

The Scottish Approach Building Synergies between H2020 and ESIF into Programme Design

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The Scottish Approach 2014-2020

- 2014-20, Scotland will focus the Structural Funds on achieving **structural reforms** which facilitate sustainable economic growth.
- As EU Funds are deployed alongside significantly greater national resources, efforts will focus on **specific niche** investments which would not otherwise take place, or not to the same scale and timeframes, without Structural Funds.
- Efforts to create **alignment** between all EU Funds in Scotland aim to ensure that the funds act together for growth and jobs.

The Scottish Approach 2014-2020

- To maintain focus, the Scottish Programmes are designed around **Strategic Interventions** – programmes or projects of significant scale and scope which will align with and help shift the focus on domestic policy.
- These strategic interventions will be managed and co-financed by **Lead Partners**, typically larger existing organisations which already manage domestic funding in the same policy area.

How we got here

- In order to achieve **strategic focus** a significantly different approach was required.
- **Consulted and collaborated** with stakeholders at an early stage to identify shared priorities and opportunities of scale.
- Formed **Strategic Delivery Partnerships** to take these priorities forward and shape strategic interventions which would form the basis of the Operational Programmes.
- **Alignment, synergy and complementarity** were at the heart of the process.

How we got here

- Importantly **Smart Specialisation principles** have created a valuable framework to guide this process.
- Scottish Government planning for 2014 -20 has sought to ensure a clear **'line of sight'** between EU funding investment priorities and the role of innovation in realising renewed economic growth in Scotland.

What's different?

- More strategic - 2007-13 Programmes had approx. 815 projects; 2014-20 Programmes have **14 strategic interventions**.
- Strategic interventions **focus on particular niche** areas which **minimises duplication** - 19 innovation proposals now 1 strategic intervention for Innovation.
- **Optimisation** of funding – taking account of available funds - Scottish and UK domestic, ESIF (including rural), H2020 etc.
- Alignment of funds has been planned/considered from the start not made to happen afterwards – **more strategic**.
- Identified areas where combining H2020 and ESIF could lead to **greater impact** on competitiveness, growth and jobs.

Smart Specialisation – The Scottish Approach

Smart Specialisation is not a new concept for Scotland. Since 2007 we have sought to:

- Identify **regional strengths and opportunities**
- **Align public sector delivery** to support the development of growth sectors or emerging technologies
- **Work in collaboration with entrepreneurs and businesses** in developing sectoral strategies
- Establish a **suite of national indicators** to measure performance
- **Responsive** to emerging issues and opportunities
- **Learn and collaborate** with other economies and regions whilst aiming to be globally competitive

Smart Specialisation – The Scottish Approach

Building on the GES the approach in 2014 -20 will:

- **Steer investments** in innovation and R&D, as well as SME competitiveness and skills and lifelong learning.
- Aim for more Scottish companies in growth sectors to be **‘born global’**.
- **Bring academia, research institutes and businesses together** using Smart Specialisation Innovation Centres.
- Essentially **use Smart Specialisation as a platform** to deliver economic growth and wider benefits for Scotland.

Budget

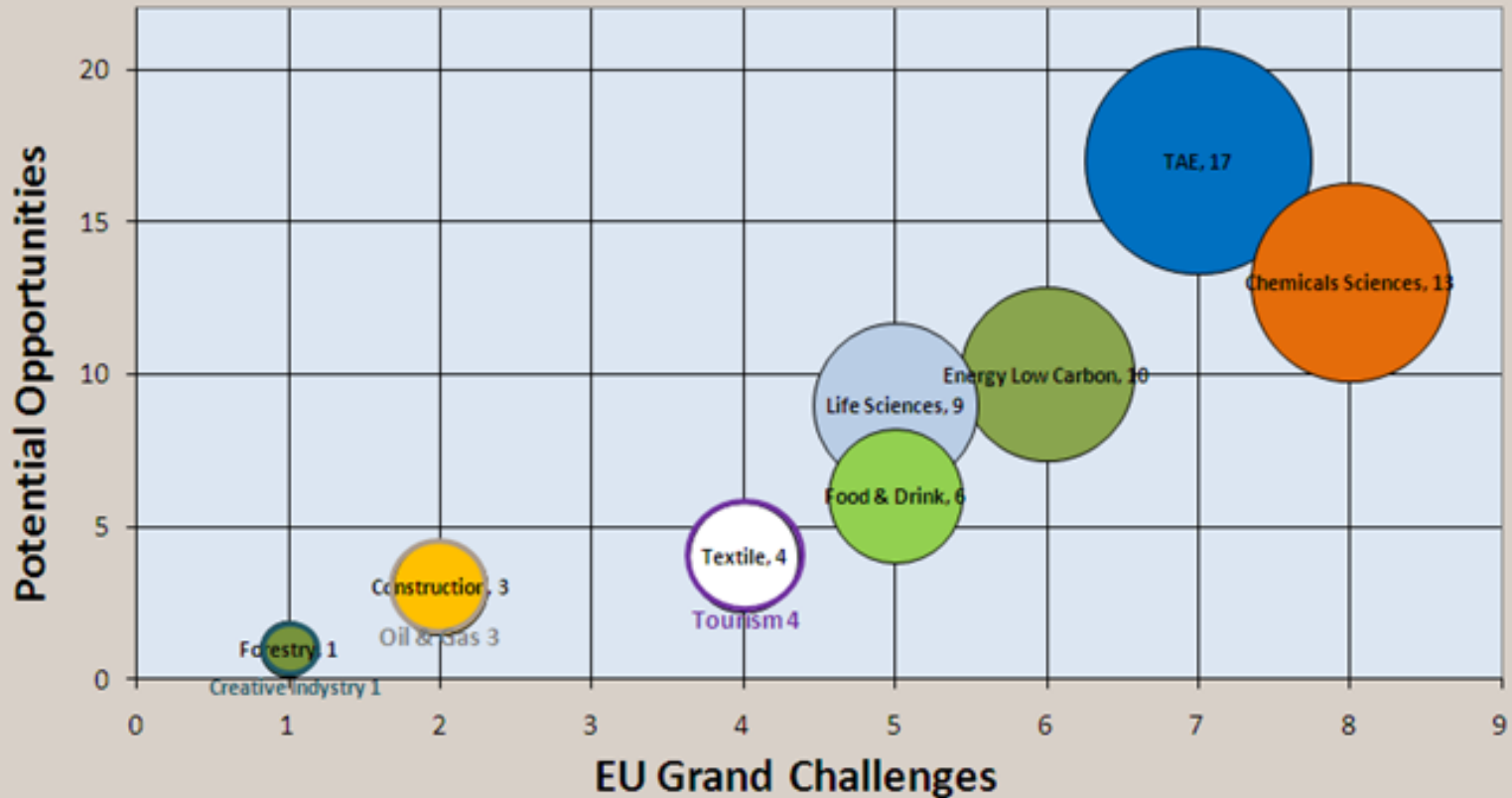
Innovation	€80m
SME Competitiveness	€105m
Financial Instruments	€55m
Total ESIF	€240m
Domestic Resources	€360m

How it will work

- Look to **combine ESIF and H2020 opportunities** to enable businesses to develop new globally competitive products and services.
- Utilise ESIF to help building the innovation eco-system
 - **Build the capacity of SMEs** to innovate successfully
 - Incentives to **connect academia to business** to create growth.
 - **Facilitate networking** between innovative actors.

Cluster/Sector Mapping to EU Grand Challenge

Sectors weight against EU Opportunities



- TAE
- Chemicals Sciences
- Energy Low Carbon
- Life Sciences
- Oil & Gas
- Tourism
- Textile
- Food & Drink
- Construction
- Creative Industry
- Forestry

Direct Business Engagement

- **Knowledge Exchange**
 - **Academia is above EU average** for engagement in Framework programmes
 - **SME's below average** in levels of engagement
 - New ESIF supported programmes to have **Academics help and support Business** in applying for H2020 Programmes.
- **Targeting Businesses**
 - For programmes such as the SME Instrument
 - **Utilise knowledge of previous innovation support** to identify suitable businesses.
 - **Target directly likely businesses** with awareness, guidance and mentoring support.

In-Direct Business Engagement

- Building Innovation Management Capacity
 - Successful Business Engagement in H2020 requires **strategic positioning of H2020 activity**
 - Understanding of the **benefits of collaboration**
 - Systematic **Innovation Management**
- A new ESIF supported program:
 - We are **rolling out IMProve assessment process** with our advisors.
 - Developing an approach to **Deepen Innovation capacity** in Business.
 - Building a **culture of Innovation** in the business that values collaboration and understands value of H2020 programmes.
 - **Global Competitive Advantage** Through Innovation

Anticipated Results/Outcomes

- Increase in innovative active companies – **1,350**
- Employment increase in supported enterprises – **9,400**
- Increase in turnover in supported enterprises - **£630m**
- No. of SMEs engaged in H2020 – **increase by 30%**
- Increase in the value of BERD – **£125m**