

S3 Thematic Platforms Conference

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Overview

- **Impact of S3 to date**
- **Inter-regional cooperation**
 - **scope for cooperation**
 - **barriers to cooperation**
- **Lessons from Vanguard Initiative**
- **S3 in the post 2020 era**

Impact of S3 to date

- The impact of S3 to date is unclear – especially the impact on industry
- The survey evidence (Fraunhofer ISI survey etc) suggests that the biggest achievement of S3 has been to –
 - stimulate more **inclusive regional governance** systems and
 - to help regions/member states to focus on their **core R&I priorities**
- Two big problem areas are –
 - **weak administrative capacity** and
 - a very poor record of **inter-regional collaboration**

S3 – a multi-level strategy

- The MLG concept is very important because S3 is a **multi-level strategy**
- **EU level** designed the S3 strategy and – through the S3 Platform – it can help sub-national bodies to benchmark themselves and share good practice
- **Member State level** can help to ensure that RIS3 strategies are integrated with complementary national actions
- **Sub-national level** – cities, regions and municipalities can act as living labs and urban innovation platforms where S3 projects are piloted and scaled up **IF they can broker inter-regional collaboration**

Inter-regional collaboration

- Inter-regional collaboration (IRC) is critically important to create critical mass and exploit complementarities to build EU-wide value-chains
- IRC also helps to overcome the fragmentation and duplication that characterises parochial/inward looking regional ecosystems
- If the need and scope are so great, why is the practice so poor?

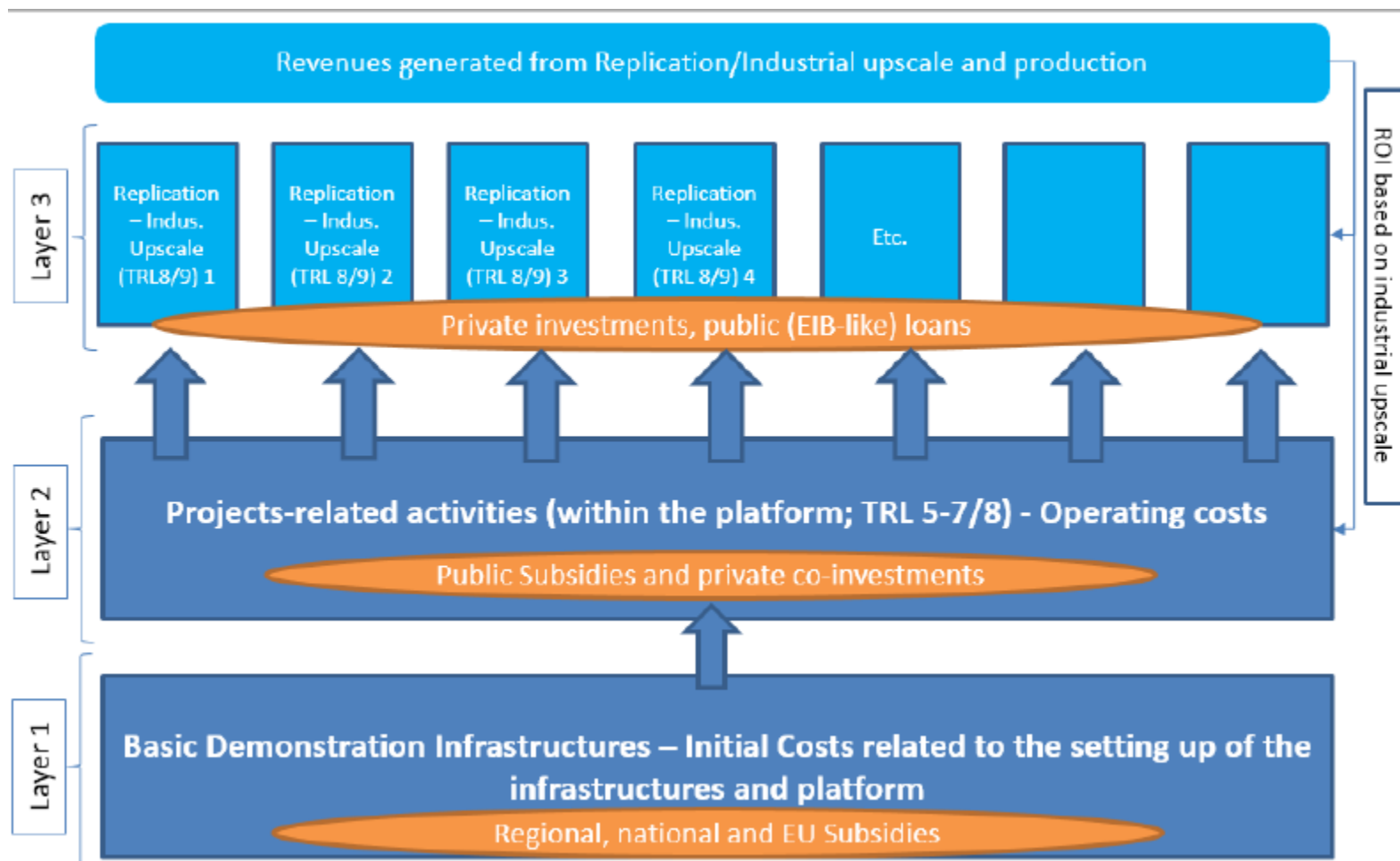
Key barriers

- The biggest barriers to inter-regional collaboration are:
 - the lack of knowledge – the challenge of mapping and matching
 - the lack of political support – managing authorities find it difficult to secure political support for out-of-area investments
 - the lack of integrated policy support – workable synergies between H2020 and ESIF are “not optimal” in the words of the EC
- This helps to explain why the take-up of Article 70 has been so poor

Lessons of Vanguard

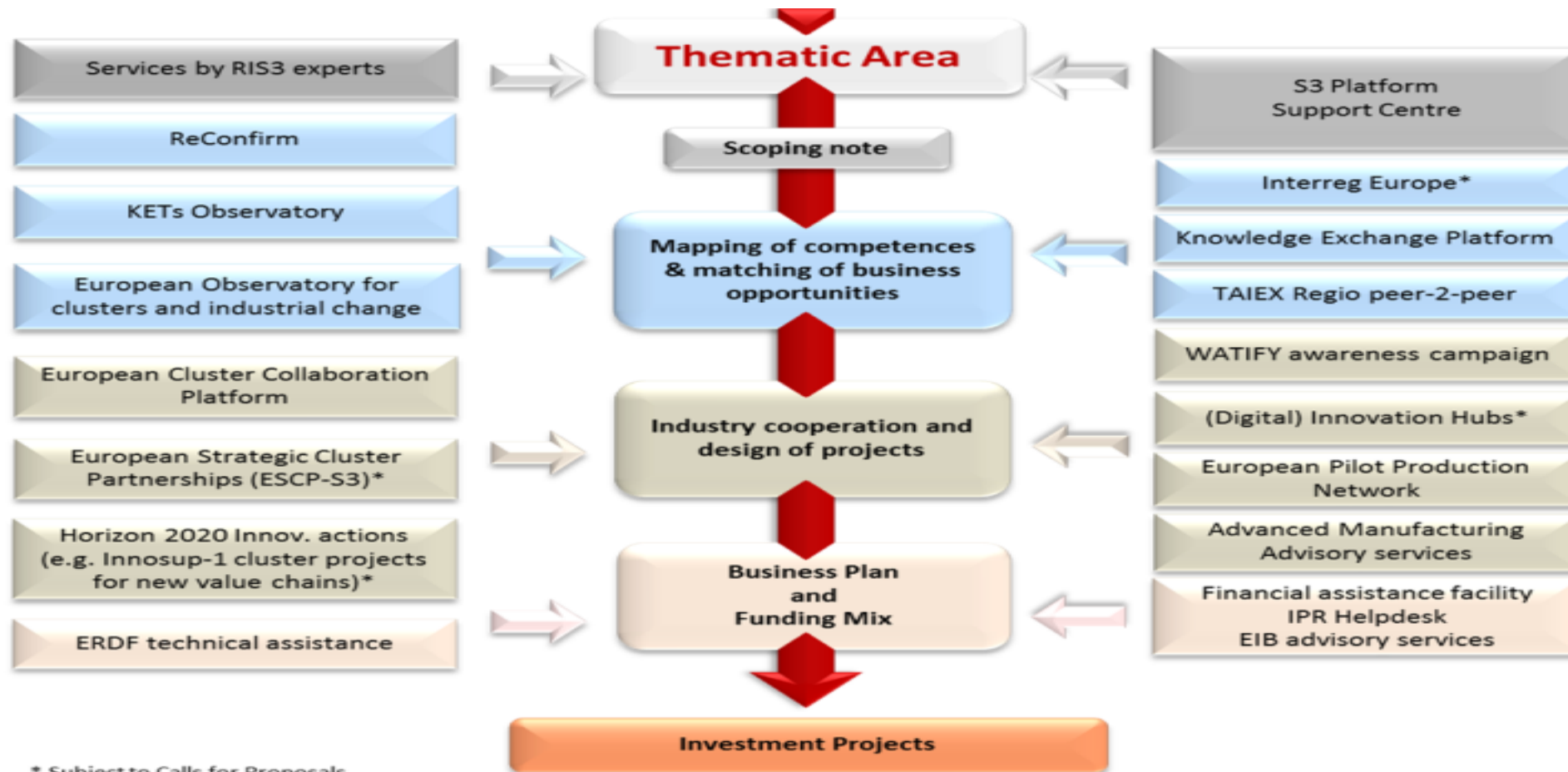
- The 33 regions in Vanguard Initiative have been the pioneers of inter-regional collaboration in the S3 context
- **The VI evidence suggests that a persistent market failure remains at the piloting and demonstration stage of new technologies**
- **This failure is particularly critical in the phase between piloting and full market uptake**
- **In many technology areas, SMEs can not currently count on open pan-European piloting infrastructure – the “industry commons” that is critically important to make inter-regional collaboration a reality**

The VI three layers' funding model for shared demonstration infrastructure



'Industry commons' or shared demonstration facilities can be established by connecting and upgrading the innovation facilities which already exist in the regions (based on complementarities between the regions), as well as by creating new shared facilities if needed.

EC support system



Two worlds of R&I policy



Bringing together 2 different worlds ... ?

Horizon2020	ESIF
<p>Non-territorial, mainly transnational approach based on excellence; Horizon 2020 does not take into account geographic specificities in allocating funding, except for 1% of budget in widening actions.</p>	<p>Place-based approach supporting economic and social cohesion with a concentration of funding in regions with lower GDP.</p>
<p>Focus on individual R&I projects tackling the whole cycle of innovation, with a focus on scientific excellence. Limited funding for support to R&I system improvements (Policy Support Facility, Teaming, Twinning) and capacity building (research infrastructures).</p>	<p>Largely focused on improving the R&I capacities and R&I eco-systems with the objective of regional growth and place-based economic transformation towards higher added value and more knowledge-intensive activities (smart specialisation).</p>
<p>Centrally managed (EC) and awarded directly to final beneficiaries or managed by Joint Undertakings and public-public-partnerships to coordinate national funding. Uniform funding conditions for all countries.</p>	<p>Shared management by national and regional public bodies that define the implementation details and allocate the funding to final beneficiaries. Co-funding rates, funding conditions and selection processes vary from region to region & OP.</p>
<p>Competitive calls for proposals addressed to international groupings (including beyond the EU) without geographic pre-allocation. <u>Mostly narrowly defined themes (by technology / societal challenge) and some thematically open funding (European Research Council, INNOVFin).</u> Mostly multi-country projects, but also individual beneficiaries (European Research Council, Marie Skłodowska-Curie, SME instrument).</p>	<p>Policy-related prioritisation based on cohesion considerations and RIS3 priorities – funding individual firms/bodies and consortia within the territory covered by the operational programme (national / regional / <u>Interreg</u>; and only within the EU). Use of competitive attribution of funding through calls and aid schemes based on project selection criteria is increasingly used.</p>

Source: European Commission

Future of inter-regional investment

WHAT

Interregional innovation investments through the commercialisation and scaling up of interregional innovation projects having the potential to encourage the development of European value chains ('component 5'). (ETC Art 3.5)

HOW MUCH

11.5 % of ETC Resources (i.e., **a total of EUR 970m**) for interregional innovation investments (component 5). (ETC Art. 9.2)

HOW

It shall be implemented under **direct or indirect management**. (ETC Art 16.1)

FOR WHOM

At the initiative of the Commission, the ERDF may support interregional innovation investments, as set out in point 5 of Article 3, **bringing together researchers, businesses, civil society and public administrations involved in smart specialisation strategies established at national or regional levels**. (ETC Art 61)