

RIS³ in the In the EU Policy Context

Katja Reppel

Deputy Head of Unit CC Smart and Sustainable Growth DG Regional and Urban Policy

> Cohesion Policy



Overview:

- ✓A new Cohesion Policy in the Europe 2020 and MFF context
- CSF Regulations state of play in negotiations with Council and EP
- ✓FAQ on smart specialisation
- ✓ State of Commission support for RIS3





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Future of Cohesion Policy 2014-2020

- Deliver the Europe 2020 strategy objectives of smart, sustainable and inclusive growth ("the power of the purse")
- ✓ Strengthen partnership
- ✓ Simplification
- ✓ Focus on results, not spending
- ✓ Maximise the impact of EU funding ("do more with less")





Future of Cohesion Policy 2014-2020

Consequences:

1.Thematic concentration to maximise the impact of investments

2.Conditionalities and strengthened partnership to ensure effective implementation

3.Common Strategic Framework: coherence across funds (ERDF, ESF, CF, EAFRD, EMFF); clarify synergies with Horizon 2020 etc. (see modified COM proposal for Common Provisions Regulation of 11 Sept 2012: <u>http://eur-</u> <u>lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52012PC0496:EN:NOT</u>



European Commission

inclusive

Thematic objectives

- **1.** Research and innovation
- **2. Information and Communication Technologies**
- **3. Competitiveness of Small and Medium-Sized** Enterprises (SME)
- 4. Shift to a low-carbon economy
- 5. Climate change adaptation and risk management and prevention
- 6. Environmental protection and resource efficiency
- 7. Sustainable transport and disposal of congestion on major network infrastructure
- 8. Employment and support for labour mobility
- 9. Social inclusion and poverty reduction
- 10. Education, skills and lifelong learning
- 11. Increased institutional capacity and effectiveness of public administration



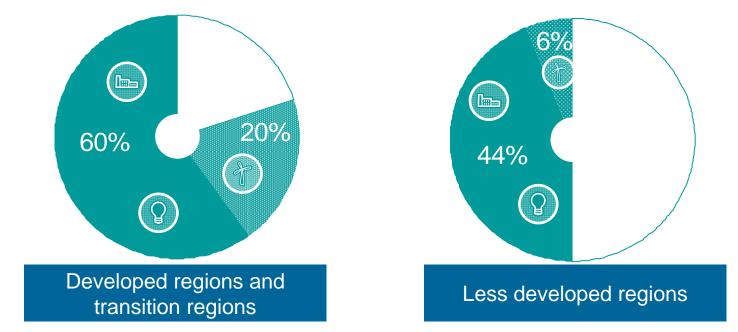


Concentration of ERDF investment resources to maximise the impact

Research and Innovation

SMEs competitiveness

Therefore the second se



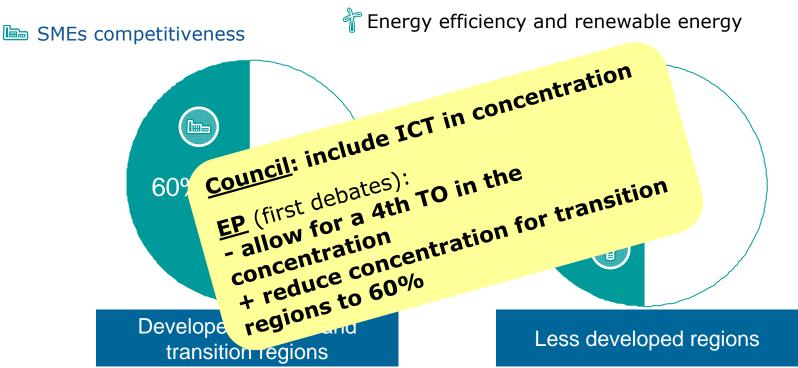
Flexibility (different regions present different needs) Special arrangements for the previously convergence regions





Concentration of ERDF investment resources to maximise the impact

Research and Innovation



Flexibility (different regions present different needs) Special arrangements for the previously convergence regions





A fair system for <u>Commission</u> all EU regions (eligibility simulation)

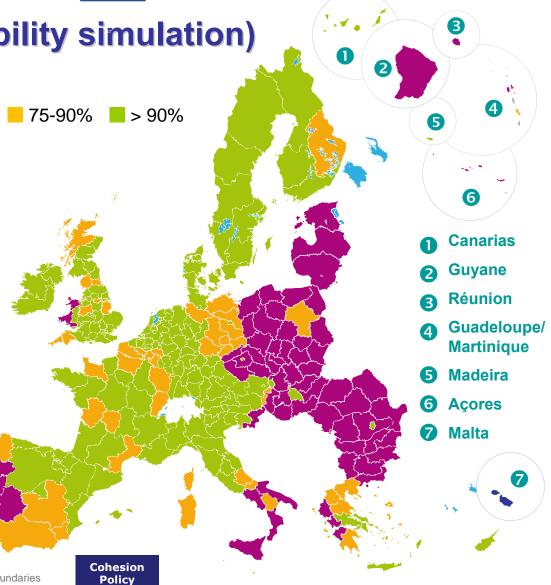
GDP/capita* C < 75% of EU average **C** 75-90% **C** > 90

*index EU27=100

3 categories of regions

Less developed regions

- Transition regions
- More developed regions



Regional GDP figures: 2006-07-08 GNI figures: 2007-08-09 © EuroGeographics Association for the administrative boundaries



A fair system for all EU regions (eligibility simulation)

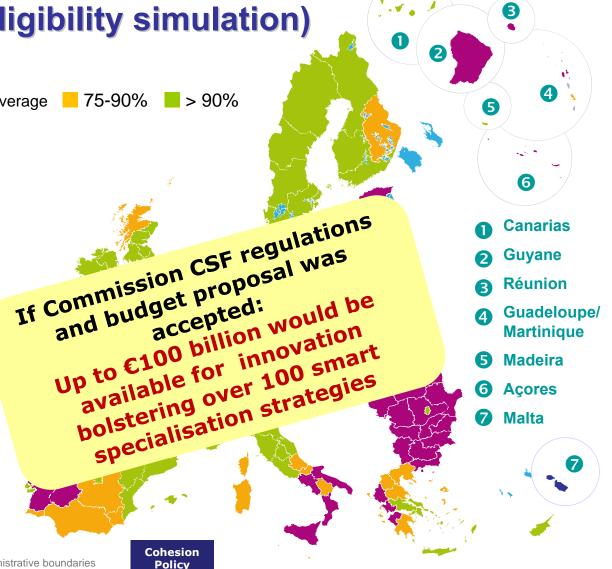
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Regional GDP figures: 2006-07-08 GNI figures: 2007-08-09 © EuroGeographics Association for the administrative boundaries

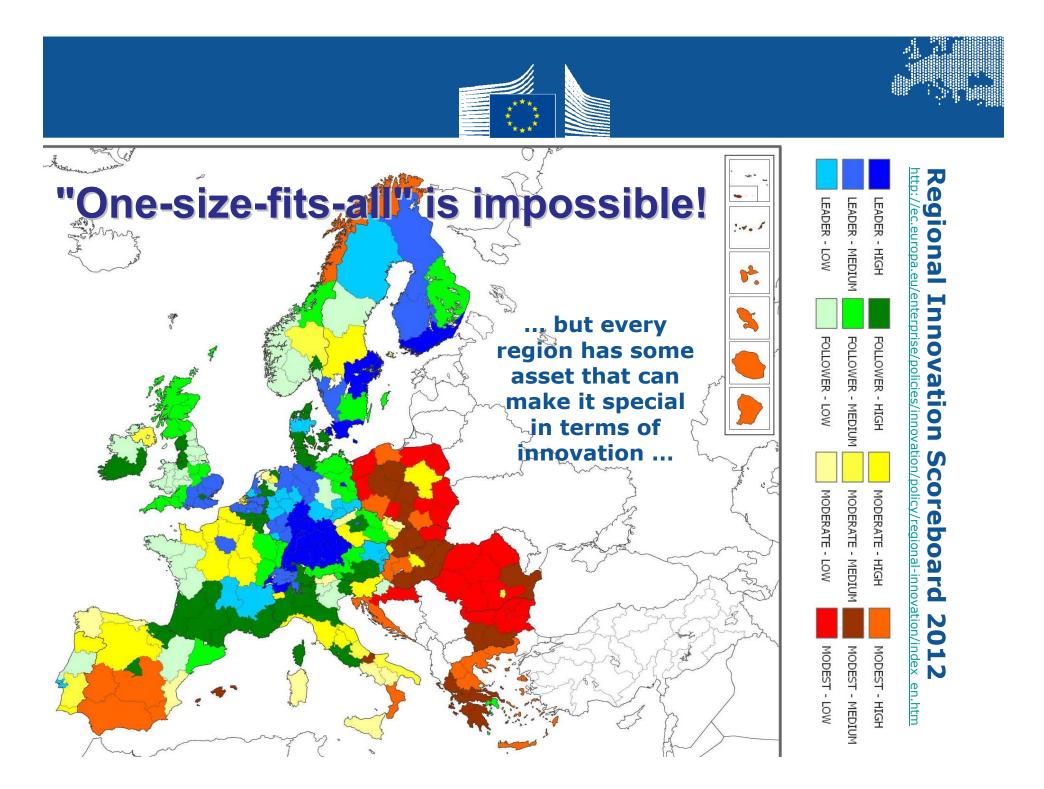


Smart Specialisation: Why now?

- Search for more efficient + effective regional development policies, avoiding overlap, imitation, inwardlooking, disregard for markets & demand, existing sectors only, inter-ministerial cleavages, wishful thinking ...
- Setting innovation as priority for <u>all</u> regions (Europe 2020) and improving innovation (strategy) process
- Better use of scarce public resources, aiming for synergies between EU, national/regional and private funds (PPPs)
- Driving economic transformation, focusing on regional profiles in global value chain
- New academic insights and concepts in the fields of growth, competitiveness and innovation









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State of play on the ex-ante conditionalities for Investment Priorities 1 and 2 bc:

- national or regional research and innovation strategic policy framework for smart specialisation (RIS3)
- *strategic policy framework* for digital growth within the RIS3





Ex-ante conditionality for investment priority 1

Ex-ante conditionality

Fulfilment criteria

1.1. <i>Research and innovation</i> : The existence of a national or regional research and innovation strategy strategic <i>policy framework</i> for smart specialisation, <i>where appropriate</i> , in line with the National Reform Programme, to leverage private research and innovation expenditure. which complies with the features of well-performing national or regional research and innovation systems	 1.1. A national or regional research and innovation <u>strategic policy framework</u> for smart specialisation is in place that: is based on a SWOT <u>or similar</u> analysis to concentrate resources on a limited set of research and innovation priorities; outlines measures to stimulate private RTD investment; contains a monitoring and review mechanism. A framework outlining available budgetary resources for research and innovation has been adopted.
1.2 (in addition, for research infrastuctures) <u>The existence of a multi-</u> <u>annual plan for budgeting and</u> <u>prioritisation of investments</u>	An <i>indicative</i> multi-annual plan for budgeting and prioritization of investments linked to EU priorities, <i>and, where appropriate,</i> the European Strategy Forum on Research Infrastructures - ESFRI has been adopted.



Ex-ante conditionality for investment priority 2 bc Fulfilment criteria

Ex-ante conditionality

2.1. *Digital growth*: The existence within the national or regional innovation strategy for smart specialisation of an explicit chapter strategic policy **framework** for digital growth to stimulate demand for affordable, good quality and interoperable ICT-enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.

strategic policy framework for instance in the **RIS3** in place that contains: -budgeting and prioritisation of actions through a SWOT or similar analysis consistent with the Scoreboard of the Digital Agenda for Europe ; - an analyses of balancing support for demand and supply of information and communication technologies (ICT) should have been conducted; - measurable targets for outcomes *indicators to measure progress* of interventions in the field of digital literacy, skills, e-inclusion, e-accessibility, and ehealth within the limits of Article 168 **TFEU** which are aligned with existing relevant sectoral national or regional strategies.

 assessment of needs to reinforce ICT capacity-building.



What is possible under

Investment Priority 1 strengthening research, technological development and innovation ?

State of play in "trilogue" between Commission, Council and European Parliament:





Investment Priority 1 Council proposal for modifications

(1) strengthening research, technological development and innovation:

(a) enhancing research and innovation (**R&I**) infrastructure [...] and capacities to develop R&I excellence and promoting centres of competence, in particular those of European interest;

(b) promoting business [...] investment <u>in innovation and research, and</u> <u>developing links and synergies between enterprises, R&D centres and higher</u> <u>education, in particular</u> product and service development, technology transfer, social innovation and public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation [...] supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production in Key Enabling Technologies and diffusion of general purpose technologies;*

*) ICT, photonics, nano-electonics, nano- and bio-technologies, advanced materials, etc..





Investment Priority 1 EP proposal for modifications

(a) enhancing research and innovation infrastructure (R&I), *technology* and *innovation services and* capacities to develop R&I excellence and promoting centres of competence, in particular those of European interest *and if there are potential synergies with other European programmes such as the establishment of centres of excellence competition under Horizon 2020;*

(b) promoting *private and public* business R&I investment, product and service development, technology transfer, social innovation, *eco-innovation, cultural and creative industries,* public service applications, demand stimulation, networking, clusters, *science and technology parks,* and open innovation through smart specialisation;

(ba) developing links and synergies between enterprises, enhancing R&D centres and higher education, including through business incubators;

(c) supporting research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production in *particular in* Key Enabling Technologies and diffusion of general purpose technologies;

(ca) developing appropriate links and synergies with Horizon 2020;





What is possible under Investment Priority 2 bc enhancing access to and use and quality of ICT ?

State of play in "trilogue" between Commission, Council and European Parliament:





Investment Priority 2 bc Council + EP

(2) enhancing access to and use and quality of ICT <u>through</u>:

(a) extending broadband deployment and the roll-out of high-speed networks <u>and supporting the adoption of</u> <u>emerging technologies and networks for the digital</u> <u>economy</u>;

(b) developing ICT products and services, e-commerce and enhancing demand for ICT;

(c) strengthening ICT applications for e-government, e-learning, e-inclusion, <u>e-culture</u> and e-health;





To what else does the RIS3 apply? <u>EAFRD</u> "union priorities" for innovation

• UP 1: fostering knowledge transfer and innovation in agriculture, forestry, and rural areas with a focus on the following areas:

(a) fostering innovation and the knowledge base in rural areas;

(b) strengthening the links between agriculture and forestry and research and innovation

 [UP 6c: enhancing accessibility to, use and quality of information and communication technologies (ICT) in rural areas]





What else is innovation relevant, but <u>not</u> dependent on RIS3?

ERDF:

3. Improve SMEs competitiveness:

a) promoting **entrepreneurship** ... economic **exploitation of new ideas** ... creation of **new businesses**

b) development of **new business models** for SMEs, ... **internationalisation**

- 4. shift towards a low-carbon economy in all sectors
- 5. climate change adaptation, risk prevention + management
- 6. protecting environment and promoting resource efficiency
- 7. sustainable transport ...

8.a development of **business incubators** and investment support for selfemployment and business creation

ERDF and ESF

•enhancing **institutional capacity** and an **efficient public administration** (ERDF IP 11 & ESF IP 1d)





What else is innovation relevant, but <u>not</u> dependent on RIS3?

European Social Fund (ESF) Article 3

(1): (a) Promoting employment and supporting labour mobility through: Selfemployment, entrepreneurship and business creation; ...

(b) Investing in education, skills and life-long learning

(2): contribute to the other thematic objectives ... by:

(b) Enhancing accessibility, use and quality of ICT, through the development of **digital literacy**, investment in **e-inclusion**, **e-skills** and related **entrepreneurial skills**;

(c) Strengthening R&I through the development of **post-graduate studies**, **training of researchers**, **networking activities and partnerships between higher education institutions**, **research and technological centres and enterprises**;

(d) Enhancing the competitiveness of SME, through promoting the **adaptability of enterprises and workers** and increased **investment in human capital**.

ESF Article 9: Social innovation

1. promote social innovation **within all areas** falling under the scope of the ESF, ... **testing and scaling up innovative solutions to address social needs**.

3. facilitate **capacity building for social innovation**, in particular through supporting mutual learning, establishing networks, and disseminating good practices and methodologies.





What else is innovation relevant, but <u>not</u> dependent on RIS3?

Territorial Cooperation (INTERREG)

•Cross-border cooperation ...exploit untapped potentials in the border area (development of cross-border research and innovation facilities and clusters, cross-border labour market integration, cooperation among universities or health centres)

•**Transnational cooperation** ... integrated territorial development linked to the Union's cohesion policy priorities.

•Interregional cooperation ... foster cooperation between innovative research-intensive clusters and exchanges between researchers and research institutions, based on "*Regions of Knowledge*" and "*Research potential in Convergence and Outermost regions*" under FP7

► e.g. Baltic Sea Strategy

... synergies with BONUS programme (Baltic) and the South-East Europe ERA-Net plus to coordinate national funding?

e.g. Danube Basin Strategy, including innovation fund





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Link between RIS3 - ex-ante conditionality criteria - OP content

RIS3 expert questions 1.Stakeholder involvement?

entrepreneurial discovery process? testing possible new areas?

2. Evidence-based? areas of strength and future activity identified?

3.Innovation and knowledgebased development priorities?

support upgrading of existing activities?

4.Appropriate actions identified? How good is the policy mix?

5.Is strategy outward looking? How does it promote critical mass,' potential?

6.Synergies between different
 policies and funding sources?
 7.Achievable goals set?

measure progress? support a process of policy learning and adaptation?

Ex-ante conditionality

- •Existence of national or regional RIS3 / policy framework
- •Based on a **SWOT analysis** (incl. DAE, ICT demand & supply, ICT capacity building, if relevant)
- •Concentrate resources on a limited set or RC priorities
- Outlines measures to stimulate private R&I investment
- •Monitoring [and review] system.
- A framework outlining available **budgetary** resources for R&I, prioritization of investments linked to EU priorities, poss. ESFRI

OPs

Strategy for Europe2020 contribution
 Ex-ante evaluation
 Priority axis TO 1 and/or TO 2 b/c with
 spec. objectives, Operations
 Performance framework, Indicators
 Monitoring committee / partnership



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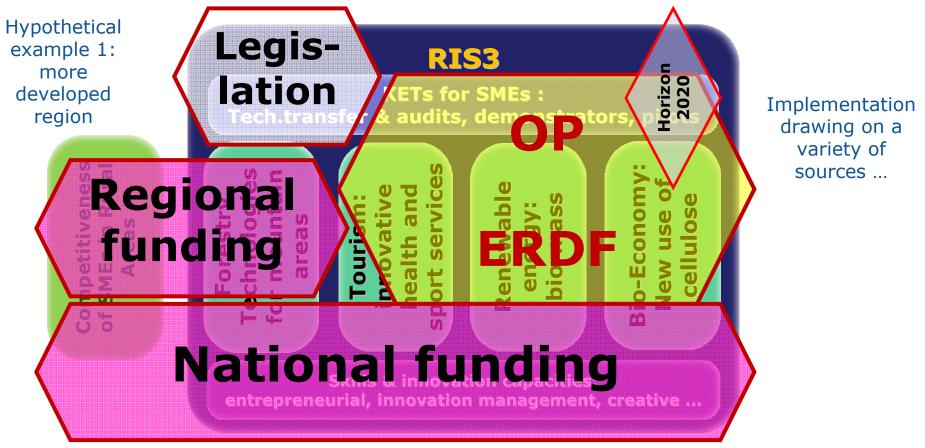
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OPs •Strategy for Europe2020 contribution •Ex-ante evaluation •Priority axis TO 10and/or TO 2 b/c with spec. objectives Operations •Performance raceword Indicators

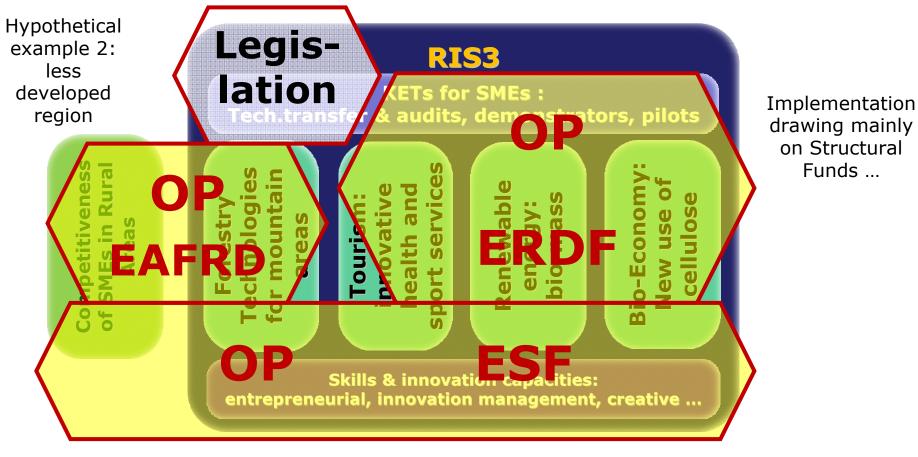
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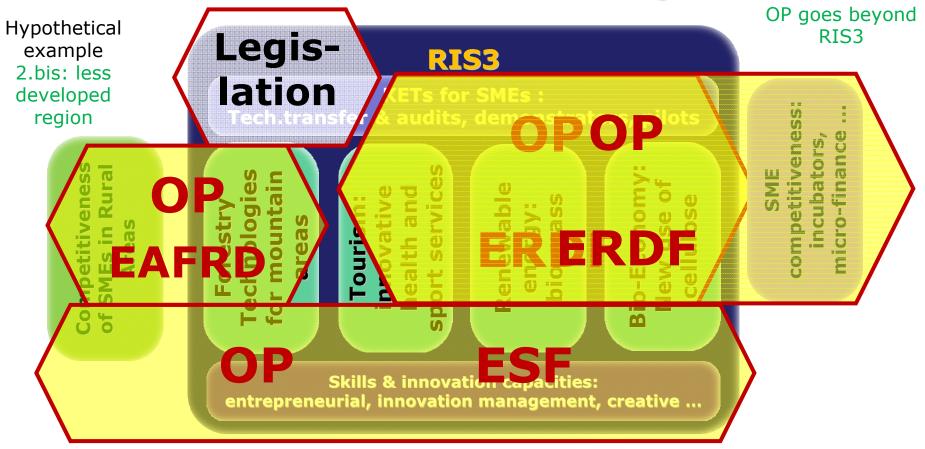








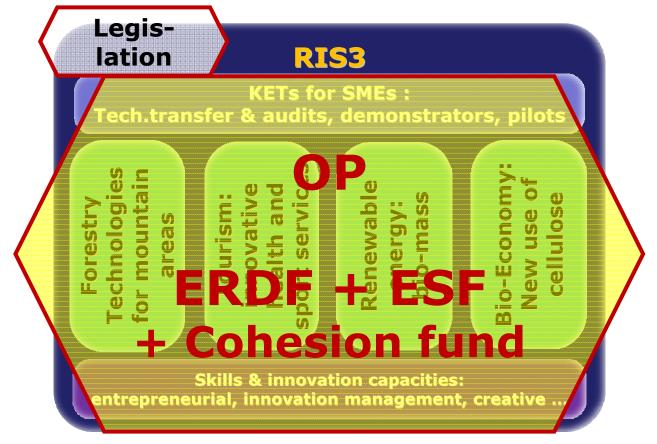








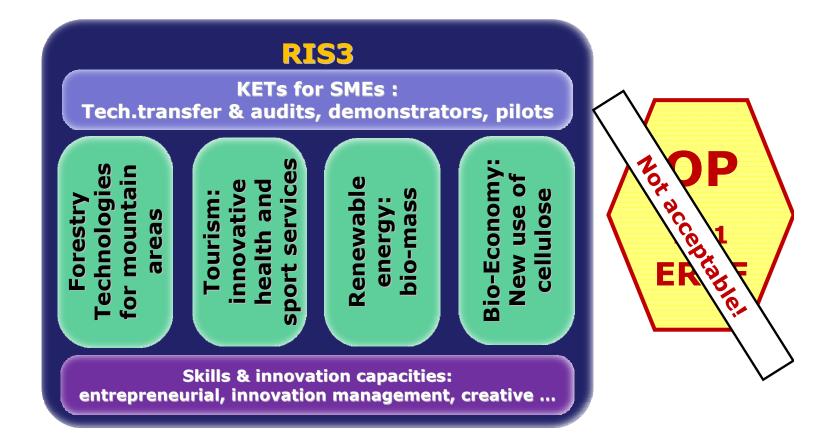
Hypothetical example 3: multi-fund OP







Hypothetical example 4:





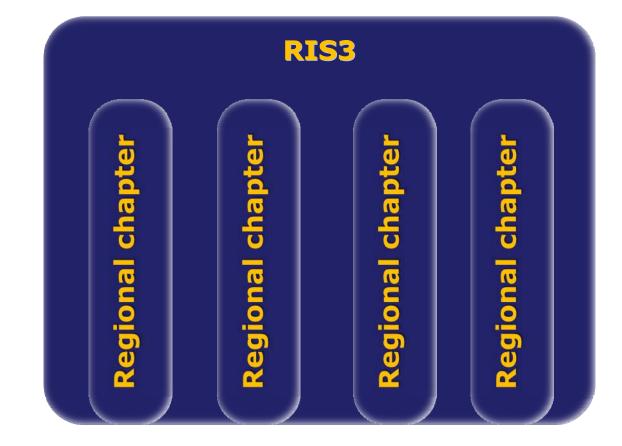


How many RIS3 per country?

Hypothetical example 1: single RIS3 for entire MS

Hypothetical example 1.a: single RIS3 for entire MS

+ regional sub-sections



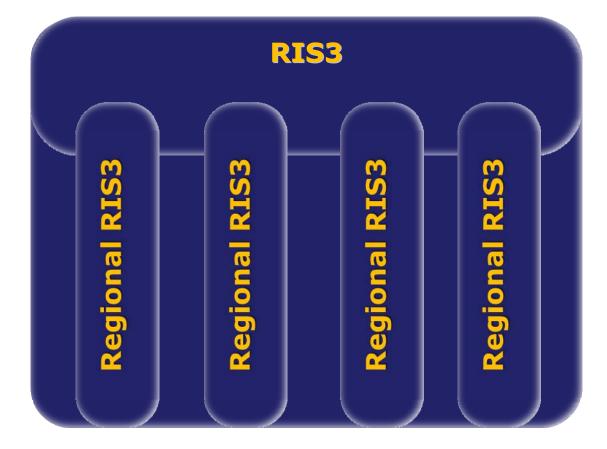




How many RIS3 per country?

Hypothetical example 2: combination of national level RIS3

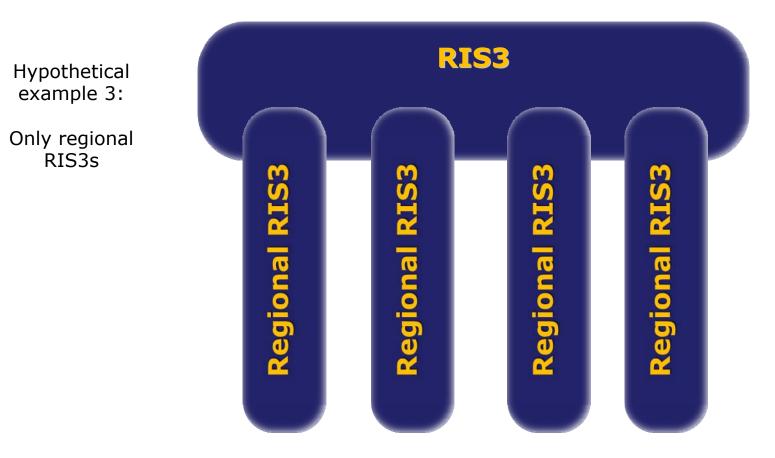
> With separate regional RIS3







How many RIS3 per country?







Who does <u>NOT</u> prepare the RIS3?

Consultants, experts
European Commission
JASPERS
World Bank
OECD

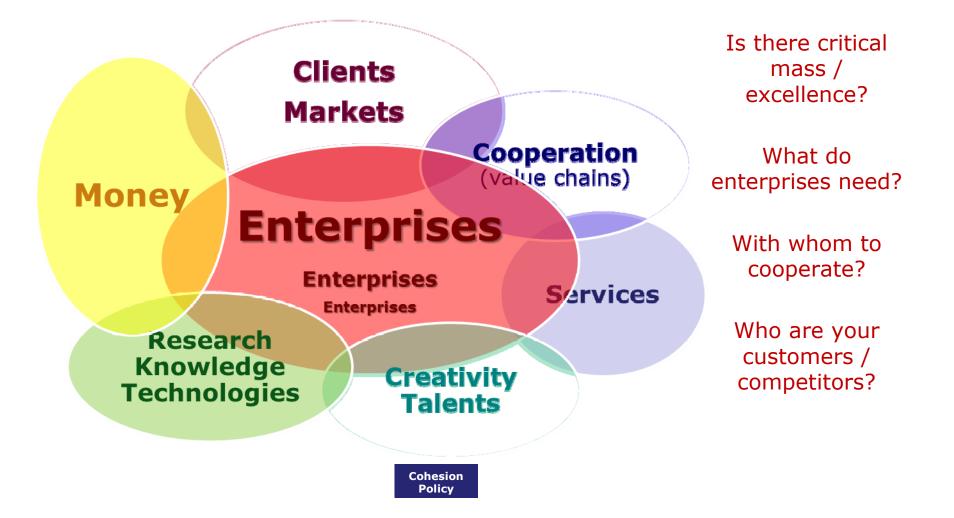


... but they can accompany the process, provide contacts, data material, information, methodologies, assist with trans-national comparisons ...





Who **DOES** prepare the RIS3?





Other FAQ

- What role for cluster organisations and science
 / technology parks in my RIS3?
- Should the fields / themes for specialisation be aligned with the R&I fields in Horizon 2020 or the KETs? Do all KETs have to be considered in a RIS3?
- Does an **ESFRI project** in the OP "absolve" from going through the RIS3 entrepreneurial discovery process etc.?





Other FAQ

- What if the **state aid** framework stops me from investing in KETs pilot lines and other support measures?
- What if we got it wrong in terms of priorities or policy mix?
- What if my **RIS3 is not ready** by the time the OP has to be submitted?
- Who checks the fulfilment of the RIS3 ex-ante conditionality?

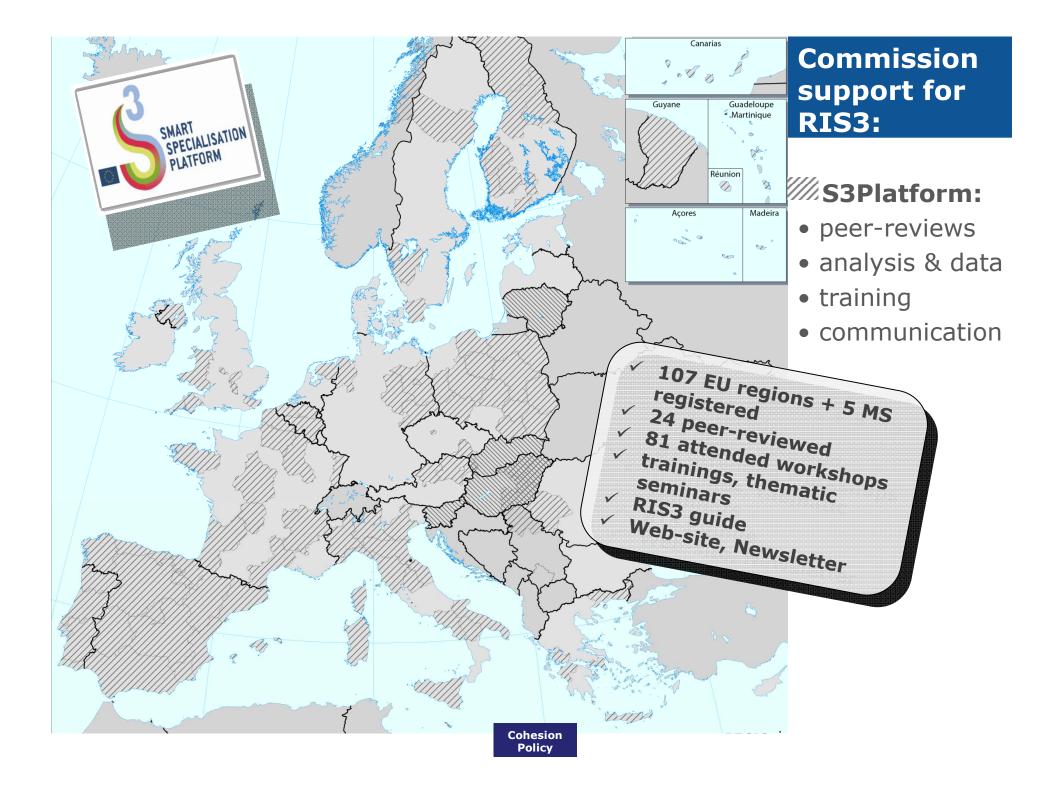


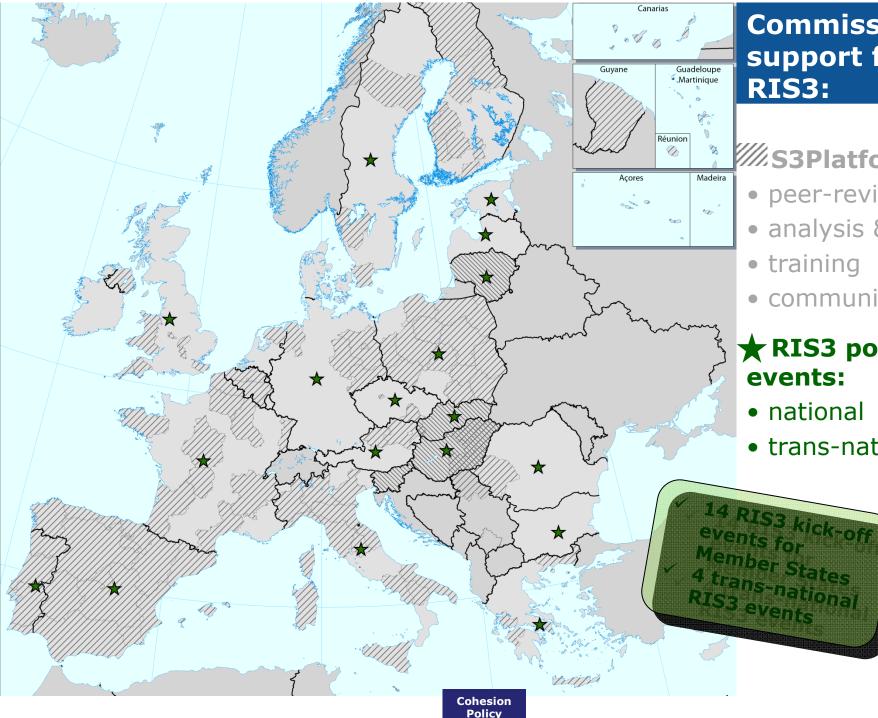


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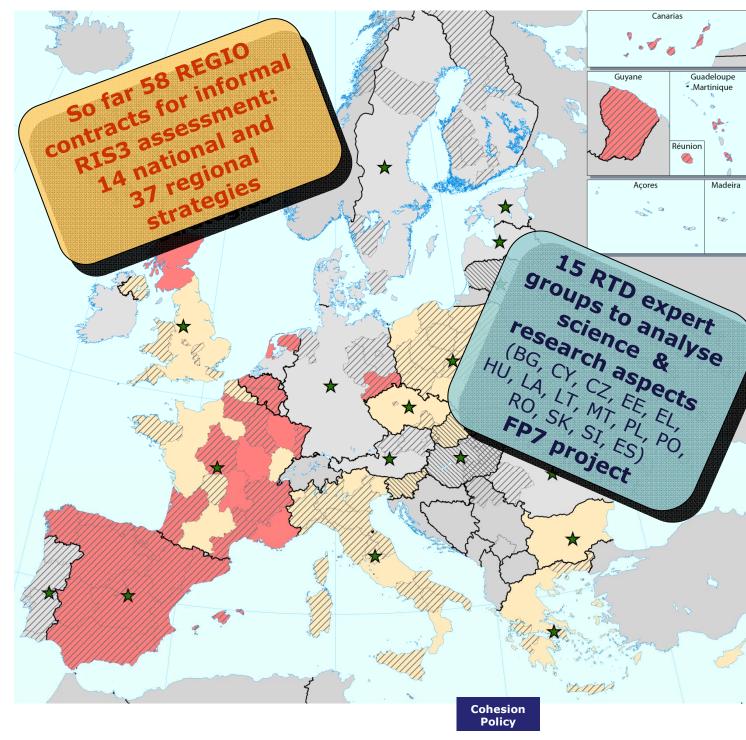
Commission support for RIS3:

S3Platform:

- peer-reviews
- analysis & data
- training
- communication

RIS3 policy events:

- national
- trans-national



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RIS3 policy events:

- national
- trans-national

Expert analysis and support

- national regional
- thematic
- process

•



Emerging fields of Smart Specialisation

- > Energy
- Life science
- ► ICT
- > Environment
- > Agro-food
- > Tourism
- New materials

... Overlaps? ... Opportunities for Cooperation and synergies? ... natural alignment with Horizon2020 and societal challenges!





Guidance material





Smart Guide to Innovation-Based Incubators (IBI)

Published by DG REGIO/ENTER based on 25 years of incubation experience in the Union

□ Business and Innovation Centres for new entrepreneurs and SMEs that intend to develop innovative ideas.

□ European Business Network started by the Commission in 1984 and continuously supported by nearly 15 years: 100 BICs created between 1984 and 1998.

□Support services to entrepreneurs, helping them to transform into reality their innovative business ideas, and the delivery of tailored services to existing SMEs, aimed at modernising and innovating them.



The Smart Guide to Innovation-Based Incubators (IBI)

"To achieve a sustainable social market economy, a smarter greener economy...the EU needs to provide more attractive framework conditions for innovation and creativity...we need technical support to promote the incubation and growth of small innovative firms..."

"European Union 2020 Strategy" COM 647 (2009)

<u>http://ipts.jrc.ec.europa.eu/activities/research-and-innovation/documents/innovation_incubator.pdf</u>





CONNECTING UNIVERSITIES TO REGIONAL GROWTH

Mechanisms by which universities can and do contribute to regional development:

- Enhancing regional innovation through their research activities
- Promoting enterprise, business development and growth
- Contributing to the development of regional human capital and skills
- Improving social equality through regeneration and cultural development

By John Goddard, emeritus Professor of Regional Development Studies, Centre for Urban and Regional Development Studies Newcastle University (UK)

> http://ipts.jrc.ec.europa.eu/activities/research-andinnovation/documents/connecting_universities2011_en.pdf



Connecting Universities to Regional Growth:



Cohesion Policy

Cultural and Creative Industries (CCI) have a role to promote smart, sustainable and inclusive growth

Why is it worth investing in CCI? >Creating preconditions >Strengthening CCIs >Spill-over effects

A number of regions and countries have yet to recognise the importance of CCIs and **added value** that they can provide

Handbook highlights a number of **examples** which prove that different governments have found effective ways to set up working mechanisms to support CCIs

Handbook serves as an **inspiration** for those regions and countries that have not yet succeeded in implementing cultural and creative strategies.

Database of examples, **online tool**: everybody can submit good examples, initiatives and practices on the webpage <u>www.creativeindustries.ee/omc</u> EUROPEAN AGENDA FOR CULTURE

WORK PLAN FOR CULTURE 2011-2014

How can cultural and creative industries contribute to economic transformation through smart specialisation?

POLICY HANDBOOK

ON

How to strategically use the EU support programmes, including Structural Funds, to foster the potential of culture for local, regional and national development and the spill-over effects on the wider economy?

> WORKING GROUP OF EU MEMBER STATES EXPERTS (OPEN METHOD OF COORDINATION) ON CULTURAL AND CREATIVE INDUSTRIES



The Smart Guide to Service Innovation

Concepts of service innovation 10 Do's and Don'ts **20 good examples ...**

of how to unlock the **transformative power of** innovation in the service sector and innovation through innovative business services for regional structural change and industrial modernisation.

Don'ts	Do's
Focus only on research and technological innovation	Focus on all forms of knowledge and innovation
Support service innovation as such	Support transformation through service innovation
Support individual specialised firms	Support clusters or networks of related firms
Focus on a given set of service sectors	Focus on manufacturing and services
Copy-paste best practice	Search for the next practice
Follow growth trends without reflection	Capitalise upon regional competences for the development of emerging industries
Follow a horizontal approach without specific target	Follow a systemic approach
Follow a narrow sectoral approach	Follow a cross-sectoral approach
Launch pilot projects in isolation	Launch large-scale demonstration projects through a systemic approach
Find a problem for an innovation	Find an innovation that can solve a problem
(i.e. searching commercialisation)	(i.e. addressing challenges)



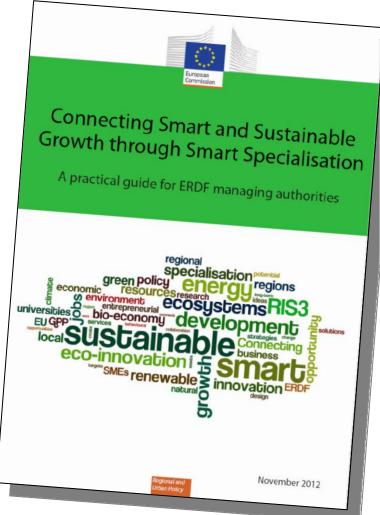
Cohesion http://s3platform.jrc.ec.europa.eu/guides

Policy

Smart & Sustainable

Innovation for green economy

- Innovation & sustainable growth are interdependent: two sides of same coin!
- Include key sectors such as energy efficiency & renewables, eco-innovation, resource efficiency, water, transport, bioeconomy into RIS3
- Foster a green economy though innovation
- Forthcoming:
- Report & tool on carbon management of OP's
- Green public procurement criteria on waste water infrastructure







Up-coming guides

- ✓ Guide to smart cluster strategies: The Nexus of Innovation and Clusters in Less-Favoured Regions
- ✓ Guide on Social Innovation for the EU regions: Social innovations are social in both their ends and their means. Social innovations are new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations. They are innovations that are not only good for society but also enhance society's capacity to act.
- ✓ Guide to public procurement as innovation driver
- ✓ Guide to SME innovation support
- ✓ Guidance on synergies between CSF and **Horizon2020** and other relevant programmes (COSME) Cohesion







- Proposals for the Structural Funds 2014-2020:
 - http://ec.europa.eu/regional policy/what/future/proposals 2014 2020 en.cfm
- Amended proposal for the Common Provisions Reglation (11/9/2012): <u>http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52012PC0496:EN:NOT</u>
- RIS3 factsheet:

http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/smart_specialisatio n_en.pdf

- **S3 Platform:** <u>http://ipts.jrc.ec.europa.eu/activities/research-and-innovation/s3platform.cfm</u>
- **RIS3 guide**: <u>http://s3platform.jrc.ec.europa.eu/s3pguide</u>
- **Thematic guides**: <u>http://s3platform.jrc.ec.europa.eu/guides</u>

