talent mobility is directly relevant to S3. It implies that territorial competitiveness must be understood not only in terms of industrial structure, but also in terms of talent formation, mobility, knowledge circulation, and access to shared European research infrastructures.

Letta's concern with scale further suggests that territorial assets become strategic only when they are connected to wider European circuits of demand, finance, standards, procurement, and infrastructure. This is why a future S3 should become more interregional, more cross-border, and more explicitly linked to EU value chains, missions, and common infrastructures.

Letta's report is also about legitimacy. If the Single Market works better for stronger territories and larger firms than for weaker regions and SMEs, its political legitimacy will weaken. This has direct implications for S3: it must remain open to smaller firms, less innovative territories, and places undergoing structural transition.

6. Portugal's Smart Specialisation Experience: Achievements, Evidence, and Gaps

Portugal provides a particularly relevant case because it combines serious engagement with S3 and persistent structural constraints typical of cohesion settings. It therefore offers evidence not only of what Smart Specialisation can achieve, but also of where its design and implementation remain insufficient.

The Portuguese architecture combined a National Smart Specialisation Strategy with regional strategies and a multi-level governance arrangement linking ANI, Portuguese Regional Coordination and Development Commissions (CCDRs), managing authorities, clusters, higher education institutions, and intermediary actors. This architecture allowed Portugal to align innovation support more explicitly with territorial priorities while creating participatory processes across multiple levels of governance.

The 2019 national and regional evaluation found that the participatory RIS3 process generated valuable learning, that governance models adapted to different regional contexts, and that there was strong evidence of intensified knowledge production and R&D activity within priority domains.

The econometric evidence presented by Santos, Edwards, and Neto (2023) reinforces this picture. Their study shows that corporate RDI subsidies had a positive net effect on regional productivity and that returns were stronger in the 2014-2020 S3 period than in the previous cycle, especially when innovation support was delivered through more coherent policy mixes.

**Table 4. Portugal's S3 2014–2020: Achievements & Empirical Evidence: ENEI/EREI (RIS3)
Evaluation 2019**

Theme	Key conclusion
Understanding of the approach	RIS3 requirements were not uniformly understood by all stakeholders; intermediary structures helped narrow information gaps.
Value of the participatory process	The participatory genesis of the EREI created valuable learning and constitutes cross-regional good practice.
Innovation system maturity	Uneven maturity of Regional Innovation Systems explains a significant share of results and conditions implementation.
Selectivity/domain definition	The first cycle was a learning path toward greater focus, but methods can still improve.
Coverage of priorities	Coverage was strongest when ENEI/EREI alignment was an admissibility condition.
First-level results	Strong evidence of intensified knowledge production and R&D within priority domains.
EDP and collaboration	Weaker results in fostering entrepreneurial discovery spaces and related-variety collaboration.
Second-level results	Increased business R&D effort and expected long-term effects on productive specialisation.
Governance	Tested governance models showed capacity to adapt to distinct regional contexts.
Monitoring and data	Monitoring remained incipient in several cases and information harmonisation was difficult.

Source: Figueiredo et al. (2019).

According to the synthesis used in the ANI presentation, the S3 period yielded an additional productivity effect of approximately €1.76 per €1 of RDI stock per worker compared with the 2007-2013 period. This suggests that Smart Specialisation improved not only strategic coherence, but also the productivity-enhancing quality of innovation policy.

At the same time, Portugal's experience reveals five structural weaknesses. First, entrepreneurial discovery remained too episodic, concentrated in the design phase rather than institutionalised as a continuous governance mechanism. Second, priority domains were sometimes too broad, diluting selectivity. Third, the alignment between technology investment and skills development remained incomplete. Fourth, monitoring systems were still incipient or uneven, limiting learning and comparability. Fifth, performance varied significantly with the maturity of regional innovation systems and governance capacity.

Table 5. Portugal's S3 2014-2020: Achievements & Empirical Evidence: Santos, Edwards & Neto (2023)

Theme	Key conclusion
Overall impact	Corporate RDI subsidies had a positive net effect on regional productivity in Portugal.
S3 additionality	Returns were higher in 2014–2020 than in 2007–2013, indicating an additional S3 effect.
Quantified effect	+€1 in RDI funding stock per worker raised regional productivity by about €0.74 (total effect).
Period contrast	The S3 period yielded an additional ≈€1.76 productivity per €1 of RDI stock per worker versus 2007–2013.
Policy mix	The added effect materialised when R&D subsidies were combined with other innovation subsidies.
Project features	The S3 period showed more partnerships, stronger interregional collaboration, and less concentration by beneficiary or sector.
Spatial dynamics	Negative spatial dependence suggested backwash effects across neighbouring regions.
Human capital	Higher human capital in neighbouring regions could generate competitive spillovers.
Robustness	Findings held across spatial specifications and robustness checks.
Design implication	Coherent, sequenced S3-aligned mixes outperform isolated instruments.

Source: Santos, Edwards, & Neto (2023).

These weaknesses are not unique to Portugal; they mirror broader European patterns identified by the European Court of Auditors (ECA, 2025) review and by the JRC literature. The Portuguese case is nonetheless especially useful because it shows that S3 works best when it is continuous, selective, integrated, and monitored as a system.

7. Repositioning Smart Specialisation for 2025-2034: A Five-Pillar Framework

The strategic redesign of S3 for Portugal and the European Union can be organised around five pillars. Each pillar addresses one or more weaknesses identified in 2014-2020 and one or more opportunities opened by the Draghi-Letta-Cohesion reset. Taken together, they provide a practical roadmap for repositioning S3 in the 2025-2034 horizon.

Table 6. Strategic Proposals for Portugal: Two-Phase Implementation Roadmap - 30 Evidence-Based Proposals (synthetic version)

No.	Phase	Proposal	Pillar
1	2025-2027	S3 Steering Committee + continuous EDP with clusters/HEIs	Governance & EDP
2	2025-2027	Consolidate into 3-4 directional mission portfolios	Governance & EDP
3	2025-2027	Binding S3-alignment criteria with public scoring grid	Funding Integration
4	2025-2027	Sequenced R&D→demonstration→scale pipelines	Funding Integration
5	2025-2027	S3-specific results KPIs beyond standard RCO/RCR	Monitoring & Performance
6	2025-2027	Skills/HESS attached to each S3 domain	Skills & Talent
7	2025-2027	Interregional cooperation bonuses	Cooperation & Simplification
8	2025-2027	Innovation procurement + regulatory sandboxes	Funding Integration
9	2025-2027	S3 SME one-stop-shop portal	Cooperation & Simplification
10	2025-2027	Quarterly domain dashboards	Monitoring & Performance
11	2028-2034	Robust regional chapters in NRPPs with S3 as horizontal framework	Governance & EDP
12	2028-2034	EU core S3 KPIs + proportional audit	Monitoring & Performance
13	2028-2034	Blended ERDF + InvestEU + IPCEIs for scale-up	Funding Integration
14	2028-2034	Map S3 domains to EU strategic value chains	Funding Integration
15	2028-2034	Skills pipelines in all S3 domains	Skills & Talent
16	2028-2034	PT-ES S3 specialization platform	Cooperation & Simplification
17	2028-2034	Interreg S3 cooperation envelope	Cooperation & Simplification
18	2028-2034	Resilience metrics	Monitoring & Performance
19	2028-2034	Talent as “5th freedom”	Skills & Talent
20	2028-2034	EU demand policy for S3 solutions	Funding Integration
21	2028-2034	Single programming document per mission	Cooperation & Simplification
22	2028-2034	Capacity building for less innovative regions	Skills & Talent
23	2028-2034	EU-level S3 evaluation framework	Monitoring & Performance
24	2028-2034	Technology sovereignty metrics	Monitoring & Performance
25	2028-2034	Cross-border innovation zones	Cooperation & Simplification
26	2028-2034	S3 alignment with EU Industrial Strategy	Funding Integration
27	2028-2034	Green Deal integration	Funding Integration
28	2028-2034	Digital transformation targets	Funding Integration
29	2028-2034	Social innovation integration	Governance & EDP
30	2028-2034	Gender equality in S3 governance	Governance & EDP

Source: Neto (2025a, 2025b).

Pillar 1 – Governance and Entrepreneurial Discovery. This pillar responds to episodic EDP by institutionalising continuous discovery and strategic steering. It includes an S3 Steering Committee, regular EDP forums, annual recalibration reports, transparent pipelines, mission boards, and direct links between discovery outputs and calls. The objective is to move S3 from static programming logic to continuous territorial intelligence.

Pillar 2 – Funding Integration and Portfolio Logic. The second pillar addresses fragmentation by moving from isolated projects to sequenced and investable portfolios. It includes binding S3-alignment criteria, R&D-demonstration-scale pipelines, stronger use of blended finance, links to EU strategic value chains, and tighter articulation with industrial, green, and digital policy priorities.

Pillar 3 – Skills and Talent. The third pillar responds to the weak integration between innovation investment and human-capital systems. It treats talent as a territorial asset and proposes domain-specific skills pipelines, HESS integration, micro-credentials, mobility instruments, and annual targets for higher education and vocational systems.

Pillar 4 – Cooperation and Simplification. The fourth pillar strengthens the interregional and cross-border dimension of S3 while reducing administrative friction. It includes interregional cooperation bonuses, PT-ES platforms, Interreg envelopes for S3, SME one-stop-shop tools, cross-border innovation zones, and more harmonised implementation arrangements.

Pillar 5 – Monitoring and Performance. The fifth pillar addresses the persistent weakness of monitoring systems. It proposes S3-specific KPIs beyond standard output and result indicators, quarterly dashboards, resilience and sovereignty metrics, and an EU-level evaluation framework. The objective is to turn monitoring into an instrument of learning, accountability, and strategic adjustment.

Implementation trade-offs are non-trivial. Increasing directionality via mission portfolios can strengthen focus but may reduce openness and stakeholder ownership; tighter selectivity improves additionality but raises risks of exclusion or capture if governance is weak. The five-pillar framework therefore requires safeguards – transparent criteria, independent peer review, and proportional monitoring – so that S3 remains both strategic and legitimate (European Court of Auditors, 2025; Molica et al., 2025).

Taken together, the five pillars suggest a deeper repositioning of S3. They imply that territorial development policy should no longer be organised around a narrow ex ante conditionality logic, but around a mission-ready, talent-centred, performance-oriented, and resilience-aware governance architecture.

8. Policy Implications for Portugal and the European Union

For Portugal, the immediate challenge is to use the current reprogramming window to strengthen the foundations of S3: continuous EDP, sharper selectivity, stronger funding integration, domain-specific talent pipelines, and better dashboards. In practice, this means institutionalising what was previously episodic and converting accumulated learning into more durable governance routines.

For the 2028-2034 cycle, the challenge is broader. Portugal should seek to position itself not as a passive user of S3, but as a proactive case of evidence-based redesign, combining mission

portfolios, resilience-aware monitoring, interregional scaling, blended finance, and stronger alignment with wider European priorities.

Table 7 summarises the main implications by actor and time horizon. It is intended as a sequencing tool: Phase 1 (2025–2027) prioritises governance routines, selectivity and skills alignment within the current Partnership Agreement, while Phase 2 (2028–2034) scales portfolios and interregional linkages and embeds resilience and performance metrics. Successful implementation depends less on formal strategy design than on delivery capacity, coordination across ministries and managing authorities, and the ability to use monitoring as a learning loop (OECD, 2025; European Commission, 2025b).

Table 7. Policy Implications for Portugal and the European Union

Policy theme	Implications for Portugal (2025–2027)	Implications for Portugal (2028–2034)	Implications for the EU
Continuous EDP	Institutionalise quarterly regional/domain forums and connect them to reprogramming	Turn EDP into a permanent territorial intelligence system with annual recalibration	Maintain continuous EDP as a core quality requirement of S3 governance
Strategic selectivity	Narrow overly broad priority domains	Move toward fewer and more directional mission portfolios	Encourage more directional S3 designs while preserving flexibility
Skills for S3	Improve ERDF-ESF+ coordination and build skills roadmaps	Integrate HE, VET, micro-credentials, and firm training into every S3 domain	Consolidate S3 as a bridge between innovation and the “fifth freedom” agenda
Monitoring & evaluation	Harmonise monitoring systems and improve comparability	Adopt portfolio-level dashboards with resilience indicators	Build an EU-level S3 evaluation framework and learning architecture
Resilience	Use resilience evidence to identify vulnerabilities in current domains	Integrate resilience metrics into missions and investment prioritisation	Mainstream territorial resilience into competitiveness and cohesion policy
Interregional cooperation	Strengthen PT-ES and Atlantic cooperation on selected domains	Develop cross-border scaling platforms linked to EU value chains	Support S3 interregional platforms more strongly and align them with Single Market deepening
Governance capacity	Invest in capacity building for weaker regional systems	Professionalise portfolio management and strategic foresight	Use technical assistance and peer learning to reduce implementation asymmetries
Finance & scale-up	Improve sequencing between R&D support, innovation support, and deployment	Combine ERDF, InvestEU, procurement, and scale-up instruments around territorial portfolios	Better connect cohesion, industrial policy, and Single Market instruments in support of S3

Source: Author synthesis based on the Portuguese evidence, the Draghi and Letta reports, and the Broader literature used in this Policy Paper.

For the European Union, the broader implication is that competitiveness and cohesion should no longer be treated as competing agendas. The territorial intelligence embedded in S3 should be recognised as a strategic component of Europe's competitiveness model, not as a residual feature of cohesion policy.

These implications also suggest a more demanding strategic role for national governments. If S3 is to become a true architecture for territorial competitiveness, national authorities must do more than ensure formal compliance. They must coordinate ministries, align funding streams, support weaker regions, and provide stable frameworks for monitoring, learning, and interregional cooperation.

For the EU institutions, the challenge is equally strategic. The next cycle should not only simplify and rationalise programmes, but also improve the coherence of expectations, metrics, and learning mechanisms across cohesion policy, industrial policy, Single Market reform, and strategic technologies.

9. Conclusion

The Draghi and Letta reports should be read not only as competitiveness and Single Market reports, but as documents that implicitly reintroduce geography into the centre of the European project. Their central concerns - productivity, innovation, scale, resilience, talent, and strategic coordination - are all territorially mediated.

For that very reason, implementing the policy orientations and strategic frameworks proposed in these two Reports cannot be achieved through a less place-sensitive approach. On the contrary, their underlying rationale calls for a stronger commitment to place-based strategies and for deepening Smart Specialisation, as a way to mobilise local assets, capacities and ecosystems in alignment with European priorities.

Europe will not solve its competitiveness challenge through macro-level reform alone. It will also need instruments capable of mobilising differentiated regional capabilities, connecting them to wider European priorities, and ensuring that structural transformation remains territorially embedded and politically legitimate.

Smart Specialisation is the strongest candidate for that role. It already exists institutionally, it has generated policy learning, and, as the Portuguese case shows, it can improve the strategic quality and productivity impact of regional innovation policy when it is implemented as a continuous, selective, integrated, and performance-oriented system.

The challenge now is not whether S3 should survive, but whether it can evolve quickly enough to become mission-ready, talent-centred, resilient, and genuinely strategic. In that sense, territorialising Europe's new competitiveness agenda means turning Smart Specialisation into a more capable instrument of transformation.

Table 8. Conclusions: Towards Smarter Cohesion Through Evidence-Based S3

Conclusion area	Core message
Policy learning	Lessons from 2014–2020 were translated into stronger requirements in 2021–2027.
Strategic reorientation	The post-2027 debate shifts from cohesion-as-absorption toward cohesion-as-competitiveness plus resilience.
Governance	Continuous EDP and agile reprogramming loops are critical for learning and adjustment.
Talent	Talent as a fifth freedom implies skills pipelines embedded in each S3 domain.
Monitoring	Common indicators and dashboards enable comparability and interregional learning.
Resilience	S3 domains should include vulnerability, diversification, and recovery assessment.
Portfolio logic	The future lies in fewer, larger, coherent mission-oriented portfolios.

Source: Neto (2025a) and Neto (2025b).

Portugal's experience demonstrates that policy learning works. The current reprogramming period and the debate on the next MFF offer a rare opportunity to institutionalise those lessons at scale. If seized effectively, that opportunity could help align competitiveness, cohesion, and resilience more coherently than in previous policy cycles.

References

- Barca, F. (2009). *An agenda for a reformed cohesion policy: A place-based approach to meeting European Union challenges and expectations*. European Commission.
- Draghi, M. (2024). *The future of European competitiveness: A competitiveness strategy for Europe*. European Commission.
- European Commission. (2019). *The European Green Deal* (COM(2019) 640 final). Publications Office of the European Union.
- European Commission. (2022). *European Chips Act* (COM(2022) 45 final). Publications Office of the European Union.
- European Commission. (2023a). *2023 strategic foresight report: Sustainability and people's wellbeing at the heart of Europe's open strategic autonomy* (COM(2023) 376 final). Publications Office of the European Union.
- European Commission. (2023b). *Strategic Technologies for Europe Platform (STEP)* (COM(2023) 335 final). Publications Office of the European Union.
- European Commission. (2024a). *Forging a sustainable future together: Report of the High-Level Group on the future of cohesion policy*. Publications Office of the European Union.
- European Commission. (2024b). *EU Missions: Ocean, Cancer, Cities, Soil, Climate Adaptation*. European Commission.

- European Commission. (2025a). *A stronger and more competitive Union: The next Multiannual Financial Framework 2028-2034* (COM(2025) 570 final). Publications Office of the European Union.
- European Commission. (2025b). *Performance of the ERDF, Cohesion Fund and Just Transition Fund 2021–2027: Mid-term review* (SWD(2025) 346 final). Publications Office of the European Union.
- European Commission. (2025c). *The future of European competitiveness: A competitiveness strategy for Europe*. Publications Office of the European Union.
- European Court of Auditors. (2025). *Review 05/2025: Smart specialisation strategies in the EU*. Publications Office of the European Union. <https://doi.org/10.2865/3208836>
- European Parliament and Council of the European Union. (2021a). Regulation (EU) 2021/1060 laying down common provisions on the ERDF, ESF+, Cohesion Fund, JTF and EMFAF. *Official Journal of the European Union*, L 231, 159.
- European Parliament and Council of the European Union. (2021b). Regulation (EU) 2021/1058 on the European Regional Development Fund and on the Cohesion Fund. *Official Journal of the European Union*, L 231, 60.
- European Parliament and Council of the European Union. (2021c). Regulation (EU) 2021/1057 establishing the European Social Fund Plus. *Official Journal of the European Union*, L 231, 21.
- Figueiredo, A. M., Costa, A., Rodrigues, M., Braga, C., Fontes, C., Azevedo, R., Prata, N., Santos, L. D., del Castillo, J., & Barroeta, B. (2019). *Avaliação da Implementação das Estratégias Nacional e Regionais de Investigação para uma Especialização Inteligente (RIS3): Rede, Realizações e Resultados Esperados*. Agência Nacional de Inovação.
- Foray, D., David, P. A., & Hall, B. (2009). Smart specialisation: The concept. *Knowledge Economists Policy Brief*, 9(85), 1-5.
- Hériaud, B., Joossens, E., & Le Blanc, J. (2025). *Regional Resilience Dashboard for the EU*. Publications Office of the European Union. <https://doi.org/10.2760/7971189>
- Laranja, M., & Reimeris, R. (2024). *Discovery-oriented innovation and industrial policies: Insights from five regions about open discovery processes*. Publications Office of the European Union. <https://doi.org/10.2760/167979>
- Letta, E. (2024). *Much more than a market: Speed, security, solidarity - Empowering the Single Market to deliver a sustainable future and prosperity for all EU citizens*. Report to the European Council and the European Commission.
- McCann, P., & Ortega-Argilés, R. (2015). Smart specialization, regional growth and applications to European Union cohesion policy. *Regional Studies*, 49(8), 1291-1302. <https://doi.org/10.1080/00343404.2013.799769>
- Mendez, C., Bachtler, J., & Polverari, L. (2025). Cohesion policy 2021-2027 and smart specialisation in the National Regional Policy Programme/performance model. *European Journal of Spatial Development*, 25(3), 1–28.

- Molica, F., Cappellano, F., Makkonen, T., & Hassink, R. (2025). *Smart Specialisation Strategies and mission-oriented approach: Bridging theory and practice*. European Commission, Joint Research Centre.
- Neto, P. (2025a, November 18). *Towards smarter cohesion: Using 2014-2020 lessons to drive smart specialisation forward* [Invited talk]. Innovation and Smart Specialisation Forum 2025, Agência Nacional de Inovação (ANI), Porto, Portugal. . <https://ani.pt/innovation-and-smart-specialization-forum/>
- Neto, P. (2025b, November 18). *Towards smarter cohesion: Using 2014–2020 lessons to drive smart specialisation forward* [PowerPoint slides]. Innovation and Smart Specialisation Forum 2025, Agência Nacional de Inovação (ANI), Porto, Portugal. <https://ani.pt/innovation-and-smart-specialization-forum/>
- OECD. (2025). *Place-based policies for the future*. OECD Publishing. <https://doi.org/10.1787/e5ff6716-en>
- REPLAN. (2024). *Relatório Megatendências 2050: Cenários de transformação para Portugal*. Direção-Geral do Território.
- Santos, A., Edwards, J., & Neto, P. (2023). Does smart specialisation improve any innovation subsidy effect on regional productivity? The Portuguese case. *European Planning Studies*, 31(4), 758-779. <https://doi.org/10.1080/09654313.2022.2073787>
- Woolford, J., Bachtrögler-Unger, J., Burton, A., Lalanne, M., & Gulda, K. (2024). *Skills for Smart Specialisation: An analysis of ERDF and ESF support for S3 skills in the 2014-2020 programming period*. Publications Office of the European Union. <https://doi.org/10.2760/768385>

Annex A. Portugal's 30 Evidence-Based Proposals (expanded): rationale, leadership, timing, and KPIs

Annex Table A1. Expanded proposals 1-15

No.	Phase	Proposal	Rationale	Lead institution	Time horizon	Indicative KPI
1	2025 - 2027	S3 Steering Committee + continuous EDP with clusters/HEIs	Creates permanent strategic steering and reduces episodic EDP	ANI; CCDRs; Managing Authorities	Immediate setup, then ongoing	Number of EDP forums; share of calls informed by EDP
2	2025 - 2027	Consolidate into 3-4 directional mission portfolios	Reduces selectivity dilution and increases directionality	ANI; CCDRs; line ministries	2025-2026	Share of funding concentrated in mission portfolios
3	2025 - 2027	Binding S3-alignment criteria with public scoring grid	Increases transparency and prevents label-only alignment	Managing Authorities (MA); ANI	2025	Percentage of calls with explicit S3 scoring grids
4	2025 - 2027	Sequenced R&D→demonstration→scale pipelines	Addresses the innovation-commercialisation gap	MAs; ANI; Portuguese Agency for Competitiveness and Innovation (IAPMEI)	2025-2027	Share of supported projects progressing along pipeline
5	2025 - 2027	S3-specific results KPIs beyond standard RCO/RCR	Moves monitoring beyond absorption and output indicators	MAs; CCDRs	2025-2026 design, then ongoing	Approved KPI set and annual reporting rate
6	2025 - 2027	Skills/HESS attached to each S3 domain	Aligns territorial priorities with human-capital supply	Portugal's national authority for higher education (DGES); Portuguese Institute of Employment and Vocational Training (IEFP); HEIs; CCDRs	2025-2027	Number of learners/credentials by domain

No .	Phase	Proposal	Rationale	Lead institution	Time horizon	Indicative KPI
7	2025 - 2027	Interregional cooperation bonuses	Creates incentives for scale, learning, and diffusion	MAs; Interreg contacts	2025-2027	Percentage of funded projects with interregional partners
8	2025 - 2027	Innovation procurement + regulatory sandboxes	Adds demand-side pull and experimentation to portfolios	ANI; key procurers; regulators	2025-2027	Number of PCP/PPI actions and sandboxes launched
9	2025 - 2027	S3 SME one-stop-shop portal	Reduces administrative burdens for SMEs	IAPMEI; ANI	2025	Portal launch and SME user satisfaction
10	2025 - 2027	Quarterly domain dashboards	Supports adaptive management and bottleneck resolution	MAs; CCDRs	2025 onward	Dashboard frequency and bottleneck closure rate
11	2028 - 2034	Robust regional chapters in NRPPs with S3 as horizontal framework	Integrates territorial logic into national-regional planning	Government of Portugal; ANI; CCDRs	2028–2029	Inclusion of S3 chapters in NRPP architecture
12	2028 - 2034	EU core S3 KPIs + proportional audit	Improves comparability while lowering burdens for low-risk beneficiaries	European Commission; Mas	2028 onward	Adoption rate of common KPIs; audit time reduction
13	2028 - 2034	Blended ERDF + InvestEU + IPCEIs for scale-up	Mobilises finance for deployment and scale	MAs; EIF; InvestEU contacts	2028 onward	Amount of blended finance leveraged
14	2028 - 2034	Map S3 domains to EU strategic value chains	Links regional assets to EU priorities and scale platforms	ANI; CCDRs; Joint Research Centre - (European Commission) (JRC)	2028–2029	Published value-chain maps and follow-up partnerships
15	2028 - 2034	Skills pipelines in all S3 domains (100% coverage)	Ensures all domains have talent strategies	DGES; IEPF; CCDRs	2028 onward	Coverage rate across domains

Source: Author synthesis based on the ANI Forum presentation and the five-pillar framework developed in this paper.

Annex Table A2. Expanded proposals 16–30

No.	Phase	Proposal	Rationale	Lead institution	Time horizon	Indicative KPI
16	2028 - 2034	PT–ES S3 specialization platform	Strengthens Iberian scale and complementarities	Portuguese and Spanish authorities	2028 onward	Number of joint calls and cross-border projects
17	2028 - 2034	Interreg S3 cooperation envelope	Makes cooperation a structural pillar of implementation	Interreg; Mas	2028 onward	Dedicated envelope size and uptake
18	2028 - 2034	Resilience metrics	Embeds vulnerability and recovery capacity into S3 monitoring	CCDRs; MAS	2028 onward	Redundancy index; time-to-recover indicator
19	2028 - 2034	Talent as “5th freedom”	Connects S3 with intra-EU mobility and knowledge circulation	DGES; HEIs; EU programmes	2028 onward	Mobility flows and retention rates
20	2028 - 2034	EU demand policy for S3 solutions	Uses procurement and demand aggregation to scale innovation	European Commission; public procurers	2028 onward	Number of multi-buyer innovation procurements
21	2028 - 2034	Single programming document per mission	Simplifies governance and improves coherence	Government of Portugal; Mas	2028–2030	Reduction in duplicated programming instruments
22	2028 - 2034	Capacity building for less innovative regions	Reduces territorial asymmetries in delivery and learning	CCDRs; ANI; technical assistance units	2028 onward	Staff trained and uptake of instruments
23	2028 - 2034	EU-level S3 evaluation framework	Creates structured process evaluation and learning	European Commission; JRC	2028 onward	Framework adoption and evaluation cycles completed
24	2028 - 2034	Technology sovereignty metrics	Aligns S3 with strategic autonomy and dependency reduction	European Commission; national authorities	2028 onward	Metric set operationalised in monitoring
25	2028 - 2034	Cross-border innovation zones	Builds testbeds and diffusion corridors across borders	Portuguese and Spanish regional authorities	2028 onward	Number of zones and pilots scaled
26	2028 - 2034	S3 alignment with EU Industrial Strategy	Improves coherence between territorial and sectoral priorities	ANI; Government of Portugal; EC	2028 onward	Number of domains with explicit EU alignment

No.	Phase	Proposal	Rationale	Lead institution	Time horizon	Indicative KPI
27	2028 - 2034	Green Deal integration	Embeds decarbonisation as a mission driver	Government of Portugal; CCDRs	2028 onward	Emissions avoided and green adoption metrics
28	2028 - 2034	Digital transformation targets	Treats digitalisation as a cross-cutting enabler of structural change	Government of Portugal; CCDRs	2028 onward	SME digital-intensity indicators
29	2028 - 2034	Social innovation integration	Broadens legitimacy and diffusion beyond core innovation actors	CCDRs; social economy actors	2028 onward	Number of social innovation projects and inclusion outcomes
30	2028 - 2034	Gender equality in S3 governance	Improves fairness and governance quality	All S3 governance bodies	2028 onward	Gender balance in decision-making bodies

Source: Author synthesis based on the ANI Forum presentation and the five-pillar framework developed in this paper.

The first of these is the *Journal of the American Medical Association* (JAMA), which has been a leading voice in the medical profession for over a century. It is a weekly publication that covers a wide range of topics, from clinical medicine to public health. The second is the *New England Journal of Medicine* (NEJM), which is a leading journal in the field of internal medicine. The third is the *Lancet*, which is a leading journal in the field of general practice. The fourth is the *British Medical Journal* (BMJ), which is a leading journal in the field of general practice. The fifth is the *Medical Record*, which is a leading journal in the field of general practice. The sixth is the *Medical News*, which is a leading journal in the field of general practice. The seventh is the *Medical Record*, which is a leading journal in the field of general practice. The eighth is the *Medical News*, which is a leading journal in the field of general practice. The ninth is the *Medical Record*, which is a leading journal in the field of general practice. The tenth is the *Medical News*, which is a leading journal in the field of general practice.