



Smart Specialisation as linking element between Horizon 2020 and the reformed European Cohesion Policy 2014-2020

Sofia Conference, 28 September 2017

**Dr Stefan Weiers
Deputy Head of Unit
European Commission
DG Research and Innovation/Unit B5
Spreading excellence and widening participation**



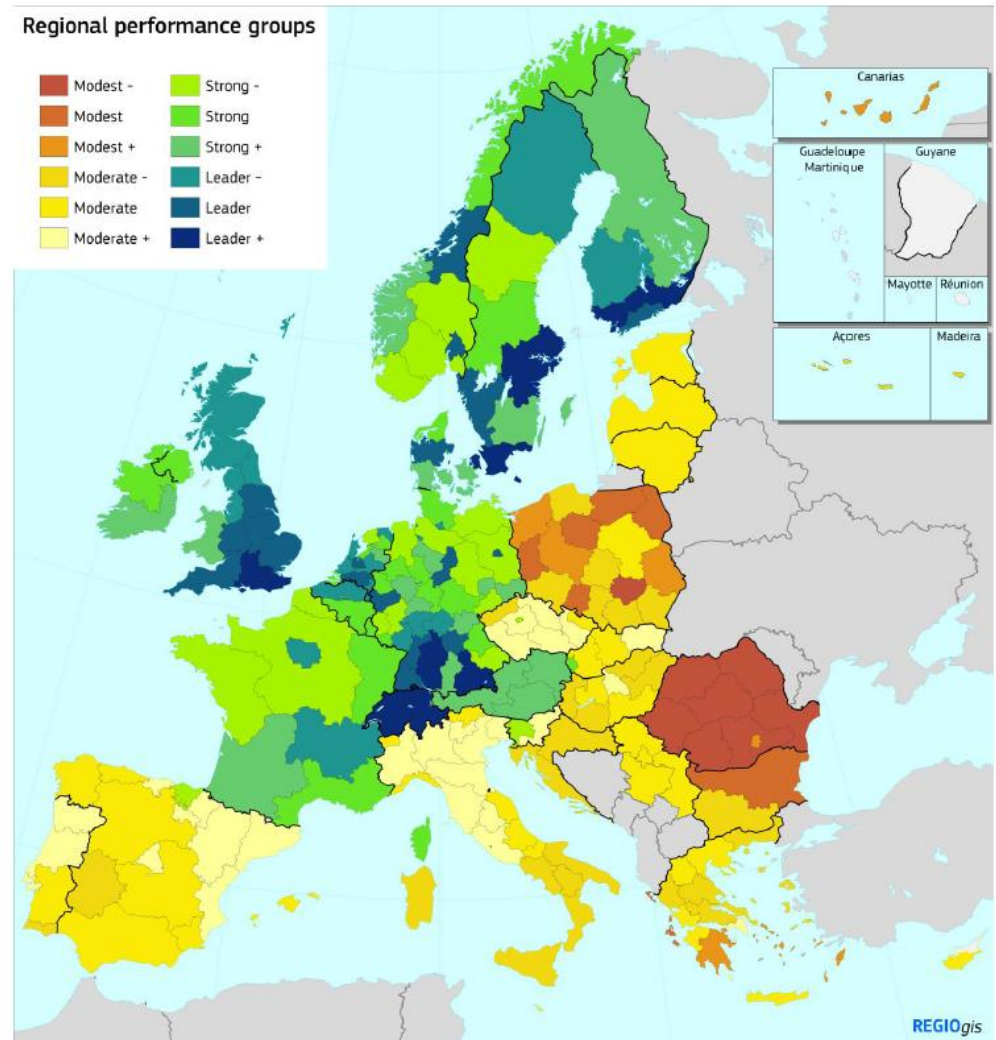
European
Commission

Closing the innovation Divide in Europe requires complementary and customized solutions

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

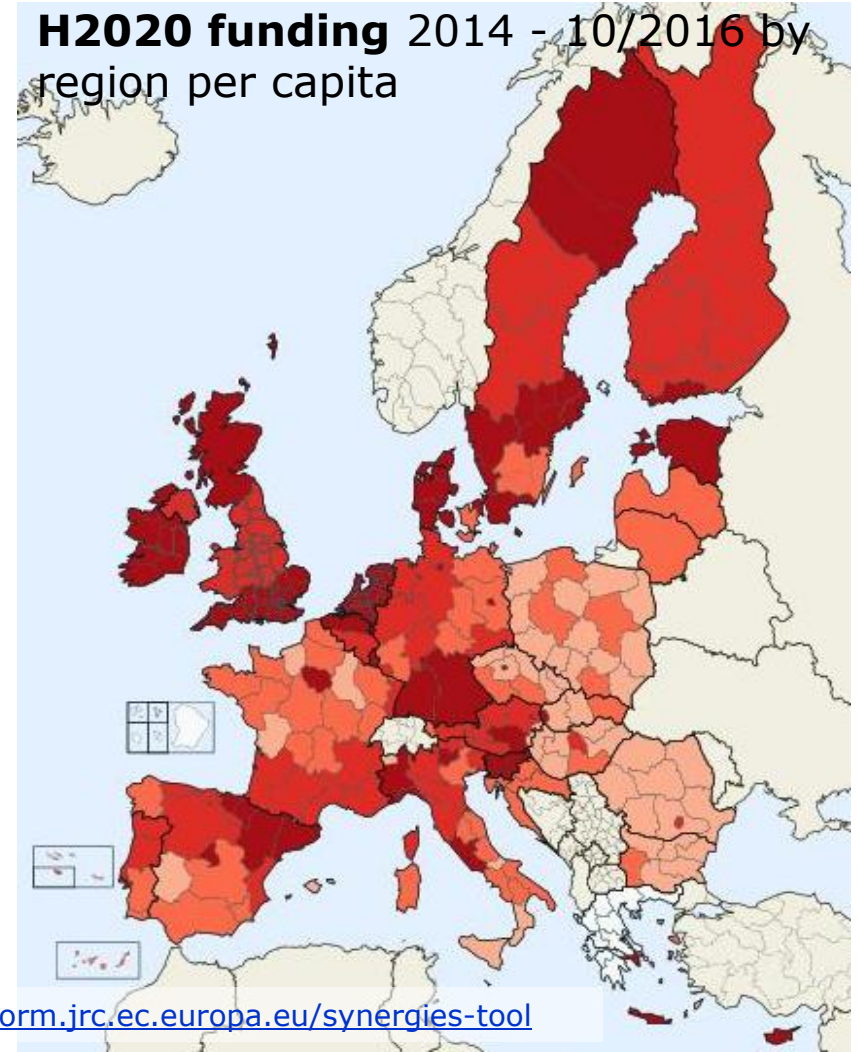
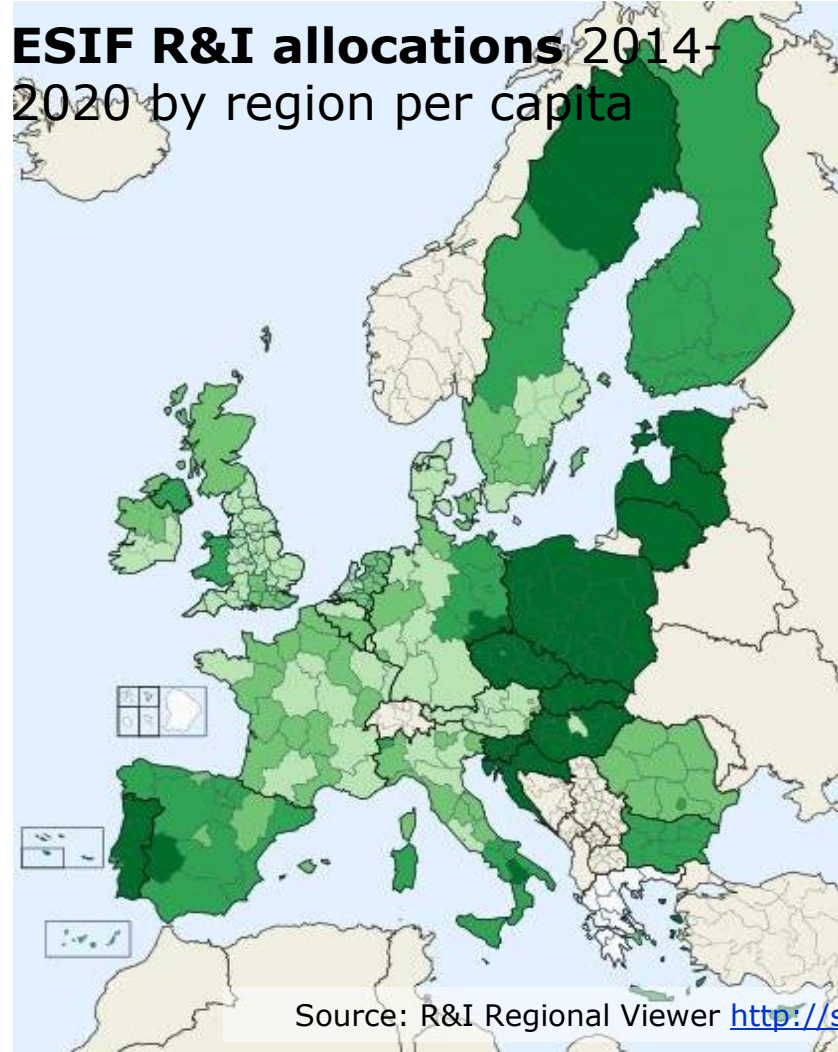
Source: Innovation Scoreboard 2017

Regional performance groups



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.

Distribution of funding between ESIF and Horizon 2020 -> Need for synergies and complementarities



Source: R&I Regional Viewer <http://s3platform.jrc.ec.europa.eu/synergies-tool>

HORIZON 2020

Three priorities

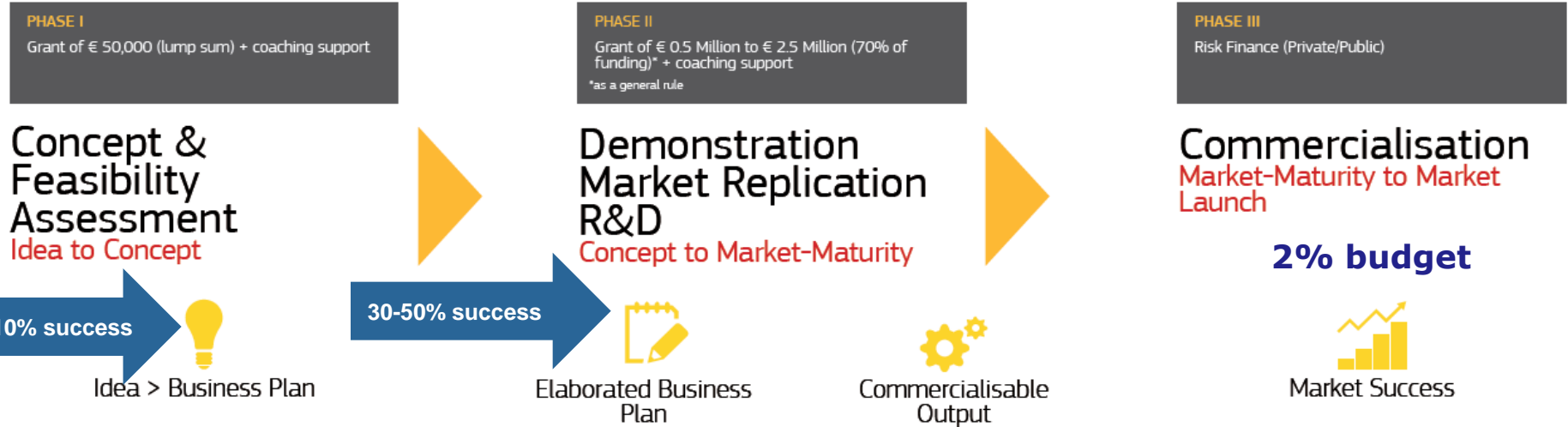


Funding for Industrial leadership (€ million)

<p><i>Leadership in enabling and industrial technologies (LEITs)</i> (ICT, nanotechnologies, materials, biotechnology, manufacturing, space)</p>	<p>13 035</p>
<p><i>Access to risk finance</i> Leveraging private finance and venture capital for research and innovation</p>	<p>2 842</p>
<p><i>Innovation in SMEs</i> Fostering all forms of innovation in all types of SMEs</p>	<p>589 + complemented by a minimum of 20% of the total budget for societal challenges + LEITs and 'Access to risk finance' with strong SME focus</p>

The SME Instrument

SEAMLESS BUSINESS INNOVATION SUPPORT FROM IDEA TO MARKET...



10% budget

...YOUR HIGHWAY TO DELIVER INNOVATION ON THE MARKET!

Apply at any time!

6 months

88% budget

12-24 months

ACTIVITIES SUPPORTED

PROOF OF CONCEPT

- ✓ Prove Technical and Commercial Viability
- ✓ Explore IP Regime
- ✓ Design Study
- ✓ Develop Pilot Application
- ✓ Risk Assessment

DEMONSTRATION OF COMMERCIAL POTENTIAL via

- ✓ Prototyping
- ✓ Testing
- ✓ Piloting
- ✓ Miniaturization
- ✓ Scaling-up
- ✓ Application Development

GO-TO-MARKET

- ✓ EU Quality Label (Promotion & Networking with Financiers/Clients)
- ✓ Investment Readiness Training
- ✓ SME window in the EU Financial Facilities (debt & equity backed by EIB/EIF)
- ✓ Link to Public Procurement Networks

Societal challenges

Climate change

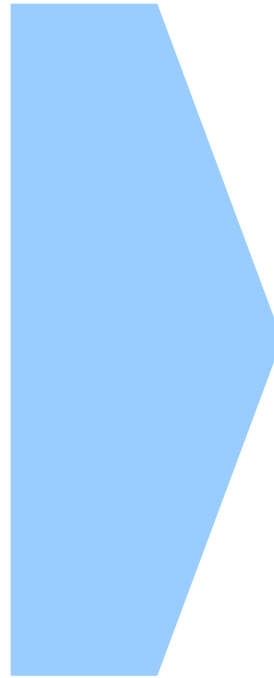
*Health and
ageing*

*Natural
resources*

*Energy
efficiency*

Clean transport

Land use



- Powerful drivers of change in economy and society
- Major global market opportunities
- Requiring EU-scale approaches
- From research to market

New needs → new ideas → new
markets

Funding for Societal challenges (€ million)



Health, demographic change and wellbeing	7 257
Food security, sustainable agriculture and forestry, marine and maritime and inland water research and the Bioeconomy	3 708
Secure, clean and efficient energy *	5 688
Smart, green and integrated transport	6 149
Climate action, environment, resource efficiency and raw materials	2 956
Inclusive, innovative and reflective societies	1 259
Secure societies	1 613
<i>Science with and for society</i>	<i>445</i>
<i>Spreading excellence and widening participation</i>	<i>816</i>

* Additional funding for nuclear safety and security from the Euratom Treaty activities (2014-2018)

Widening participation

- **Principle of excellence:** *continue to allocate funding on the basis of competitive calls, selecting only the best projects*
- **Clear division of labour** *between cohesion policy and Horizon 2020*
 - **Cohesion policy: support for regions in building up their research and innovation capacity**
 - **Horizon 2020: widen participation, better coordination between the two Union funding programmes, support policy learning reforms**
- **Accompanying measures in Horizon 2020** *to ensure that excellence prevails wherever it exists, including: Teaming, Twinning, ERA chairs, support for access to international networks, development of smart specialisation strategies*



Basics on EU Cohesion Policy

Why an EU Cohesion Policy?

	Top	Bottom	Ratio
GDP per person (% average EU-28)	Luxemburg 266%	Bulgaria 47%	5.7*
Employment rate (%, ages 20-64)	Sweden 79.8%	Greece 53.2%	1.5

Cohesion Policy aims to reduce disparities between EU regions in order to achieve balanced economic, social & territorial development.

* In the United States, the difference is only 2.5 and in Japan 2

Cohesion Policy delivers the Europe 2020 strategy

- Launched in March 2010: Follow-up to the Lisbon Agenda (2000 and 2005).
- A strategy from the European Commission 'for smart, sustainable and inclusive growth' over the next 10 years
- Smart agenda: innovation; education; digital society.
- Sustainability agenda: climate, energy, and mobility.
- Inclusive agenda: employment and skills; fighting poverty and social exclusion.



European
Commission

3 funds to invest in growth and jobs

COHESION POLICY FUNDING

DELIVERED
THROUGH
3 FUNDS



€ 351.8bn
COHESION POLICY
FUNDING

+

EXPECTED PUBLIC &
PRIVATE NATIONAL
CONTRIBUTIONS

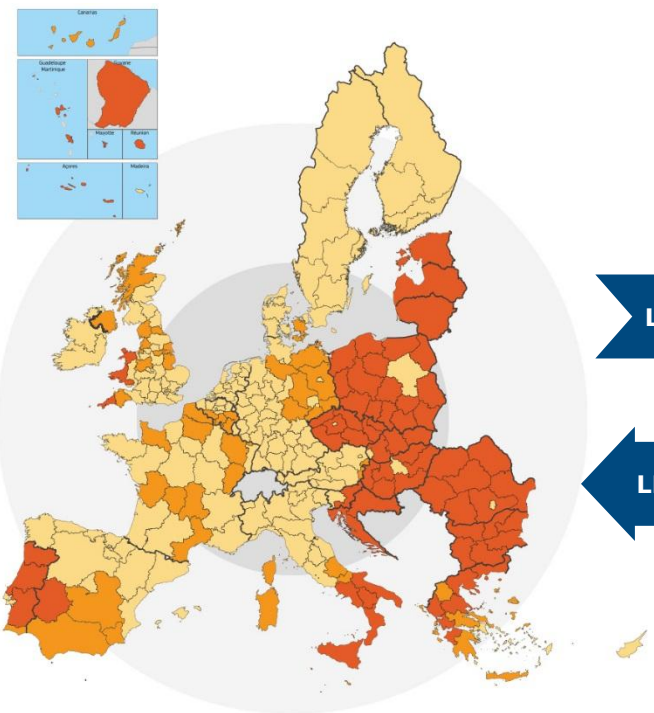
=

LIKELY IMPACT OF
COHESION POLICY
€ 500bn +



European Commission

Investing in all EU regions



LEVEL OF INVESTMENT

ADAPTED TO

LEVEL OF DEVELOPMENT

ALL EU REGIONS BENEFIT

€ 182 billion

for less developed regions
GDP < 75% of EU-27 average



€35bn for transition regions

GDP 75-90% of EU-27 average



€54bn for more developed regions

GDP > 90% of EU-27 average



The method: Programming, Partnership and Shared Management

**Common
Strategic
Framework**

**Partnership
Agreements**

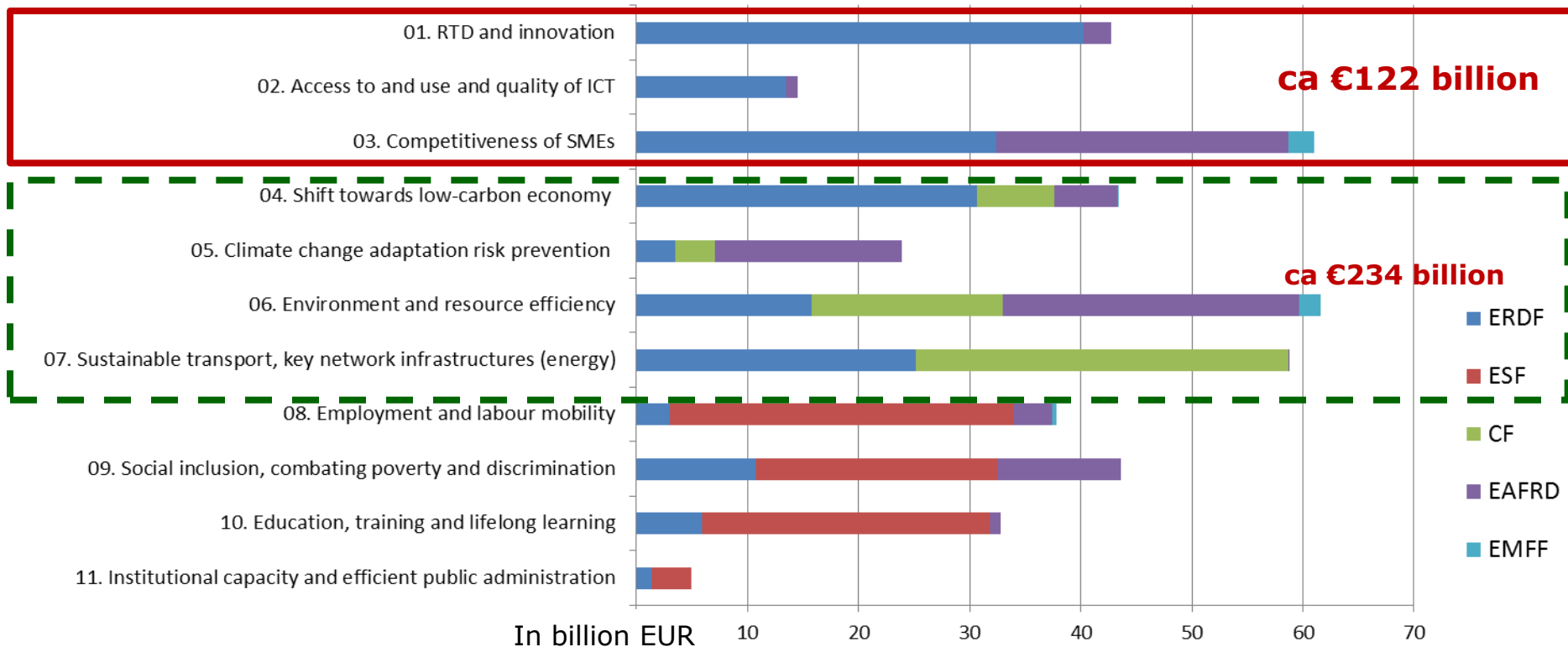
**Operational
Programmes**

**Management of
programmes/
Selection of
projects**

**Monitoring/
Annual
reporting**

ESIF programming 2014-20: State of Play

- **EUR 454 billion of ESIF + EUR 183 billion of national co-financing**
- **456 national and regional and 79 INTERREG cooperation programmes**
- **Concentration on 11 Thematic Objectives**



Source: Final ESIF partnership agreements as of December 2015

Soon all open data available at: <https://cohesiondata.ec.europa.eu/>



Key features of Smart Specialisation

Necessity of pre-conditions for an effective EU investment

Thematic *ex ante* conditionalities

- Linked to the **thematic objectives** and **investment priorities** of Cohesion Policy and applied in relation to investments in the **specific thematic area**: strategic, regulatory and institutional pre-conditions, administrative capacity.

General *ex ante* conditionalities

- Linked to horizontal aspects of **programme implementation** and apply **across all ESIF**: anti-discrimination policy, gender equality policy.

Key points on Smart Specialisation:

- Stimulate innovation through **entrepreneurship, modernisation, adaptation**
- **Dare to introduce innovative governance solutions**
- **Think about strategic technological diversification** on areas of relative strength and potential
- **Increase diversification – promote new linkages, synergies and spill-overs**

Adapted from Philip McCann (2012)

Steps to RIS3

Step 1: Analysis of regional potential for innovation-driven differentiation

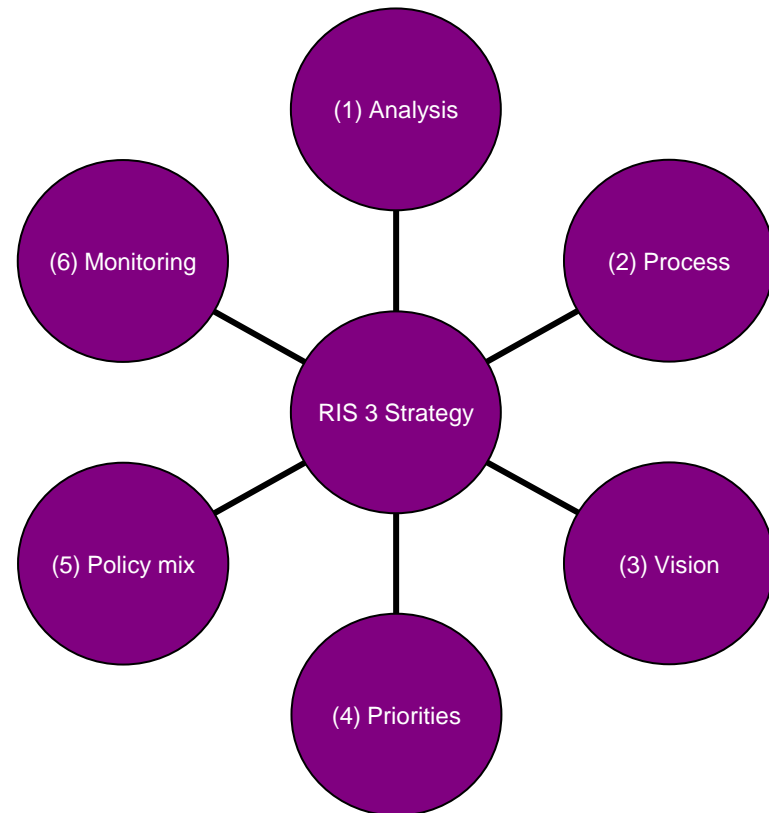
Step 2: RIS 3 design and governance – ensuring participation & ownership

Step 3: Elaboration of an overall vision for the future of the region

Step 4: Selection of priorities for RIS3 + definition of objectives

Step 5: Definition of coherent policy mix, roadmaps and action plan

Step 6: Integration of monitoring and evaluation mechanisms





Thematic Smart Specialisation Platforms (TSSP):

- **Lead-regions** identify a thematic area in the broader domain of their RIS3 priority for setting-up cooperation together with participating regions on common topics, building European value chains based on complementarities and on investing in demonstrators and pilots

Examples:

- **TSSP ENERGY:** Marine Renewable Energy; Sustainable construction; Bioenergy; Smart Grids
- **TSSP AGRI-FOOD:** High Technology Farming, Traceability and Big Data, Bio-Economy Pilot, Agri-food
- **TSSP INDUSTRIAL MODERNISATION:** Advanced Manufacturing for Energy Applications, Innovative use of non-food biomass, efficient and sustainable manufacturing, high performance production through 3D-Printing, new Nano-enabled products, innovative textiles for creative industries, Industry 4.0 for SMEs / Production performance monitoring system

RIS3: First Achievements of 121 Smart Specialisation Strategies

- **Better coordination and strengthened governance:** In majority of regions RIS3 has had a positive impact on their innovation policy governance, with better planning and more inter-departmental cooperation.
- **Better preparation and priority setting:** Ex-ante conditionality has encouraged Member States and encouraged many to strengthen the governance of R&I systems and better target public resources
- **Strengthened transformation dimension:** RIS3 helped regions and Member States to create their own visions for the transformation of their innovation systems.
- **Reinforced networks:** Regional innovation actors have become better connected by involving businesses, researchers and civil society in the entrepreneurial discovery process
- **Better monitoring and evaluation:** Substantial efforts made to put in place systems to continuously monitor implementation and to capture the results and impacts of innovation-led development through RIS3.



European
Commission

How to achieve synergies ?



European Commission

Combining Horizon 2020 & ESIF through funding of successive – parallel – simultaneous/cumulative – alternative projects

Capacity Building
National/Regional R&I
systems

Research & Development

Innovation

Market

Horizon 2020

ESI Funds

R&I Infrastructures and
Equipment

ESFRI

Skills

Business Advisory
services

Excellent R&I

Demonstration
Pilots

SME instrument

Marie Skłodowska-Curie KICs

KETs

Business Innovation

Procurement

PPPs

prizes

procurement

SME

Pilot lines

Financial
instruments

Grant
agreements

Research and
Innovation

Source: Guide on Synergies

Synergy actions driven by ESIF Operational Programmes (examples)

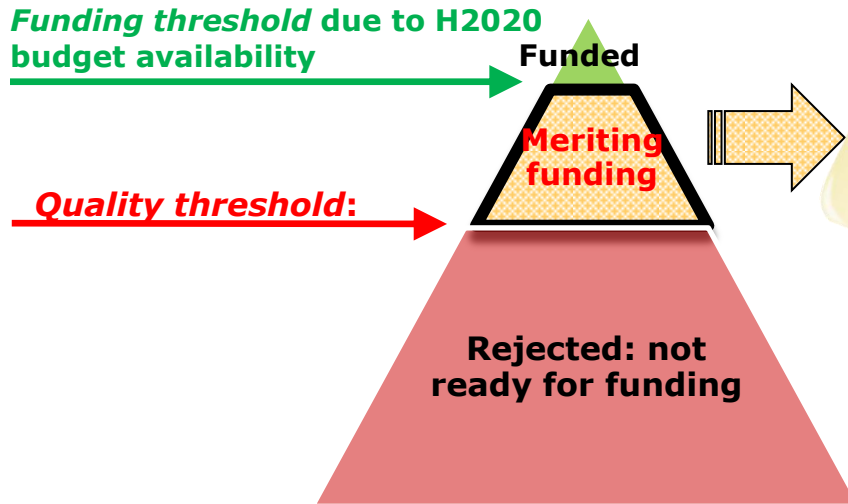
- Support for investment of research infrastructure and equipment including competence centres
- Preparation of research and innovation stakeholders towards a better participation in the Horizon 2020 Calls - support via training, raising awareness, networking and partner identification
- Support to the whole innovation cycle through improving the framework conditions for businesses (but also support for measures towards social innovation)
- Support to research actions and infrastructure investments in the area of Key Enabling Technologies
- Support to measures towards exploitation and commercialisation of finished or about to finish research projects
- Reinforcement of the local impact (including additional work packages) of funded Horizon 2020 projects (that are by definition transnational)
- *Specific schemes in support of Horizon 2020 instruments, like WIDESREAD actions, SME Instrument*

THE SEAL OF EXCELLENCE

Key Features



Horizon 2020 evaluation:



Excellent proposals receive the **SEAL OF EXCELLENCE** certificate



Pilot using the SME Instrument

- ✓ Close to intervention logic of ESIF authorities:
- ✓ Single company
- ✓ Small scale R&I actions
- ✓ Close to market

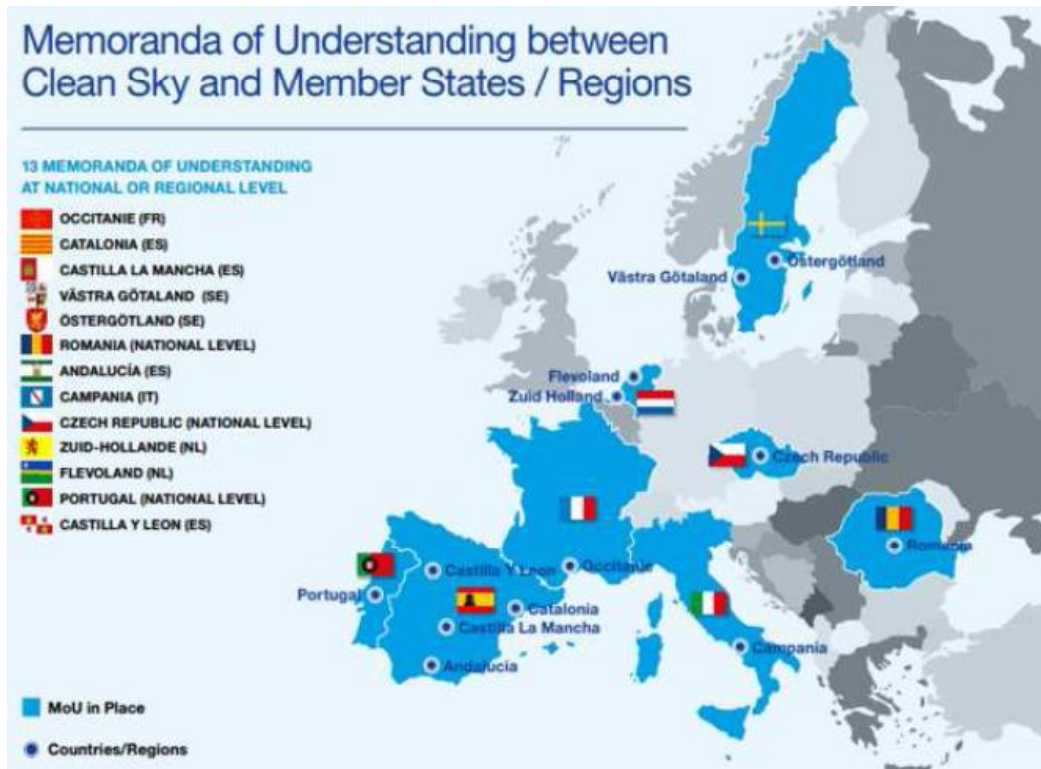
Regions/MS taking-up 'seal of excellence' proposals:

- ✓ Benefit from pre-screening by H2020
- ✓ Make the most of a unique, high quality evaluation process
- ✓ Better use the resources
- ✓ Invest on high local impact proposals



Public-Private Partnerships – JU/JTI (Art. 187 TFEU)

CleanSky2 Joint Undertaking is concluding MoUs with MS and regions that have a strong aerospace orientation in their RIS3. So far, 13 MoUs (Occitanie (FR), Andalusia, Catalonia, Castilla La Mancha, Castilla Y Leon (ES), Campania (IT), Romania (state level), Czech Republic (state level), Flevoland and South Holland (NL), Ostergötland , Vastra Götaland (SE) and Portugal (state level)



The MoU aim to promote synergy between Horizon2020-financed research and innovation projects and the MS's / regions' ERDF and own R&I investments. They include:

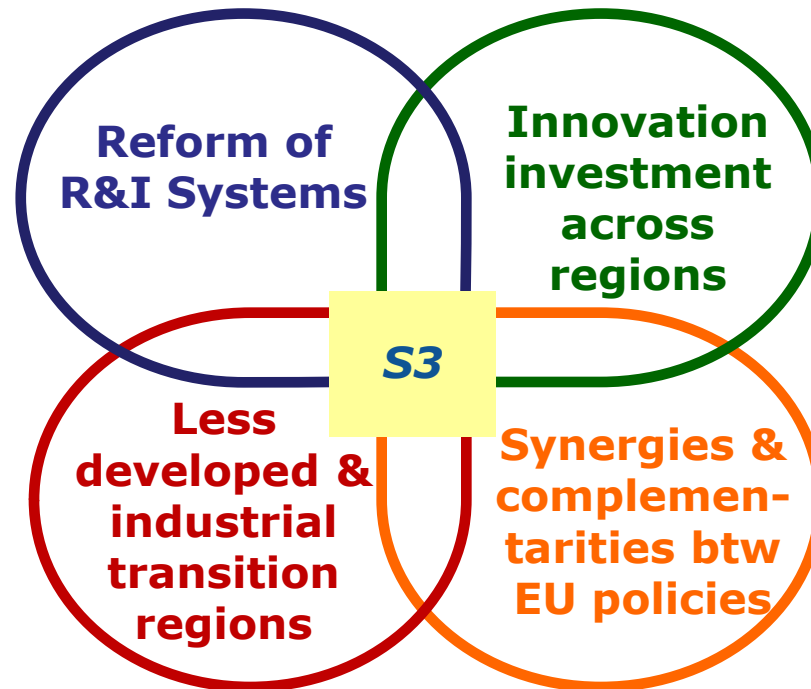
- The appointment of a liaison committee, made up of two members each from CleanSky and Region
- promotion and management of collaborative activities
- define the implementation protocols.

Conclusions of the Smart Specialisation Communication

► Step up available policy support:

- Smart Specialisation Platform
- H2020 Policy Support Facility
- SRSS
- European Semester: Dialogue with regions and local authorities.

- **Pilot actions** for accelerating innovation uptake, removing investment barriers:
- Lagging regions
 - Regions in industrial transition



► Pilot actions:

- Thematic partnerships to commercialise & scale-up inter-regional projects in value chains; developing bankable projects

► Maximise the impact of different EU funds:

- Facilitate combination of funding instruments, harmonise rules, inter-regional investments
- Mapping of R&I facilities
- Investment envoys

See: [COM\(2017\)376](#) and [SWD\(2017\)264](#)

Concluding remarks

- **Different starting points:** excellence vs. cohesion and centralised vs. shared management
- **Smart Specialisation:** act local & think European (global)
- **new way of working together**, which ensures stronger local and regional participation in decision-making, can be **scaled-up** for the benefit of the EU as a whole
- **Synergies** across programmes will gain importance in post 2020 programming period
- Plenty of **opportunities** for business and academia

Thank you for your attention!

Learn more:



Research & Innovation – Synergies with the Structural Funds
<https://ec.europa.eu/research/regions/index.cfm?pg=synergies>

Seal of Excellence initiative
<https://ec.europa.eu/research/regions/index.cfm?pg=soe>

Community of Practice for Seal of Excellence:
Send Expression of Interest to: RTD-SEAL-OF-EXCELLENCE@ec.europa.eu

Horizon 2020 Participant Portal
<http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/index.html>

Guide on Synergies
http://ec.europa.eu/regional_policy/sources/docgener/guides/synergy/synergies_en.pdf

Research & Innovation in Cohesion policy (2014-20)
http://ec.europa.eu/regional_policy/en/policy/themes/research-innovation/

Smart Specialisation Strategies
<http://s3platform.jrc.ec.europa.eu>