

# Strengthening Innovation in Europe's Regions

The way ahead

Regional Policy



## A modern economy and fair transition for EU regions

Europe is experiencing a period of profound changes brought by **globalisation**, new emerging and digital **technologies**, **automation** and **decarbonisation**. The benefits of globalisation are unequally spread. It is indispensible to help Europeans **adapt** to these profound changes and to help the EU economy to **become more resilient**.

Reflection Paper on Harnessing Globalisation

Therefore the EU will need to:

- > activate the innovation potential of MS and regions
- > **adapt** its industry to new models
- boost competitiveness and access to new markets
- reduce the gap among regions
- create new jobs



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# Smart specialisation in reformed cohesion policy

The **smart specialisation** approach was integrated into the reformed cohesion policy (2014-2020) to maximise the positive impact on growth and jobs.

It also helped regions and MS in:

- developing a strategic approach to innovation (*ex-ante Conditionality*)
- prioritising public R&I investments
- building on competitive advantages
- facilitating new market opportunities and the access to new value chains

#### **KEY FIGURE over the period 2014-2020:**

**EUR 40 billion from ERDF** to finance R&I projects (EUR 65 billion including cofinancing) + **EUR 1.8 billion from ESF** 

over 120 smart specialisation strategies whose implementation is supported by the S3-Platform

> more than **15 000 enterprises** will be able to introduce new products into the market

- > 140 000 start-ups will be offered financial support
- > 350 000 new jobs will be created





# **S3** is key to synergies

#### **ESIF & Horizon 2020: Different, but complementary:**

- ESIF aims at **socio-economic development**, reducing disparities, structural adjustments, industrial conversion (Art. 176 EU Treaty)
- Lasting **impacts on industrial structures** and **innovation ecosystems** (5 years durability)
- Focus on **business R&I with local relevance** (SME involvement, anchoring of large enterprises)
- **Tailored support** for regions' needs and potentials (Smart Specialisation)
- **Entrepreneurial discovery process** with industry, research and public sector
- **Technology-push & Demand-pull** (public procurement of solutions for societal challenges)

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## S3 priorities in aeronautics & clean mobility

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of the following domains filters:

	Economic Domains	•	Scientific Domains	2	Policy Objectives 🖗	0
,	None selected	٠	None selected	*	None selected	•

Macro-region/Country	Region	Description of Priority	
None selected *	None selected	*	
		<ul> <li>Refined Search</li> <li>Approximated Search</li> </ul>	

#### Country/Region type

EU Countries with Encoded S3 Priorities EU Regions with Encoded S3 Priorities Non-EU Countries with Encoded R&I Priorities

#### Mapping of RIS3 indicates potential for building synergies with up to 25-30 Regions...

Eye@RIS3 database: 5 http://s3platform.jrc.ec.europa.eu/map



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### **CleanSky apporach to synergies with ESIF**





See: <u>http://testcs.openimpact.be/structural-funds-and-regions</u>

**13 Memoranda of Understanding** with MS and regions that have a strong aerospace orientation in their RIS3.

Complementary activities can be proposed by applicants to CSJU calls, adding parallel activities or continuing CSJU co-funded project/activities through ESIF.

- The appointment of a liaison committee, made up of two members each from CleanSky and Region
- promotion and management of collaborative activities
- define the implementation protocols.



### **Smart Specialisation: Next Steps**

#### Step up available policy support:

- Smart Specialisation
   Platform
- H2020 Policy Support Facility
- SRSS
- European Semester:
   Dialogue with
   regions and local
   authorities.

Pilot actions for accelerating innovation uptake, removing investment barriers:

- Lagging regions
- Regions in industrial transition



#### Pilot actions:

- Thematic partnerships to commercialise & scale-up inter-regional projects in value chains; developing bankable projects

#### Maximise the impact of different EU funds:

- Facilitate combination of funding instruments, harmonise rules, interregional investments
- Mapping of R&I facilities
- Investment envoys



# Outlook

REFLECTION PAPER ON THE FUTURE OF EU FINANCES

- Reflection Paper on the Future of EU Finances: Smart specialisation may be replicated and used in a broader context as a useful tool to implement the future EU budget
- More alignment of rules between EU programmes
- Possible lessons learnt from pilot actions
- Mobility Package in the "Energy Union"

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- Interim evaluations of centrally managed EU programmes like H2020
- Cohesion Report ; Omnibus regulation change, ESIF performance review
- New funds (Defence, ETS Innovation Fund ...)
- Post-2020 Multi-annual Financial Framework



# Synergies ESIF – H2020

### Cumulative funding by H2020 and ESIF:

**Legal base**: Article 65(11) Common Provisions Regulation for ESIF + Article 37 H2020 Rules for Participation.

#### What remains valid in Omnibus modification:

- > No substitution of own / national co-financing to H2020 by ESIF
- Expenditure declared to ESIF may not receive support from H2020
- Separate, but cross-referencing grant agreements governed by respective rules (H2020 vs. ESIF)

#### What might change on 1 January 2018:

**Currently**: Project has to be structured into distinct work packages / activities defining in advance which cost/expenditure item will be funded from which grant.

**Proposed simplification: Pro-rata sharing** of expenditure based on a written agreement at time of the grant signature. Condition: Costs must be eligible both under H2020 and ESIF





# B Links

- Informationen und Dokumente zur Mitteilung <u>COM(2017)376</u> des <u>SWD(2017)264</u>
- FuI in der Kohäsionspolitik
- Smart Specialisation Platform
- Smart Regions video
- Smart Regions' Stories video





### PUBLIC CHOICE AWARD CAST YOUR VOTE!

RegioStars 2017

This yearly RegioStars competition honours Europe's most inspiring projects supported by EU Cohesion Policy and your vote is decisive for the **Public Choice Award!** 

The project that gets the most votes via all voting channels (this site, social media, event app) will receive the 'Public Choice Award' during the **RegioStars Awards ceremony on 10 October**, together with all winners, so make sure to cast your vote and spread the word!

#### 2017 Categories:

- Smart Specialisation for SME innovation
- Energy Union: Climate action
- Women Empowerment and Active Participation
- Education and Training
- CityStars: Cities in Digital Transition

Deadline to vote is 9th October midnight Brussels time:

<u>www.regiostars.eu</u>

Regional and Urban Policy