



Research and innovation strategies for smart specialization

EU Policy Context

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Overview:

Europe 2020

Enterprises!

Innovation

Public support

Future Cohesion Policy

RIS3

Timing!

Bonus: Synergy with other EU programmes

Europe 2020

Europe 2020: Growth! ... and for jobs!

Smart Growth developing an economy based on knowledge and innovation	Sustainable Growth more efficient, greener and more competitive economy	Inclusive Growth fostering a high-employment economy delivering social and territorial cohesion
Innovation <i>« Innovation Union »</i>	Climate, energy and mobility <i>« Resource efficient Europe »</i>	Employment and skills <i>« An agenda for new skills and jobs »</i>
Education <i>« Youth on the move »</i>	Competitiveness <i>« An industrial policy for the globalisation era »</i>	Fighting poverty <i>« European platform against poverty »</i>
Digital society <i>« A digital agenda for Europe »</i>		

Europe 2020

Multi-annual Financial Framework 2014-20:

- More with less
- Enhance impact on growth

Who generates growth?

Enterprises!

Enterprises for growth and jobs in Europe

... and for tax revenue to sustain EU social model

SMEs are main motors of job creation:

- **2/3 of jobs are in SMEs**
- **in crisis years: job growth only in SMEs** (in particular knowledge intensive)

What helps enterprises to grow?

Innovation

How enterprises see innovation

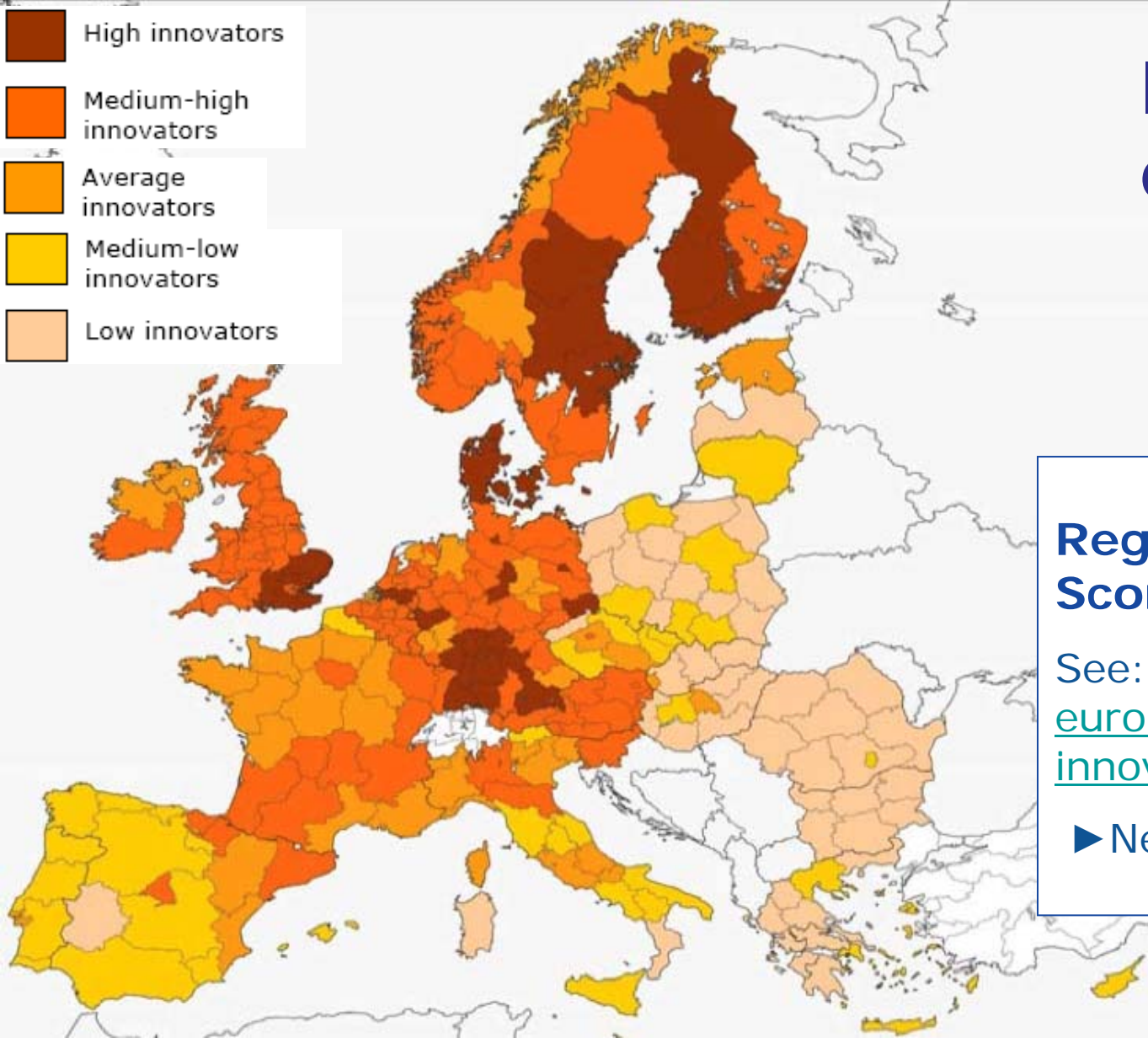
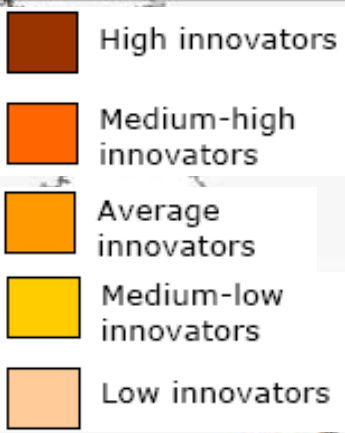


95% of respondents believe innovation is the main lever for a more competitive national economy

88% of respondents believe innovation is the best way to create jobs in their country

This faith is Global; these results are quite consistent from one country to another

See: GE Global Innovation Barometer 2011: Interview of 1000 senior executives in 12 countries (December 2010 - January 2011)



Innovation everywhere?

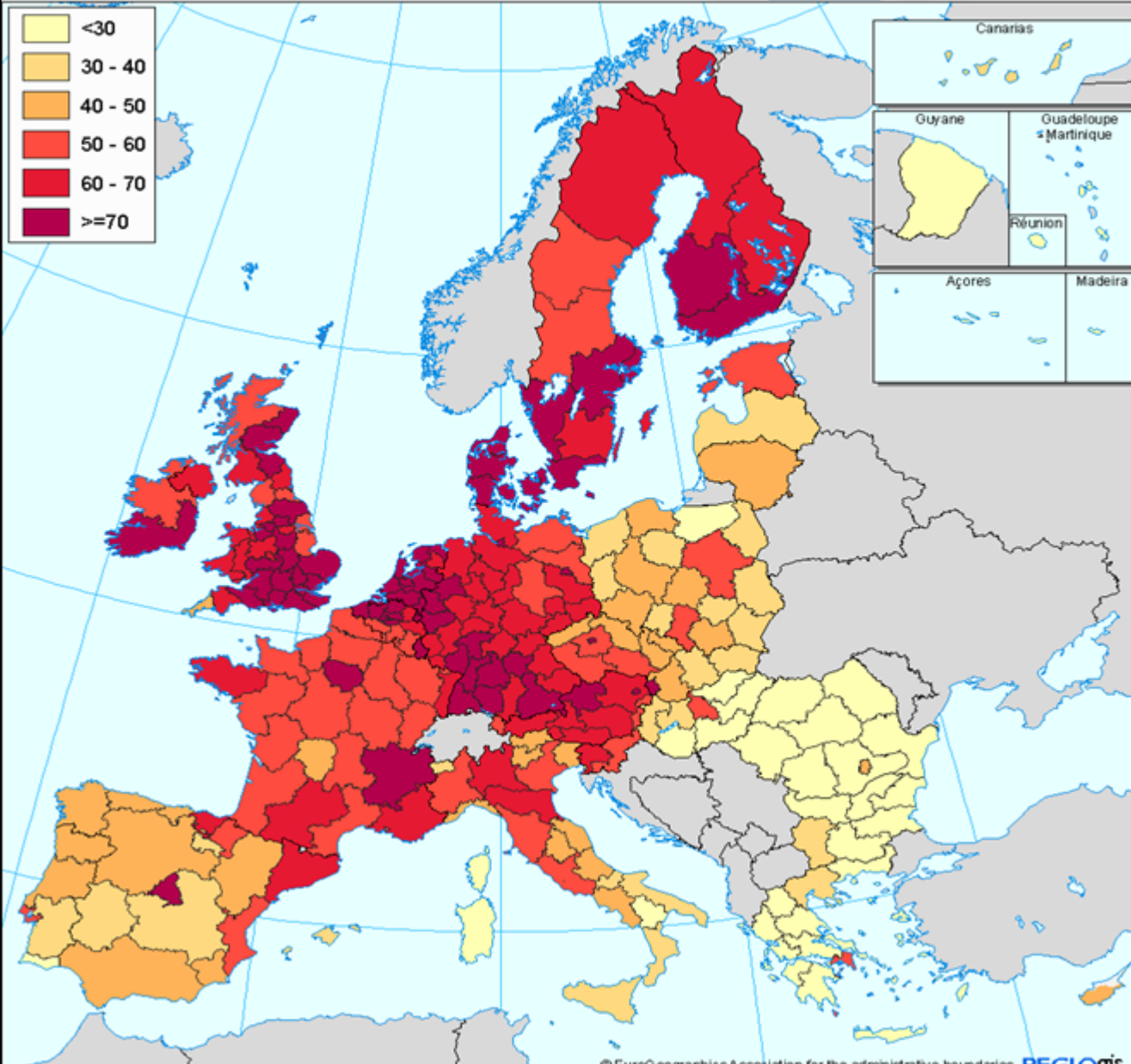
Regional Innovation Scoreboard (2009)

See: <http://www.proinno-europe.eu/page/regional-innovation-scoreboard>

► Next edition in May

Competitiveness Index, 2010

Index - Values range between 0 (low) and 100 (high)



Competitiveness everywhere?

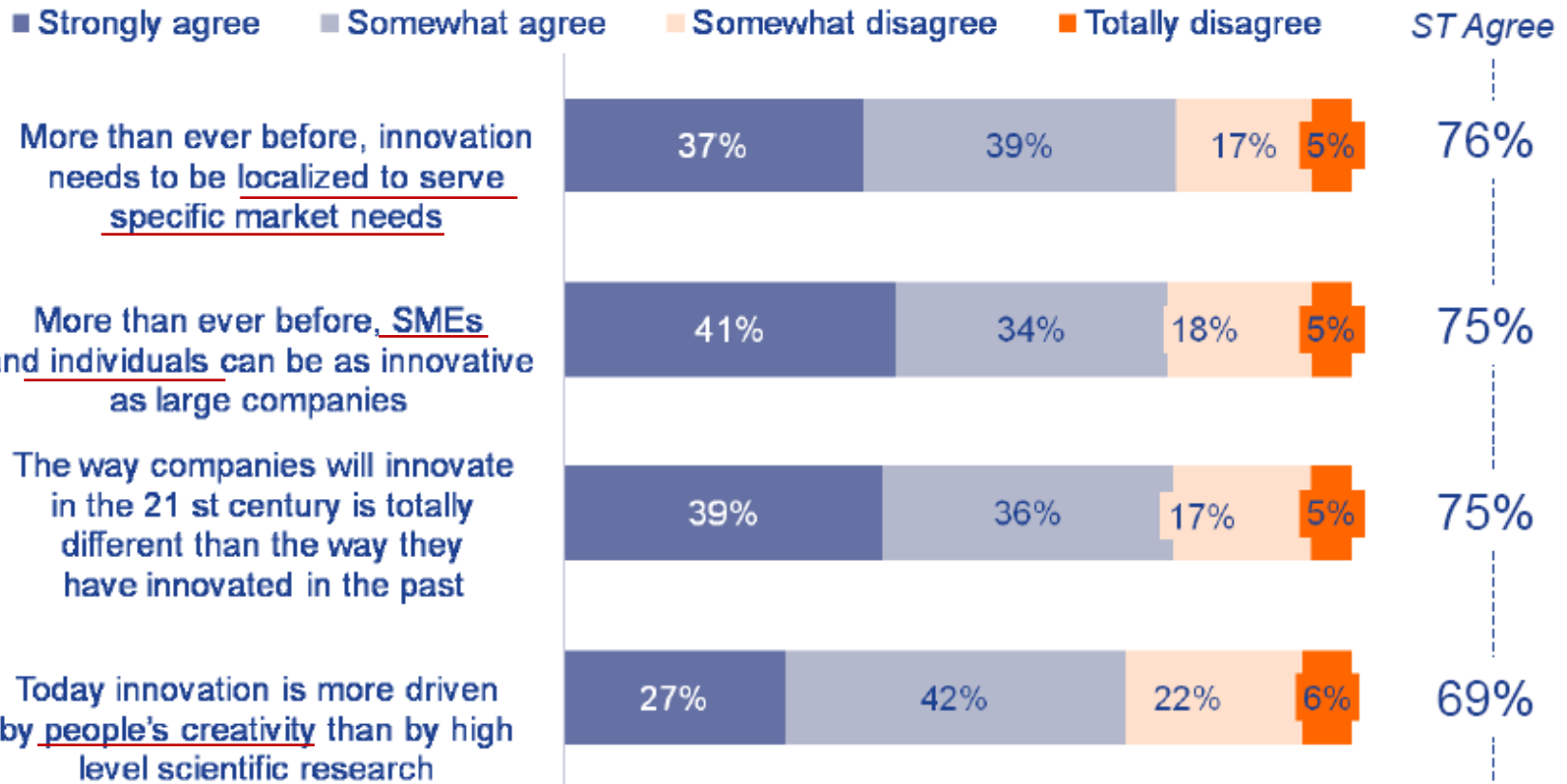
NB: The data do not include the impact of the crisis ...



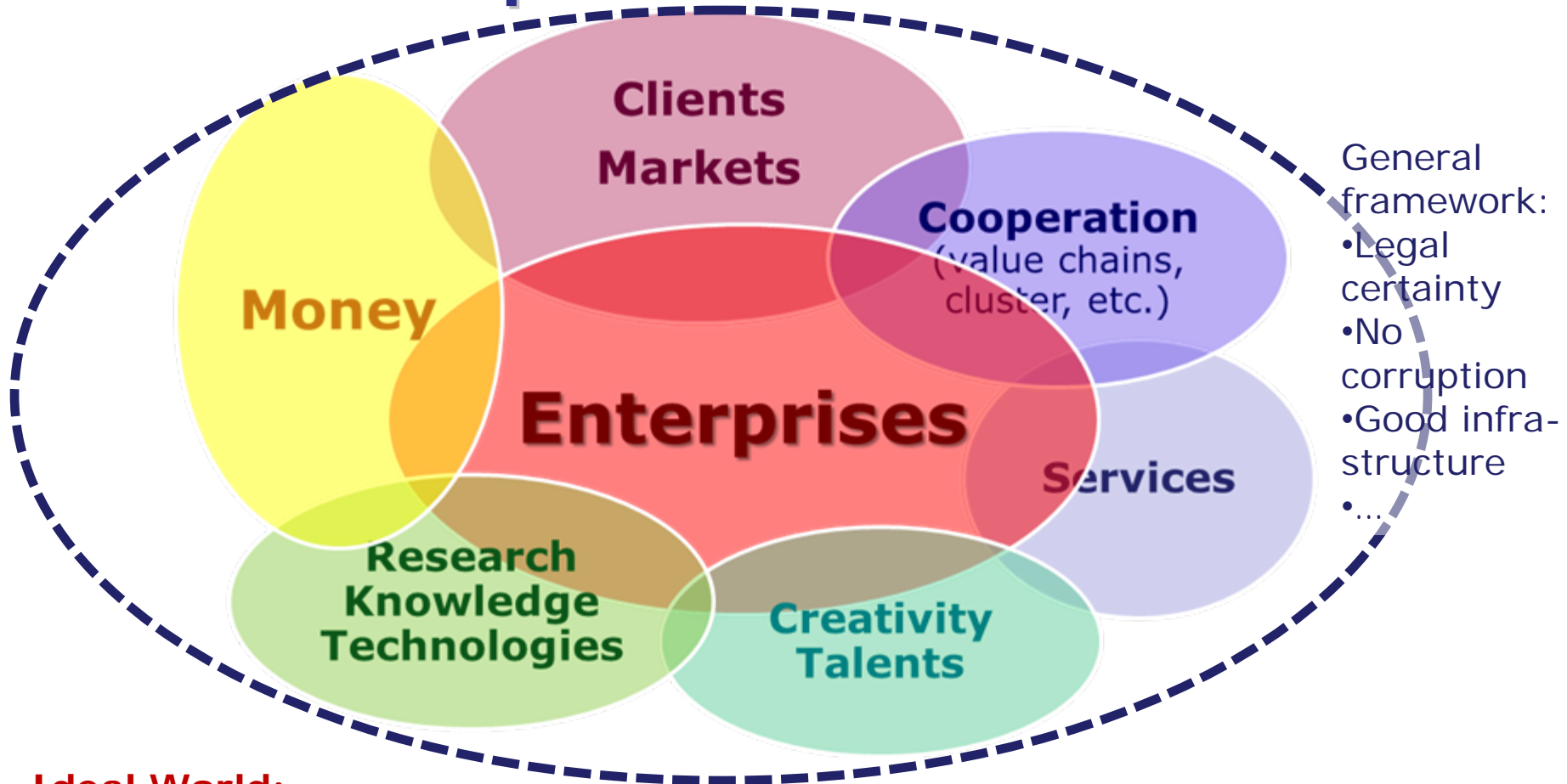
Innovation in the future



New actors, new rules ...



What do enterprises need for innovation?



Ideal World:

Market forces deliver all this timely to everyone and everywhere ...

Public Support

What enterprises think of public innovation support ...

Only 1/3 of enterprises are satisfied with public support

The type of measures do not correspond to their needs.

What do they need?

- Money, but not only grants, also credits, guarantees, venture capital, etc..
- Clients, markets (domestic, global)
- Partners (development, value chains ...)
- Support for new forms of innovation (user-centred, combinations with services, ...)
- Quicker support and more tailor-made measures



See: DG ENTR (2009)
http://ec.europa.eu/enterprise/policies/innovation/files/swd_effectiveness_en.pdf

Future Cohesion Policy



New Orientations: Cohesion Policy 2014-2020

The Commission's proposals of October 2011:

- Cohesion policy (ERDF, CF & ESF) dedicated to meeting the **Europe 2020** objectives of smart, sustainable and inclusive growth
- Consistency with the **national reform programmes**
- Thematic concentration to **maximise the impact** of investment: focus on research and innovation in ERDF
- **Conditionalities** to ensure effective implementation, e.g. research and innovation strategies for smart specialisation (RIS3).

Common Strategic Framework of the Commission: coherence (ERDF, ESF, CF, EAFRD and EMFF); clarify synergies with Horizon 2020 etc.

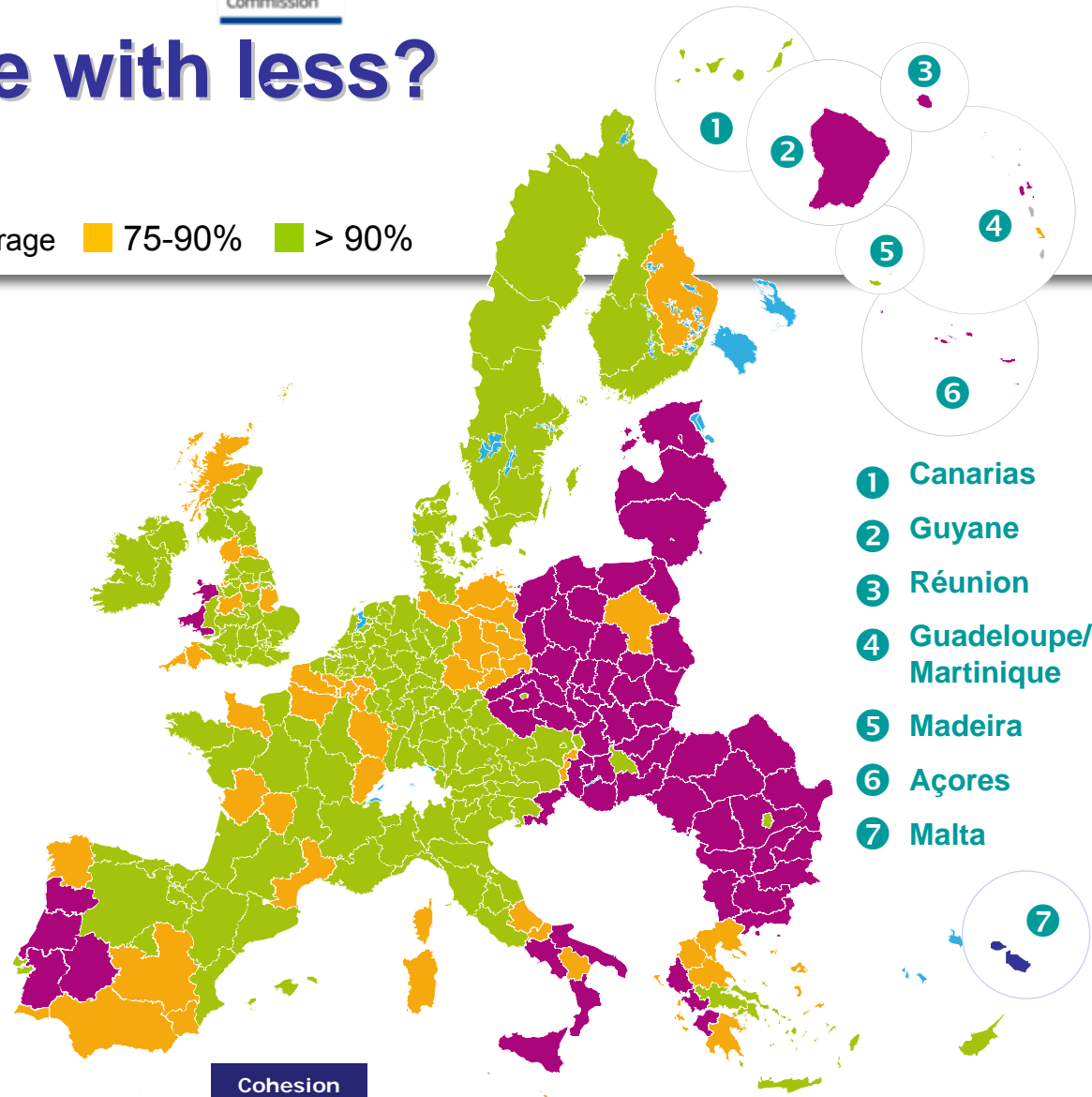
Problem: More with less?

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

*index EU27=100

3 categories of regions

- Less developed regions
- Transition regions
- More developed regions




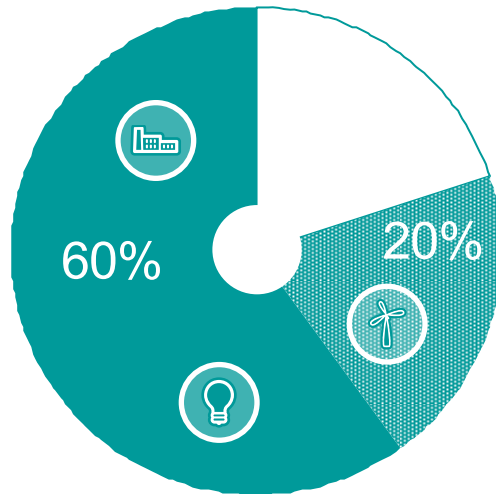
- 1 Canarias
- 2 Guyane
- 3 Réunion
- 4 Guadeloupe/ Martinique
- 5 Madeira
- 6 Açores
- 7 Malta

Concentration of ERDF investment to maximise the impact: R&I + SME incl. for LCE

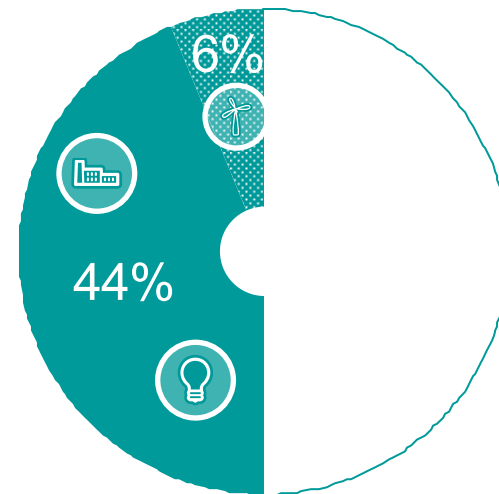
 Research and Innovation

 SMEs competitiveness

 Energy efficiency and renewable energy



Developed regions and
transition regions



Less developed regions

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

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



ERDF investment priorities

1. Research, technological development and innovation:

- a) R&I infrastructure and capacity to develop excellence in R&I and promotion of centres of competence
- b) encouraging investment in R&I by enterprises, developing products and services, transfer of technology, social innovation, public service applications, stimulating demand, networking, clustering, open innovation, smart specialisation
- c) supporting research and applied technology, pilot lines, validation actions early products, advanced manufacturing capabilities, first production in key enabling technologies, diffusion of multipurpose technologies* .

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



ERDF Investment Priorities

2. Improve the access, quality and use of ICT:

- a) diffusion of broadband and high speed networks
- b) development of ICT products and services, electronic commerce and increased demand for ICT
- c) strengthening the application of ICT for eGovernment, eLearning, eInclusion and eHealth

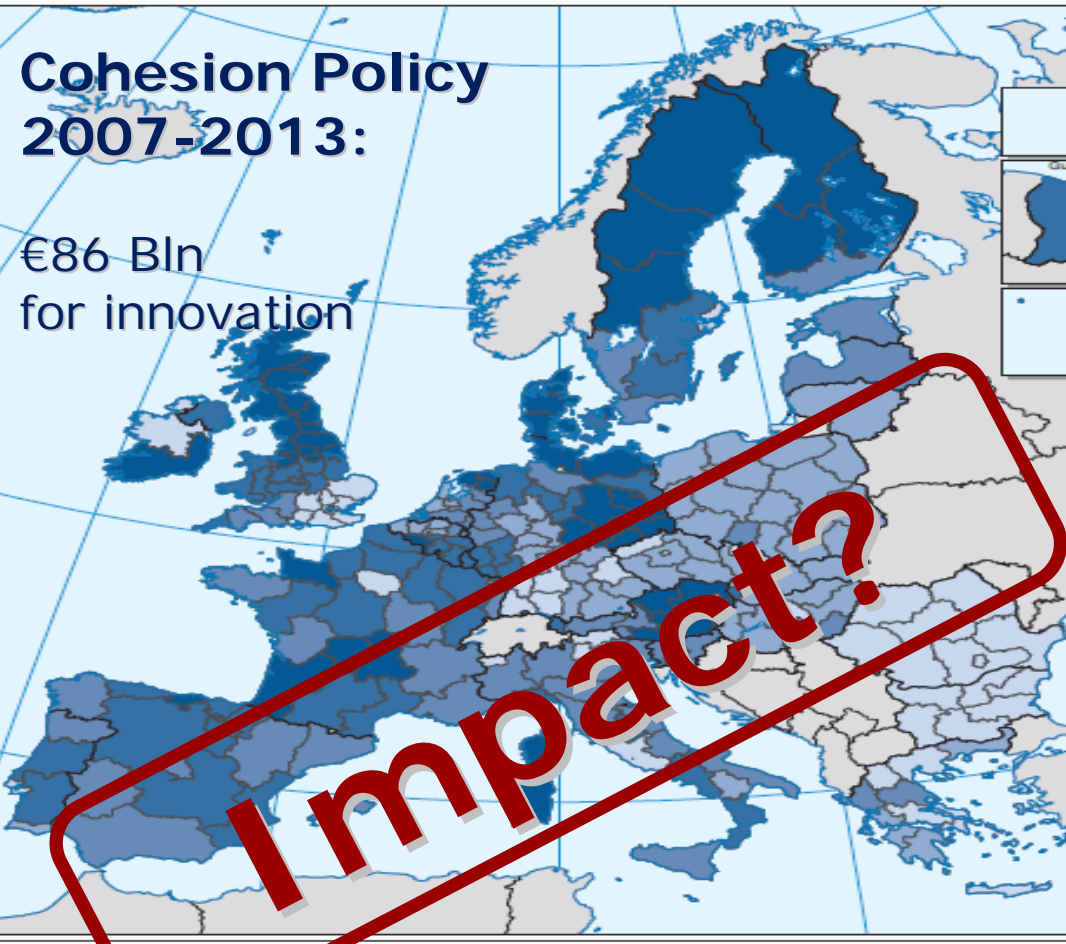
3. Improve SMEs competitiveness:

- a) promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new businesses
- b) development of new business models for SMEs, in particular for internationalisation

Concentration of ERDF investments

2014-2020	Total (€)	ERDF (% max)	ERDF (€ max)	(1)+(3) (in %)	(1)+(3) (in €)
Less developed	162.6	75	122.0	44	53.7
In transition	38.9	60	23.3	60	14.0
developed	53.1	48	25.5	60	15.3
Sub-Total	254.6		170.8		83.0

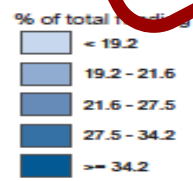
Total Cohesion Policy = € 376 Billion, including ETC (€11.7B), Cohesion Fund (€68.7B), OMR-extra (€1B), Connecting EU Facility (€40B) and ESF (€84B, mini)



Cohesion Policy 2007-2013:

€86 Bln for innovation

Planned investments of Cohesion Policy in RTD, innovation, enterprise e 2007-2013



EU27 = 23.0
Funding for RTD, Innovation and ente to some €79 billion
Source: DG REGIO

Problem:

- Lack of interaction between levels of governance and departments
- Strategies without external perspective – duplication
- Lack of or indifference to critical mass
- Measures only for R&I and capacity building and not for demand stimulation /market access
- Focus on fashionable themes / prestige projects
- Focus on industries and not on emerging sectors and services

See: Regional Innovation Monitor www.rim-europa.eu

RIS3

What is **Smart Specialisation** ?

- = **Evidence-based** considering all assets and problems in a region, incl. External perspective / internal / global market (critical mass? Opportunities? excellence? cooperation? Value chains?)
- = No top-down decision, but **dynamic /entrepreneurial discovery process** uniting key stakeholders around shared vision
- = Mobilisation of investments and synergies **across different departments and governance levels** (EU-national-regional)
- = **All forms of innovation** – no only technology driven
- = **Differentiation:** SWOT analysis (all types of assets), **competitive advantages**, potential for excellence, opportunities
- = **Concentration** of resources on priorities, problems and core needs (no sprinkler principle, no picking the winners, yes to catalytic investments)
- = **Place-based economic transformation:** rejuvenating traditional sectors through higher value-added activities, cross-sectoral links, new market niches by sourcing-in and disseminating new technologies rather than re-inventing the wheel; exploiting new forms of innovation

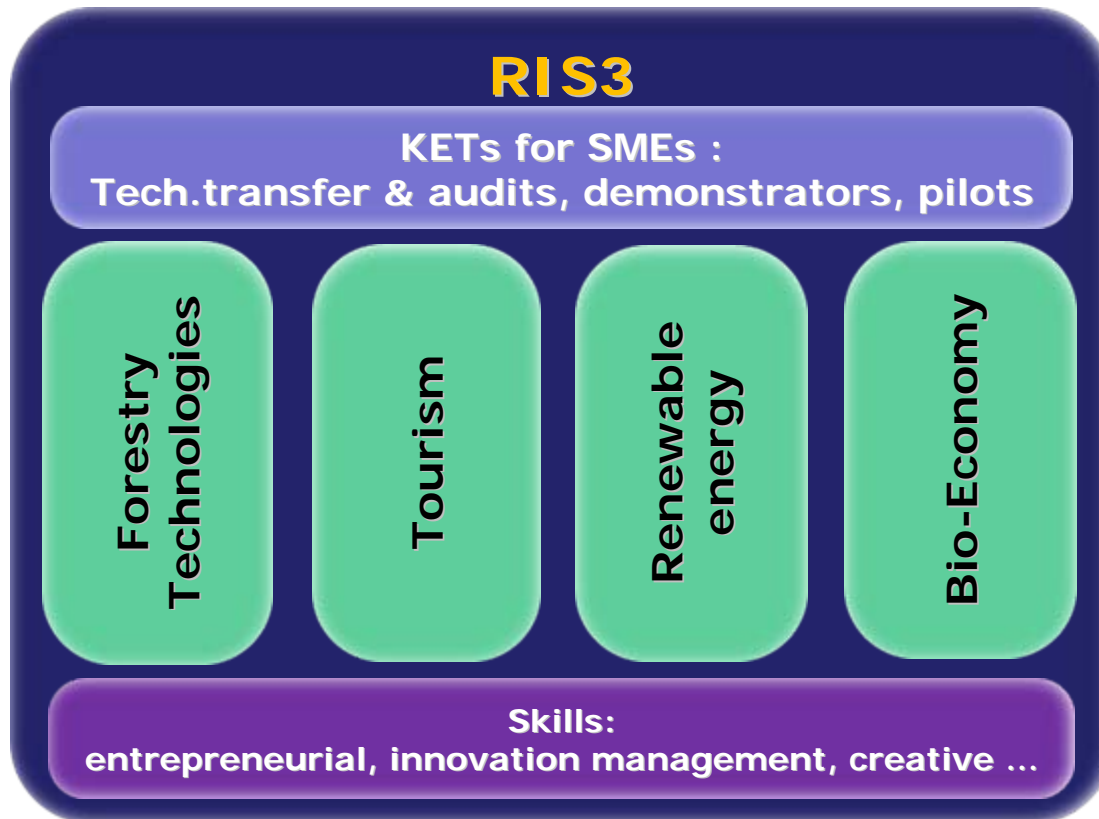
What is a RIS3 in the CP sense?

= **Integrated agenda for place-based economic transformation**, strengthening RTD innovation and increasing access to ICT and its use

To meet the ex-ante conditionality (ERDF and EAFRD):

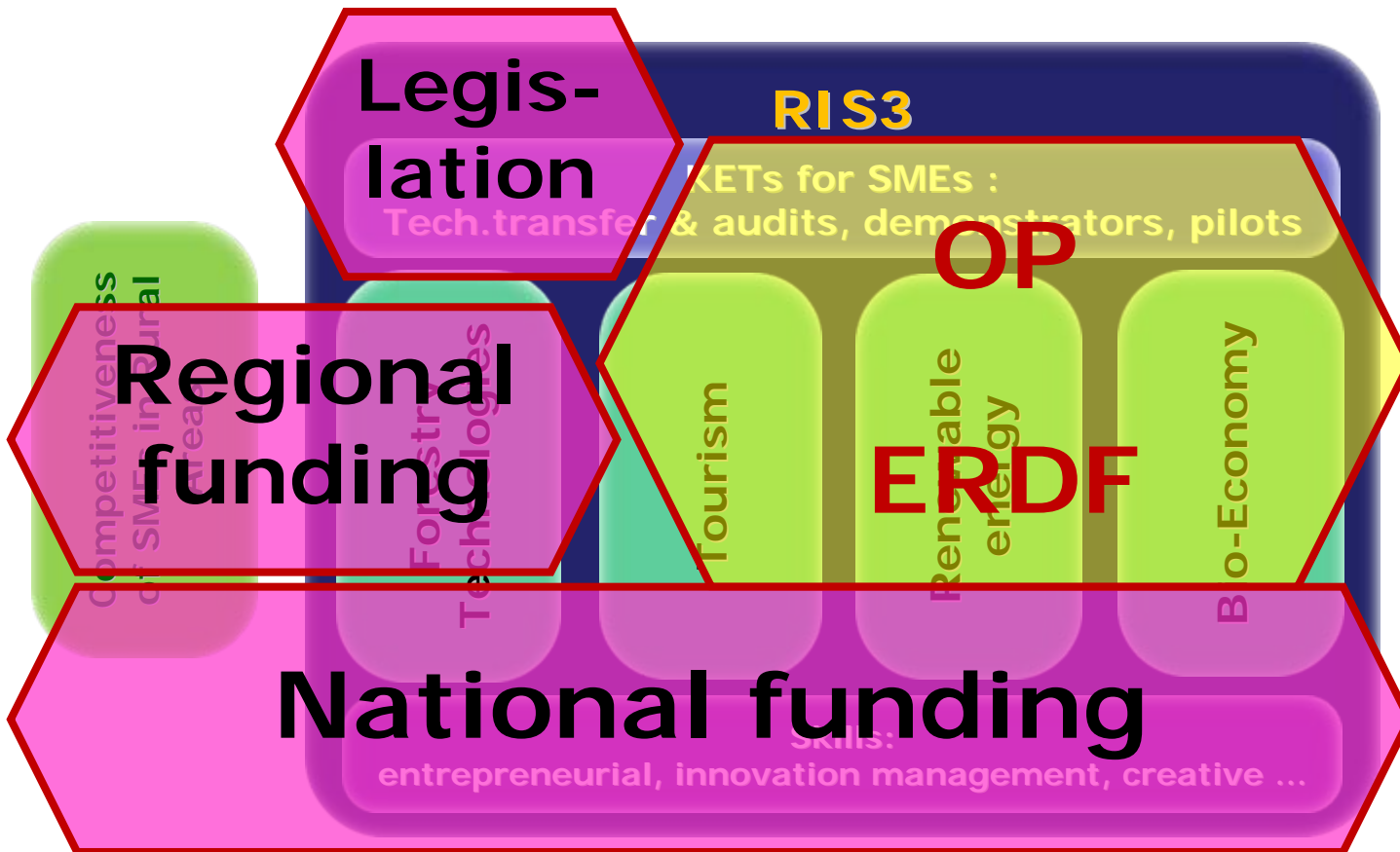
- ✓ Based on **SWOT analysis** (including ICT)
 - ✓ Concentrate resources on a **limited** set of priorities
 - ✓ Encourages **private** investment in RTD
 - ✓ **Monitoring** and review system
 - ✓ Chapter on **digital** growth: balance of support to the demand and supply of ICT technologies; objectives "e-"
- + national level multi-annual plan for budgeting and prioritisation of investments linked to EU priorities (derived from the NRPs)

RIS3 ≠ Operational Programme

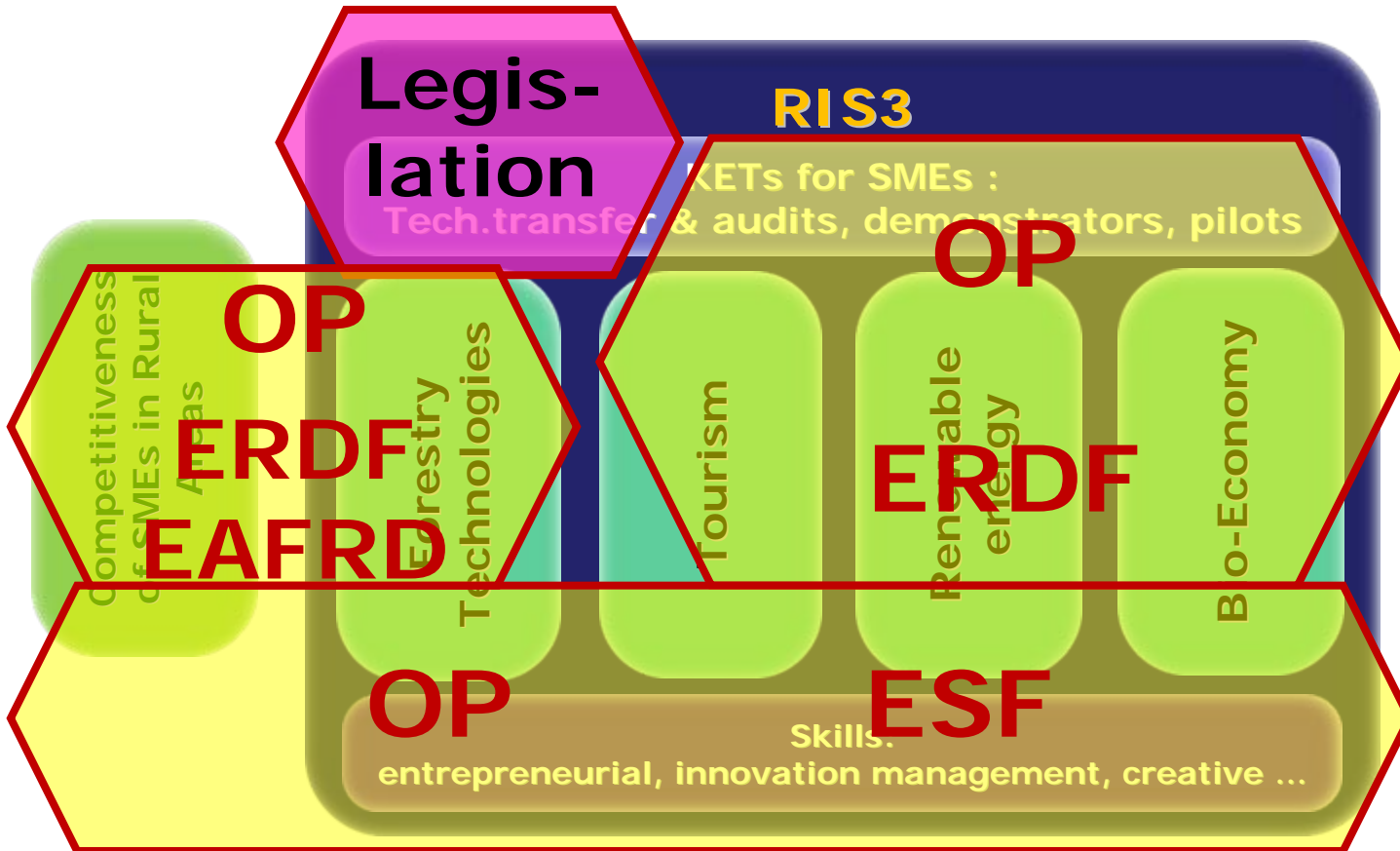


RIS3 ≠ reinventing the wheel!

RIS3 ≠ Operational Programme



RIS3 ≠ Operational Programme



Timing

Calendar



- **July 2012:** Europe 2020: national reform programmes "investments in R&D"?
 - Draft position papers per country (negotiating mandates)
 - **Early 2013:** adoption of the Structural Funds regulations, Common Strategic Framework
- + **3 months** (2nd trimester 2013):
- **Partnership contracts:** needs analysis; conditionalities (**RIS3**)
 - **Operational Programmes** including actions for **RIS3**

Start the development of RIS3 now!

Support for RIS3 development:

- **S3Platform:**

- ✓ Website
- ✓ Guidance on process for development of RIS3
- ✓ Analytical support
- ✓ Organises "peer-reviews" of national / regional strategies
- ✓ Conferences, working groups, trainings ...



- **Informal expert reviews**

- **Data material**, e.g. Regional Innovation Scoreboard, ERAWATCH, RIM, European Cluster Observatory, Digital Agenda Scoreboard, SME performance review, SSH studies, IPTS studies, etc.

- **Good practices**: e.g. RegioStars, European Entrepreneurship Awards ...

- **CoR, OECD, World Bank, JASPERS, EURADA, ERRIN, EBN**, etc.

Synergy with other EU funding programmes



Future EU programmes for R&I and SME

Horizon 2020: from idea to market ; € 80 bn

- ✓ R&I to tackle societal challenges: health, environment, EIT etc.
- ✓ Leadership in enabling and industrial technologies: Access to risk finance, Innovation in SMEs
- ✓ Excellent research base: Fundamental research, mobility, research infrastructures

COSME: SME competitiveness ; €2.5 bn

- ✓ Financial instruments
- ✓ Business & innovation support services (Enterprise Europe Network)
- ✓ SME internationalisation, entrepreneurship culture,
- ✓ Framework conditions, clusters etc.



Synergies: limits and opportunities

Limits:

- Multi-country approach vs. place-based
- Competition for funds vs. geographical pre-allocation
- Annual work programmes vs. 7-year-OP
- Centralised management vs. implementation by MS/reg.
- Research excellence vs. socio-economic development

Opportunities:

- ✓ Regulatory alignments (cost eligibility)
- ✓ Horizon: innovation divide actions (ERA Chairs, networks, research infrastructures, ...)
- ✓ COSME: EEN, cluster & SME internationalisation
- ✓ CP: RIS3; combined funding; investments across borders; CSF key actions (capacity-building, innovation in enterprises)

Mutual information exchange & nat/reg. coordination bodies?



Information

- **Proposals for the Structural Funds 2014-2020:**
http://ec.europa.eu/regional_policy/what/future/proposals_2014_2020_en.cfm
- **RIS3 factsheet:**
http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/smart_specialisation_en.pdf
- **S3 Platform:** <http://ipts.jrc.ec.europa.eu/activities/research-and-innovation/s3platform.cfm>
- **RIS3 guide:** <http://s3platform.jrc.ec.europa.eu/s3pguide>
- **"Regions for Economic Change" conference and "RegioStars 2012" award ceremony, 15 June, Brussels:**
http://ec.europa.eu/regional_policy/conferences/strategies2012/index_en.cfm