RIS³ in the
In the EU Policy Context

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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

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
- Energy efficiency and renewable energy

Developed regions and transition regions:
- 60%
- 20%

Less developed regions:
- 44%
- 6%

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

Cohesion Policy
Concentration of ERDF investment resources to maximise the impact

Research and Innovation

SMEs competitiveness

Energy efficiency and renewable energy

Council: include ICT in concentration

EP (first debates):
- allow for a 4th TO in the concentration
+ reduce concentration for transition regions to 60%

60% 20% 6% 44%

Developed, developed and transition regions

Less developed regions

Flexibility (different regions present different needs)
Special arrangements for the previously convergence regions
A fair system for all EU regions (eligibility simulation)

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

*index EU27=100

3 categories of regions
- Less developed regions
- Transition regions
- More developed regions
A fair system for all EU regions (eligibility simulation)

3 categories of regions
- Less developed regions
- Transition regions
- More developed regions

GDP/capita*
- < 75% of EU average
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*index EU27=100

If Commission CSF regulations and budget proposal was accepted:
Up to €100 billion would be available for innovation bolstering over 100 smart specialisation strategies

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, inward-looking, disregard for markets & demand, existing sectors only, inter-ministerial cleavages, wishful thinking ...  

- Setting **innovation as priority for all 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
"One-size-fits-all" is impossible!

... but every region has some asset that can make it special in terms of 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**

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<th>Ex-ante conditionality</th>
<th>Fulfilment criteria</th>
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| **1.1. Research and innovation:** The existence of a national or regional research and innovation strategy [strategic policy framework](#) for smart specialisation, where appropriate, 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 [strategic policy framework](#) for smart specialisation is in place that:  
- is based on a SWOT or similar 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. |
<p>| <strong>1.2 (in addition, for research infrastructures) The existence of a multi-annual plan for budgeting and prioritisation of investments</strong> | An <a href="#">indicative</a> multi-annual plan for budgeting and prioritization of investments linked to EU priorities, and, where appropriate, the European Strategy Forum on Research Infrastructures - ESFRI has been adopted. |</p>
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| **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 e-health *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 in innovation and research, and developing links and synergies between enterprises, R&D centres and higher education, in particular 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-electronics, 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

(2) enhancing access to and use and quality of ICT through:

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

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

(c) strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health;
To what else does the RIS3 apply?

EAFRD "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 not 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 self-employment 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 not dependent on RIS3?

**European Social Fund (ESF) Article 3**

(1): (a) Promoting employment and supporting labour mobility through: Self-employment, 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 **not** 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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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 knowledge-based 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 of R&I 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

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 knowledge-based 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?

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- Concentrate resources on a limited set of R&I 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

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**OPs**

- **Strategy for Europe 2020 contribution**
- **Ex-ante evaluation**
- **Priority axis TO 1** and/or TO 2 b/c with spec. objectives, Operations
- **Performance framework, Indicators**
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**Link between RIS3 - ex-ante conditionality criteria - OP content**
RIS3 ≠ Operational Programme

- Hypothetical example 1: more developed region

- Legislation
- RIS3
- KETs for SMEs: Tech. transfer & audits, demonstrators, pilots
- Forestry Technologies for mountain areas
- Tourism: Innovative health and sport services
- Renewable energy: Biomass
- Bio-Economy: New use of cellulose
- Skills & innovation capacities: Entrepreneurial, innovation management, creative...

- Regional funding
- ERDF
- OP

- National funding

Implementation drawing on a variety of sources...

Cohesion Policy
RIS3 ≠ Operational Programme

Hypothetical example 2: less developed region

Implementation drawing mainly on Structural Funds ...

Skills & innovation capacities: entrepreneurial, innovation management, creative ...
RIS3 ≠ Operational Programme

Hypothetical example
2.bis: less developed region

Skills & innovation capacities:
entrepreneurial, innovation management, creative

KETs for SMEs:
Tech. transfer & audits, demonstrators, pilots

Forestry Technologies for mountain areas

Tourism: innovative health and sport services

Bio-Economy: new use of cellulose

Renewable energy: biomass, biogas

SME competitiveness: incubators, micro-finance...

OP goes beyond RIS3

Legislation

RIS3

ERDF

ER

EAFRD

OP

ESF

Competitiveness of SMEs in Rural Areas

OP goes beyond RIS3

Skills & innovation capacities:
entrepreneurial, innovation management, creative...
RIS3 ≠ Operational Programme

Skills & innovation capacities: entrepreneurial, innovation management, creative...

KETs for SMEs: Tech.transfer & audits, demonstrators, pilots

Forestry Technologies for mountain areas

Tourism: Innovative Health and sport services

Renewable energy: Bio-mass

Bio-Economy: New use of cellulose

New use of cellulose

Hypothetical example 3: multi-fund OP
RIS3 ≠ Operational Programme

Hypothetical example 4:

Skills & innovation capacities:
entrepreneurial, innovation management, creative...

KETs for SMEs:
Tech. transfer & audits, demonstrators, pilots

Forestry Technologies for mountain areas
Tourism: innovative health and sport services
Renewable energy: bio-mass
Bio-Economy: New use of cellulose

Skills & innovation capacities:
entrepreneurial, innovation management, creative...
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?

Hypothetical example 3:
Only regional RIS3s
Who does **NOT** 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?

- Is there critical mass / excellence?
- What do enterprises need?
- With whom to cooperate?
- Who are your customers / competitors?
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

- 107 EU regions + 5 MS registered
- 24 peer-reviewed
- 81 attended workshops
- trainings, thematic seminars
- RIS3 guide
- Web-site, Newsletter
Commission support for RIS3:

S3Platform:
- peer-reviews
- analysis & data
- training
- communication

★ RIS3 policy events:
- national
- trans-national

14 RIS3 kick-off events for Member States
4 trans-national RIS3 events
Commission support for RIS3:

S3Platform:
- peer-reviews
- analysis & data
- training
- communication

RIS3 policy events:
- national
- trans-national

Expert analysis and support
- thematic
- process
- ....

So far 58 REGIO contracts for informal RIS3 assessment:
- 14 national and 37 regional strategies

15 RTD expert groups to analyse science & research aspects
(BG, CY, CZ, EE, EL, HU, LA, LT, MT, PL, PO, RO, SK, SI, ES)

FP7 project
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!

→ New format of S3Platform workshops: around specialisation fields / priorities

→ Guidance on synergies CSF-Horizon2020
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.

“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…”


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)

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 www.creativeindustries.ee/omc
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.**

<table>
<thead>
<tr>
<th>Don’ts</th>
<th>Do’s</th>
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<tr>
<td>Focus only on research and technological innovation</td>
<td>Focus on all forms of knowledge and innovation</td>
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<tr>
<td>Support service innovation as such</td>
<td>Support transformation through service innovation</td>
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<tr>
<td>Support individual specialised firms</td>
<td>Support clusters or networks of related firms</td>
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<tr>
<td>Focus on a given set of service sectors</td>
<td>Focus on manufacturing and services</td>
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<tr>
<td>Copy-paste best practice</td>
<td>Search for the next practice</td>
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<td>Follow growth trends without reflection</td>
<td>Capitalise upon regional competencies for the development of emerging industries</td>
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<td>Follow a horizontal approach without specific target</td>
<td>Follow a systemic approach</td>
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<td>Follow a narrow sectoral approach</td>
<td>Follow a cross-sectoral approach</td>
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<tr>
<td>Launch pilot projects in isolation</td>
<td>Launch large-scale demonstration projects through a systemic approach</td>
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<td>Find a problem for an innovation (i.e. searching commercialisation)</td>
<td>Find an innovation that can solve a problem (i.e. addressing challenges)</td>
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www.europe-innova.eu/web/guest/home/-/journal_content/56/10136/961034
http://s3platform.jrc.ec.europa.eu/guides
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, bio-economy 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)


• RIS3 guide: http://s3platform.jrc.ec.europa.eu/s3pguide

• Thematic guides: http://s3platform.jrc.ec.europa.eu/guides