



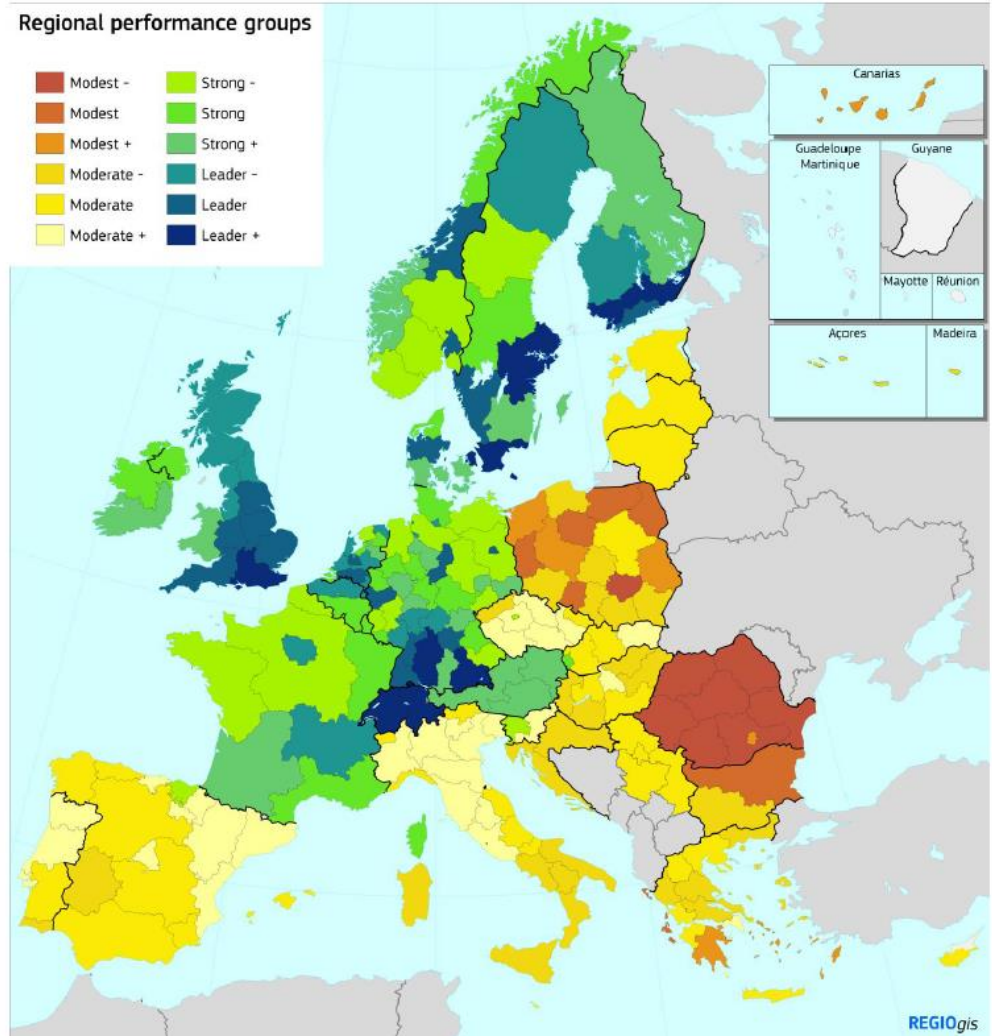
Strengthening Innovation in Europe's Regions

Strategies for resilient, inclusive
and sustainable growth

Regional Innovation Scoreboard 2017

*Significant disparities
both between and within
Member States*

➤ *No "One-size-fits-all" approach
possible*



For Cyprus, Estonia, Latvia, Lithuania, Luxembourg and Malta, performance group membership is identical to that in the European Innovation Scoreboard 2017 report. For these countries, the corresponding colour codes for middle one-third regions have been used.

A modern economy and fair transition for EU regions

*Europe is experiencing a period of profound changes brought by **globalisation**, new emerging and digital **technologies**, **automation** and **decarbonisation**. The benefits of globalisation are unequally spread. It is indispensable to help Europeans **adapt** to these profound changes and to help the EU economy to **become more resilient**.*

Reflection Paper on Harnessing Globalisation

Therefore the EU will need to:

- **activate** the **innovation potential** of MS and regions
- **adapt** its industry to new models
- boost **competitiveness** and access to **new markets**
- **reduce the gap** among regions
- create new **jobs**



Smart specialisation in reformed cohesion policy

Smart specialisation is a key concept for progressing structural funds (2014-2020)

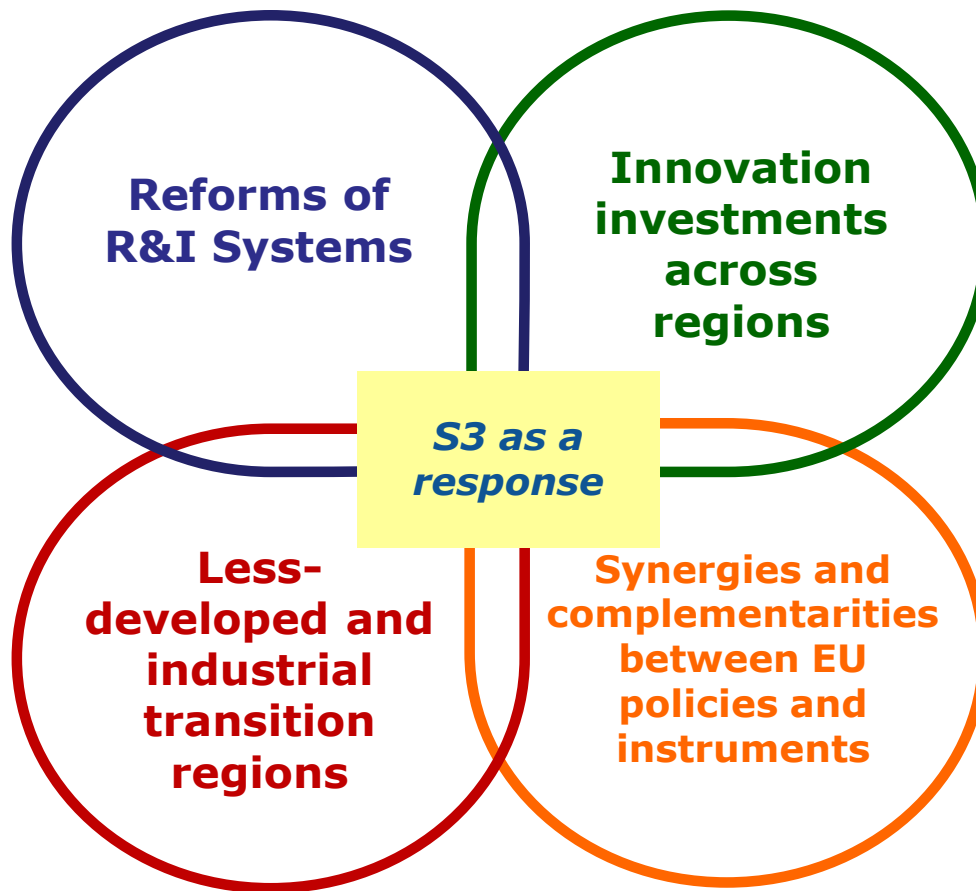
Objective: maximise the positive impact on growth and jobs.

- developing a **strategic approach** to innovation (*ex-ante Conditionality*)
- **transparent approach** among stakeholders
- **prioritising** public R&I **investments**
- building on **competitive advantages**
- facilitating new **market opportunities** and the access to **new value chains**

KEY FIGURE over the period 2014-2020:

- **EUR 65 billion** (including co-financing)
- over **120 RIS3** implemented through the **S3-Platform**
- financial support to **140 000 start-ups**
- creation of **350 000 new jobs**

*The Commission has identified **four challenges** for boosting innovation-led growth*





Reforms of R&I Systems

The European Semester focus on **regional dimension**.

Challenges ahead:

- Intensify **efforts for reforms** in R&I systems
- Create an enabling **business environment**
- Improve **conditions** for the creation and growth of start-ups
- Encourage **investments** in skills and human capital

Responses:

- **Digital Skills and Jobs Coalition** and **European Cluster Policy Forum** to ensure policy reforms
- **S3-Platform** to better implement RIS3
- **Horizon 2020 Policy Support Facility** to overcome obstacles in R&I systems
- **Structural Reform Support Service** to improve business environment, labour market and skills
- **Reinforced dialogue** between MS and their stakeholders in the course of the European Semester process to increase the quality and openness of research



Innovation investment across regions

Stronger strategic **inter-regional** cooperation and **sustainable** linkages between regional ecosystems along smart specialisation priority areas can increase **competitiveness** and **resilience**.

Already existing models of cooperation:

Thematic Smart Specialisation Platforms: a joint EC's initiative.

Vanguard Initiative: a network of 30 EU regions.

Challenges ahead:

- **Integrate** other large European initiatives
- **Commercialise** and **scale-up** interregional innovation projects
- Build on **clusters**

Response:

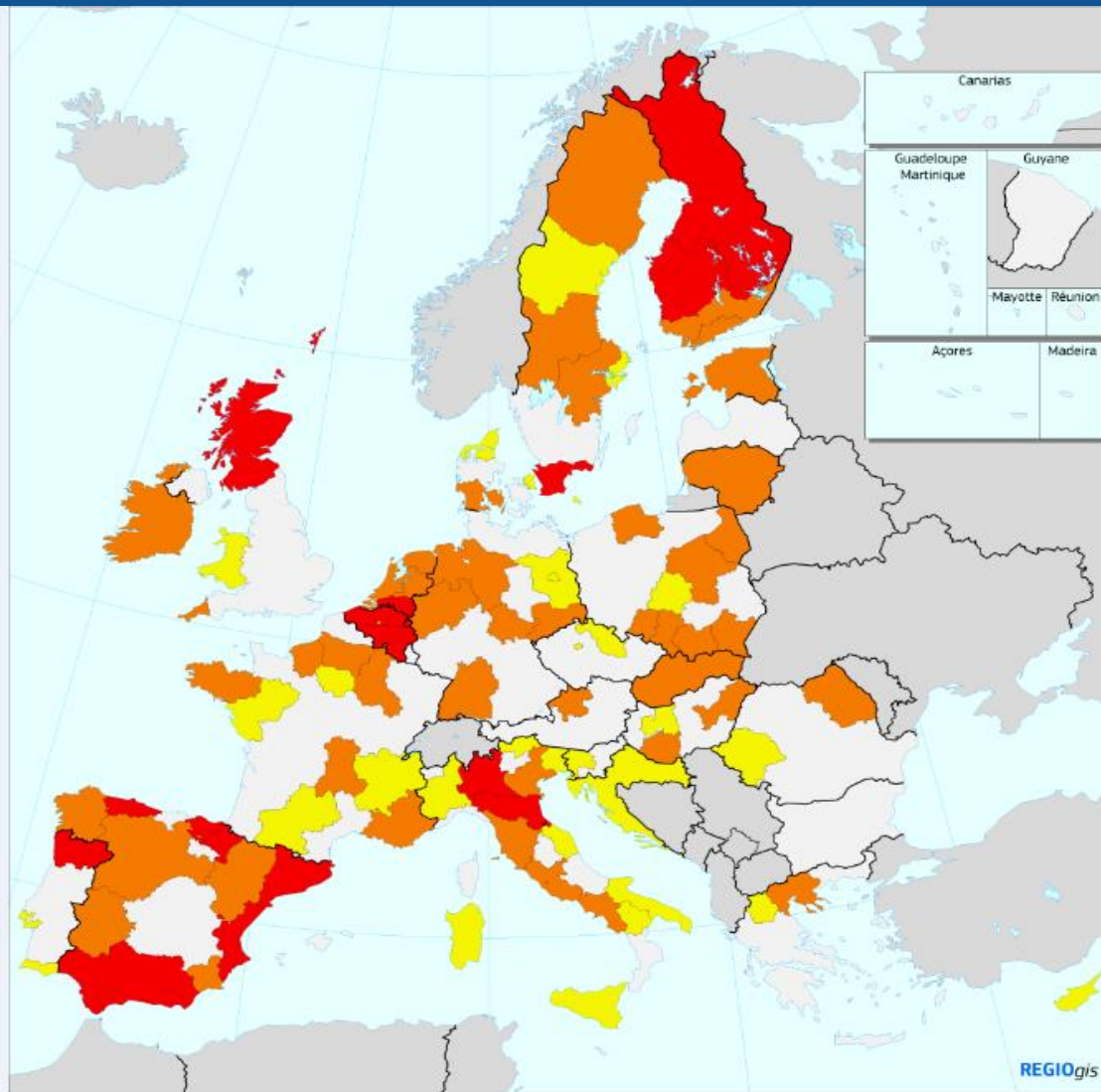
The Commission has launched a **PILOT ACTION**

- 5-10 partnerships supported by ERDF
- **test approaches** to commercialise and scale-up
- develop **bankable projects**
- attract **private investments**
- develop **new value chains**



Regional participation to already existing partnerships

under Thematic Smart
Specialisation Platforms



Thematic Smart Specialisation Platforms:
Which regions participate and in how many different partnerships?

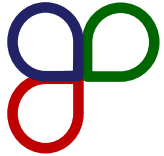
Number of participations



Source: JRC, DG REGIO

0 500 Km

© EuroGeographics Association for the administrative boundaries



Less-developed & Industrial transition regions

Less-developed regions

Current obstacles:

- R&I infrastructure fragmented, not sustainable
- lack of human capital and skills
- not connected to global value chains



RESPONSE

The Commission will support:

- a more **collaborative governance**
- **interregional partnerships**
- building **capacities**

Industrial transition regions

Current obstacles:

- lack of skills, high labour costs
- de-industrialisation
- difficulties in attracting investments
- weaker use of Horizon 2020, COSME, etc.
- less funding opportunities under cohesion policy



RESPONSE

The Commission has launched a **PILOT ACTION**

- **test regions**
- to work on **common RIS3** supported by the *European Observatory for Clusters and Industrial Change*



Synergies and complementarities

A **substantial number** of regional, national and European policy programmes and instruments exist. Necessity to improve synergies and complementarities.

Smart specialisation a good starting point!

Already
existing EU
actions

- **alignment of rules** for the combination of EU funds in a single project
- spend cohesion policy funds **outside programme areas**
- **Stairway to Excellence** and **Seal of Excellence**

New
Commission's
proposals

- **facilitate** the combined use of different EU funds
- address issues on **state aid rules**, **public procurement** and **interregional** cooperation
- **investment envoys**
- comprehensive **mapping** of support **actors** and R&I **facilities** across Europe
- **Omnibus Regulation**



Conclusions

Smart specialisation represents a new way of working together, which ensures stronger local and regional participation in decision-making, and whose potential can be scaled-up for the **benefit of the EU as a whole**.

This approach may be replicated and used in a broader context as a useful tool to **implement the future EU budget**.



Reflection Paper on the Future of EU Finances