



# Boosting interregional cooperation with smart specialisation – preparing the future

**Laurent de Mercey**  
Unit G1 - Smart and Sustainable Growth  
DG Regional and Urban Policy



# Cohesion policy post-2020

11 objectives are simplified and consolidated to 5:

- 1. A smarter Europe** (innovative & smart economic transformation)
- 2. A greener, low-carbon Europe** (including energy transition, circular economy, climate adaptation and risk management)
- 3. A more connected Europe** (mobility and ICT connectivity)
- 4. A more social Europe** (the European Pillar of Social Rights)
- 5. A Europe closer to citizens** (sustainable development of urban, rural and coastal areas and local initiatives)

# A smarter Europe by promoting innovative and smart economic transformation

Market orientation  
of **research**  
activities

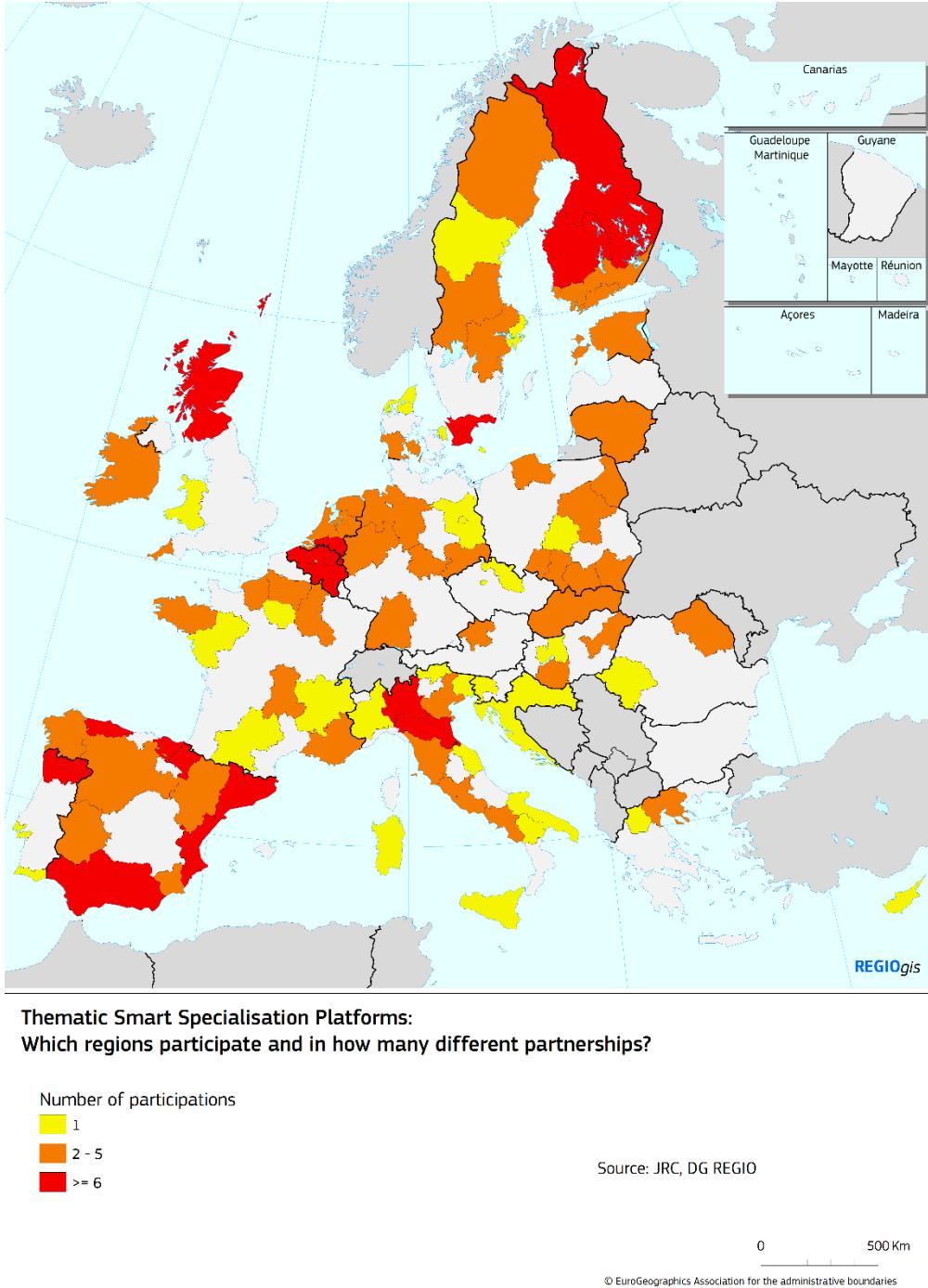
**Digitalisation** -  
an innovation  
enabler

A smarter  
Europe

Development of  
**skills**

Location matters  
for **SMEs** and  
**start-ups**

**Interregional cooperation** in value chains



# Thematic S3 Platforms

## 3 platforms, same goals

- **Joint EC initiative**  
(DG REGIO, GROW, AGRI, ENER, JRC)
- **Bottom-up approach**
  - > 100 regions involved
  - > 27 partnerships under the 3 platforms
- Using S3 as a coordination principle in strategic EU priority domains
- Alignment of regional S3
- ***Creation of interregional value chains → investment projects***
- Alignment of strategic investments (public/ private)

## S3P Energy – 5 partnerships



Bioenergy



Marine Renewable Energy



Smart Grids



Sustainable Buildings



Solar Energy



# Pilot action on “Interregional innovation projects”

## Moving from networking to investment

Challenge to accelerate the work done within the thematic platforms.

The focus will be on projects on **higher TRLs (>5/6 TRL).**

Defining sub-areas of application,  
mapping & matching of capabilities

Learn

Connect

Demonstrate

Commercialise

Scale-up



## 8 selected partnerships

**Test new ways to:**

- Commercialize and scale-up interregional innovation projects that can create or reshape European value chains**
- Attract private investment for promising innovation projects**
- Explore and strengthen synergies between different EU instruments (ESI funds, the Investment Plan, Horizon 2020, COSME)**

THEMATIC AREA	COORDINATED BY	LEAD REGIONS	PARTICIPATING REGIONS
3Dprinting	Thematic Smart Specialisation Platform for Industrial modernisation	Flanders (BE), Noord-Brabant (NL), Norte (PT)	Emilia-Romagna (IT), Wallonia (BE), Lombardy (IT), Aragon (ES), Saxony (DE)
Bio-economy	Thematic Smart Specialisation Platform for Industrial modernisation	Flanders (BE)	Wallonia (BE), Lower-Austria (AT), North Rhine-Westphalia (DE), Emilia-Romagna (IT), Navarra (ES), Noord-Brabant (NL), Helsinki-Uusimaa (FI), Łódzkie (PL)
Cybersecurity	New thematic area	Brittany (FR)	Estonia, North Rhine Westphalia (DE), Central Finland (FI), Castilla y Leon (ES)
De- & re-manufacturing for circular economy	Thematic Smart Specialisation Platform for Industrial modernisation	Lombardy (IT)	Tampere (FI), Norte (PT), Scotland (UK), Saxony (DE), Basque Country (ES), Flanders (BE), Emilia Romagna (IT)
High-tech farming	Thematic Smart Specialisation Platform for Agri-food	Tuscany (IT)	Estonia, Flanders (BE), Weser-Ems (DE), Central Macedonia (EL), West Macedonia (EL), Galicia (ES), Extremadura (ES), South Ostrobothnia (FI), Pays De la Loire (FR), Marche (IT), Veneto (IT), Emilia-Romagna (IT), North East Romania (RO), East Central Sweden (SE), Northern Netherlands (NL), Gelderland (NL), Noord Holland (NL), Zuid Holland (NL), North-Brabant (NL), Limburg (BE), Northern Ireland (UK), Centro (PT)
Marine renewable energy	Thematic Smart Specialisation Platform for Energy	Basque Country (ES) & Scotland (UK)	Asturias (ES), Andalucia (ES), Navarra (ES), Norte (PT), Flanders (BE), Emilia Romagna (IT), Lombardy (IT), South Denmark (DK), Skåne (SE), Dalarna (SE), Ostrobothnia (FI), Brittany (FR), Cornwall (UK), Sogn og Fjordane (N)
Sustainable buildings	Thematic Smart Specialisation Platform for Energy	Andalucía (ES)	Friuli Venezia Giulia Region (IT), Central Slovenia (SI), South Karelia (FI), Provence-Alpes-Côte-d'Azur (FR), Algarve (PT)
Traceability and big data in agri-food	Thematic Smart Specialisation Platform for Agri-food	Andalucía (ES), Emilia-Romagna (IT)	Pays de la Loire (FR), Friuli Venezia Giulia (IT), Aragon (ES), Extremadura (ES), Pazardzhik (BG), South Ostrobothnia Region (FI), South Savo (FI)



## Pilot action on Interregional Innovation Projects

### State of play – intermediary conclusions

(after assessment of the action plans)

- ✓ Partnerships are not yet at the commercialization or deployment stage and require additional process steps before reaching a convincing “business case”
  
- ✓ Various dynamics and approaches & wide range of needs
  
- ✓ Strong commitment, focus and progress across all partnerships



## 4 categories of obstacles and support needs

- ✓ **Coordination and governance** – critical enabler of partnership effectiveness including a permanent co-ordination function and robust governance structures (at partnership and domestic levels)
- ✓ **Knowledge and 'know-how'** – both generic (e.g. business modeler, financial analyst, IPR) and technical (e.g. specific market intelligence)
- ✓ **Investment capacity** – e.g. understanding and sourcing investment channels; investment alignment (what and how)
- ✓ **Policy trajectory** – the 'newness' of the interregional innovation investment model (and associated uncertainty) and its practical implications



## Pilot action on Interregional Innovation Projects

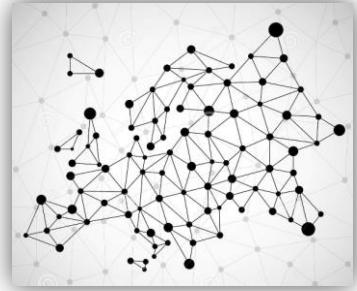
### Next steps

#### - By end December 2018:

- ✓ Coordinated programme of support for the partnerships (with external experts and Commission services)
- ✓ Each partnership to produce an updated action plan with business cases for private and public investments, based on support actions taken forward
- ✓ **Early 2019:** intermediary capitalization exercise
- ✓ **Pilot action extended in 2019** to allow further support to the partnerships in implementation of their action plans

# **Interregional innovation investments**

## **'Component 5' → built on the results of the Pilot action**



### **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**

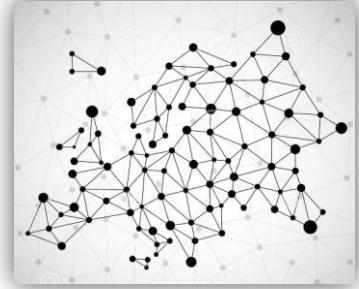
It shall be implemented under direct or indirect management. (ETC Art 16.1)

### **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)

## Interregional innovation investments

### 'Component 5' → Implementation

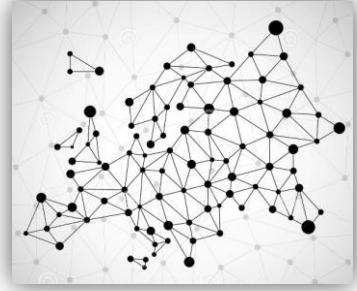


Managed in direct management (i.e. by the Commission or an executive body) and possibly as well in indirect management. This will:

- Facilitate the implementation of interregional investment projects which have high coordination costs,
- Ensure alignment with EU policies and priorities, and enhance complementarities with actions under Horizon Europe and the Single Market programme,
- Simplify compliance with state aid requirements.

The instrument could cover third countries in line with the arrangements foreseen under the Horizon Europe proposal.

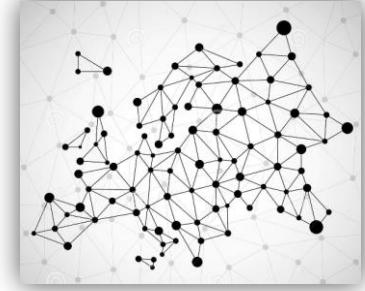
## Interregional innovation investments 'Component 5' → Focus



Encourage close-to-market investments involving innovative products and services through the deployment of new technologies and processes rather than simply upgrading capital and know-how in firms through readily available technologies

# Interregional innovation investments

## 'Component 5' → Support



### Strand 1 - Financial and advisory support for investments in interregional innovation projects

- Supporting partnerships to develop, connect or make complementary use of testing and demonstration facilities to accelerate market uptake and scale up of innovation solutions in shared smart specialisation priority areas.
- Managed through support to the development of a portfolio of projects by selected partnerships.

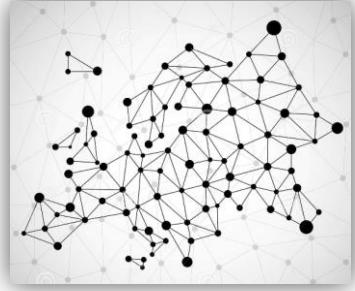
### Strand 2 - Financial and advisory support to the development of value chains in less developed regions

- Increasing the capacity of regional innovation eco-systems in less developed regions to participate in global value chains as well as the capacity to participate in partnerships with other regions.
- Strong cohesion dimension creating linkages between less developed regions with those in lead regions.
- Focus both on foreign direct investment-driven value chains and other emerging sectors.

+ learning activities, evaluation and capitalisation

# Interregional innovation investments

## 'Component 5' → Conclusions



- New type of interregional cooperation – linking smart specialisation strategies.
- Complements, but does not replace, support under mainstream, cross-border and transnational cooperation in innovation.
- Addresses gaps in current support framework.
- Work programmes determined on the basis of themes identified in smart specialisation strategies.
- Management mode chosen to meet needs.

**Thank you for your attention.**