

## OUTCOMES OF THE WEEK OF INNOVATIVE REGIONS IN EUROPE

### WIRE2010

15<sup>th</sup> – 17 March, 2010 – Granada, Spain

## LOOKING FOR SYNERGIES IN RTDI FUNDING

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### AT A GLANCE: SIX POINTS FOR SYNERGIES' SEARCHING

1. **FP-CIP-SF coordination** should be improved, by the analysis of possibilities of a clear trajectory over the different funds. In this context, the improvement of the “Practical Guide on EU funding opportunities for research and innovation” is a task to be undertaken.
2. **Regions:** Regions should develop integrated and tailor-made strategies pursuing “smart specialisation” by defining a few research and innovation priorities based on the European objectives and on their needs and potentials, identified in partnership with stakeholders, and concentrate earmarked EU resources on these identified priorities.

It is also necessary the **active engagement of regional policy-makers and stakeholders** in the Europe 2020 Strategy, within an overall coordinated European approach.

3. **Research-driven clusters:** Development of research-driven clusters has been identified as a tool for efficient interaction of funding and further analysis of potentialities should be fostered.
4. **Simplification:** Clearer structures and substantial simplification of participation rules for all research and innovation funding, regardless of its origin, with the clear objective to strengthen therefore the overall research and innovation system, enable a more efficient use of funds and instruments, and ensure better participation by SMEs. While respecting specificities of each policy, design of harmonised rules governing the different instruments in order to ensure easier synergies and complementarities. Shared terminology among all EU innovation and business related instruments will help to avoid confusion among applicants.
5. **Evaluation:** Definition of objectives and indicators compatible with the Europe 2020 Strategy and the ERA, and further evaluation of progress. Development of common projects of assessment of results of the several community instruments and their impact in the attainment of results by regions at the light of the EU2020 priorities.

Development of common projects of assessment of results of the several community instruments and their impact in the attainment of results by regions at the light of the EU2020 priorities.

6. **Future:** The debate on the **next financial perspectives (beyond 2014)** must be based on an analysis of good practice in the use of funds and the desired achievement of synergy between community, national, and regional instruments.

## EXTENDED PROPOSAL: OUTCOMES OF WIRE2010

### OVERALL CONTEXT

- The EU 2020 Strategy ambitions a smarter, more sustainable and inclusive growth. RTD and Innovation are key in attaining these objectives, since it is vital for more productivity and competitiveness and for a better quality of life.
- This requires the optimal coordination and synchronisation of a range of policies and intervention tools based on good existing practice and new thinking
- Most of the competences and budgets for attaining them are with the Member States and their regions and local authorities.
- In times of public budget restrictions, the imperative of effectiveness requires thus to strive for optimal cooperation among the Member States and their regions and with the EU level policies
- This requires a smart and transparent multi-level governance<sup>1</sup> approach providing an efficient framework for an optimal coordination
- In this context, it is being recognised that the new 2020 strategy must place efficiency and coordination of interventions at its very core.

### ISSUES

- Although at the EU level first steps have been taken to achieve more and better synergies of policies" between Framework Programme 7 (FP7), the Competitiveness and Innovation Framework Programme (CIP) and the Structural Funds (SF), there is still a need to foster this cooperation and further translate these into increased "synergies in practice".
- There is a problem of governance and connectivity between the different levels where actions should be taken in order to raise the efficiency and effectiveness in the use of the different instruments, and the coherence between the regional, national and European policy toward innovation, business support and use of the RTD capacity.
- There is an open debate on how the autonomy of regional authorities can be coupled with a certain level of centralized decision on common issues.
- Regions must (learn to) take advantage of the cases of excellent global research and competitive businesses for regional development. In addition, we must know how to take advantage of and exploit regional excellence on a global level.

<sup>1</sup> By multi-level governance we refer to the interaction among the three main authority structures for policy intervention (European, national and regional/local), which interact in a complex context and are not hierarchically dependent one from each other.

- Platforms for developing these learning processes among regions have been developed but to be efficient and reach a critical mass they need to be more systematic and gather several Directorate-General.
- Funds driven by cohesion and a place-based-perspective must be complementary with those driven by scientific and technological excellence and/or trans-European cooperation and international opening.

*Barriers identified: Difficulties of Multidimensional Coordination*

- **Different objectives for the instruments.** An apparent contradiction stands out between the cohesion and economic development goals of the SF and the FP's search for excellence. However, both objectives are compatible. However, **R&D excellence and Regional innovation are two complementary policies with a common objective:** maximise knowledge-based economic potential throughout the Union. The regional innovation is crucial for demand-led innovation based on the development of **innovation friendly business environments**.
- **Differences in procedures** which do not respond to functional differences between instruments and lack of interaction between governance structures (in particular committees). Nevertheless this might largely be improved through better cooperation / coordination between SF and FP's stakeholders, at regional, national and European levels.
- **Intended impact does not always match actual result.** SFs optimal use should avoid the fragmentation of the Union's joint research capacity by investing in the context of a European added-value strategy, trans-national cooperation perspective and synergies with well-functioning trans-national platforms such as the Enterprise Europe Network.
- **Lack of a comprehensive multi-level governance strategy.** Europe 2020 Strategy and the EU "Research and Innovation Plan" should provide this new strategic framework without duplication of efforts.

## PROPOSALS

In general, it is important to stress that in every future initiative it is of paramount importance to strive for establishing an enhanced set of coherent rules, which, whenever possible, should be the same when referring to similar aspects of the project financial and technical evaluation, IPR, management and audit, even across different instruments.

### 1. Short-medium term actions and recommendations (until 2013)

#### 1.1. Policy / Governance

- 1.1.1. Active engagement of regional policy-makers and stakeholders in the Europe 2020 Strategy, within an overall coordinated European approach.

### 1.1.2. Stock-taking of regional innovation and business support strategies and policy development actions in the "Regional Innovation Monitor"

#### Relevant forthcoming plans of the Commission

The Commission will produce in the second part of 2010 a Communication ***'Reinforcing the contribution of Cohesion Policy to regional economies based on knowledge and innovation in line with EU 2020 objectives'*** to reinforce combined efforts and exploit synergies with related community R&D and Innovation policies to deliver increased support to the strategic content of the Operational Programmes of Cohesion Policy.

The Commission will develop platforms organised by several Commission Directorates in partnership to speed up and follow the processes of learning and exchange among regions and to increase the strategic orientations for the Operational Programmes of Cohesion Policy.

The Commission will set up in the very next weeks an Expert Group on synergies between FP7, the CIP and the Cohesion policy funds.

- The expert group will have two main tasks, as follows:
- For the current programming period, it will examine the state of the art of "synergies in practice" and make recommendations for their future development.

For the next programming period, it will make recommendations concerning enhanced "synergies of policies" (such as the design and implementation of R&D, innovation and cohesion policies, the funding instruments that support them and the interface with their related policy support structures). It will also make specific recommendations concerning the future of the Regions of Knowledge & Research Potential actions under FP7, taking stock of the WIRE conference conclusions.

The work of the expert group will be completed within one year, in time for its preliminary conclusions to be considered at a possible WIRE II conference to be held under the Hungarian Presidency.

## 1.2. Instruments

### 1.2.1. *Programme implementation level: Looking for synergies between EU funding: FP-CIP-SF*

#### 1.2.1.1. Proposals to be explored in relation with the FP7 Cooperation programme and CIP, and possibly the research infrastructure part under the programme Capacities (EU push).

- Models for the complementary use of EU funding (FP-Cooperation, CIP and SF) based on a step-by-step rationale, following the concept of the science-market life-cycle:
  - Research & technological development,

- Testing of market (including research service market) and demand potential & prototyping,
  - Business support, IPR advice and risk funding (in particular to top-level research infrastructures, regional partner facilities, start-ups),
  - Spreading economic and social growth by building capacities at regions.
- SF can play a large role in the capacity building (pilot plants, industrial prototypes, large scale ICT e-solutions, business support and partner search, risk capital funding, research infrastructures, etc.).
  - This model may also work in the reverse direction: SF funded research could serve as preparation of the research organisations / enterprises to participate in trans-national FP7 consortia, to benefit from CIP financial instruments or eco-innovation market replication projects to tap on the potential of the Internal Market (and possibly opportunities offered by third country).
  - Mid-term (after 2013): Appropriate changes could be introduced in order to ensure that future instruments implementing EU research, innovation and regional policies should be in a position to give a seamless support throughout the RTD and Innovation life-cycle.
  - There is evidence that business services co-financed by the European Regional Development Fund (ERDF) include actions to facilitate the access of SMEs to the 7FP and to CIP. These practices should be analysed, shared and implemented at larger scale in European regions
- Models for the complementary use of EU funding (FP-Cooperation, CIP and SF) based on a **demand-pull, user-centred or systemic innovation** concept:
    - European actions in support of innovation and business support could have a stronger impact if they complement national and regional efforts by adding a European dimension into existing national and regional programmes. Where regional or national programme provide incentives for research and innovation, one could provide additional EU top-up funding in case there is a European added-value. Special attention should be paid at not adding an extra layer of complexity and bureaucracy. For example, the same result will be achieved if a certain flexibility is allowed between different SF lines (spending restricted to the region only; inter-regional lines).
    - Giving European Technology Platforms and Lead Market Initiative public procurement networks a stronger say in the design of FP7 calls in order to better match their research needs to tap on innovation market potentials.

- Strengthen up-front the involvement of designers in the development of concepts for the dissemination of FP7 research results to become better in user-centred innovation.
- Rolling out the European Cluster Excellence Initiative's training programme on cluster management and the IMP3rove innovation management course (CIP) to regional stakeholders (SF)

1.2.1.2. Proposal for monocontractors' programmes like Ideas, People and Research Potential (Capacities). FP quality stamp (Regions pull).

- Regions can use Structural Funds in the financing of these groups that have passed the thresholds in FP competitive calls but have not reached the shortlists for lack of funding, provided the project has regional impact.
- The main goal of Structural Funds is complementary with objectives of FP7 Ideas, People and Research Potential Programmes that clearly take root geographically.
- The ERDF can be used as a stable source of financing via grants or financial engineering schemes to bring new products or technologies into the market

1.2.1.3. Proposal for SMEs (Capacities)

- There is a gap between research results and commercialisation opportunities. Recent impact assessments on the European research support schemes for SMEs have shown that although the projects were successful for the research entities involved the SMEs were unsatisfied as they could not exploit the results, an additional "innovation" step is necessary. In order to remedy this situation a demonstration pilot action under the "Research for SMEs" scheme will be launched in 2010, and additional work on synergies with CIP and the structural funds will be ensured (mutual information, common workshops).
- Support to SMEs from FP7 ends when at the research stage is over. There is no way of ensuring that cooperation initiated in international consortia continues. This can then be complemented by ERDF funding to the commercialisation phase of products or technologies. These complementarities should be further exploited.

1.2.1.4. Proposals for Research Infrastructures multi-contractor projects (Capacities). EC push-Regions pull.

- Top down Actions proposed for future ESFRI projects and projects already in the construction/implementation phase:

For ESFRI projects having their construction/implementation between now and 2012, applicability of possible funding for the period 2007-2013 needs to be checked with DG REGIO in the frame of SF:

- verification of the content of the respective National or Regional Sectoral Operational Programs, which may require modifications,
  - explore interest of Managing Authorities to use such Funds for these projects or sub-projects;
  - For those projects for which the implementation phase is planned after 2013, it may be useful to stimulate the Managing Authorities to explore the possibility to include them in the future National or Regional Sectoral Operational Programs
- *Bottom up Actions proposed for future ESFRI projects and projects already in the construction/implementation phase:*

All relevant data needed for the use of SFs for the development of research infrastructures or their regional partner facilities should be communicated to all possible stakeholders (Research Infrastructures Project participants; ESFRI representatives; Programme Committee members; NCPs; Committee of Regions; European Parliament).

### ***1.2.2. Clusters as a tool for efficient interaction of funding.***

- Cluster initiatives – territorially connected partnerships of groups of firms, business and innovation support services, administrations, research and education institutions – represent a catalyser and a privileged vehicle to implement innovation actions and business support in territories. Cluster initiatives may help to align regional and local priorities and instruments, as well as adding value to local investments, when developing regional policies within the framework of European strategies and initiatives.

In this context several actions should be explored:

- Strengthening of synergies between EU instruments and initiatives supporting clusters policy, and in particular FP7 Research Infrastructures actions, Regions of Knowledge, CIP European Cluster Alliance, Europe INNOVA and SF Regions for Economic Change and the Enterprise Europe Network, through complementary tools and actions or joint initiatives as part of a new strategic approach.
- Strong cooperation among research, innovation and education is crucial. The European Institute of Innovation and Technology (EIT) has been created to stimulate and deliver world-leading innovation by bringing together higher education, research and business around a common goal. Therefore better synergies should be achieved between FP7, CIP and EIT, in particular through programmes and initiatives like Research Infrastructures, Regions of Knowledge, Europe INNOVA and

PRO INNO Europe (EIT KICs representing a source of valuable experiences for new clusters).

- Research and innovation support programmes could make better use of excellent clusters, who offer a scope for better diffusion and valorisation of research results.
- New cluster policy instruments in Europe need to be explored in order to better facilitate the development of new, emerging industries, for example through supporting the complementarity of clusters, whereby different sectors, even from different regions, provide each other with competitive added value, as it is increasingly the case within the Enterprise Europe Network.
- The rapidly increasing global competition requires larger critical mass, new cross sectoral combinations of knowledge and resources of a size that regions might have difficulties to provide alone. This calls for international vision, cluster cooperation and new cluster concepts (for example based on macro regions or cooperation between territories) which give the potential for more world-class clusters to emerge and can ensure that Clusters, whereby different sectors, even from different regions, can provide each other with competitive added value, or contribute to common technological objectives.
- Incentive measures are needed for trans-national opening up of region's innovation systems and linking up of cluster initiatives across countries.
- Last but not least, the ERDF should continue supporting the establishment/development of a large majority of the clusters in European regions. These clusters are essential for regional growth and, if well managed and in the right market conditions, can develop to global dimension clusters.

### ***1.2.3. Efficient dissemination /better access to valuable information***

- Information is a precondition for the maximisation by beneficiaries of their research & innovation capacity. Increased coordination between information centres funded by FP7, SF and CIP (in particular the Enterprise Europe Network through its more than 600 information partners that are present in almost all EU regions), could benefit stakeholders and facilitate synergies.
- In addition to it, the Practical Guide on EU funding opportunities for research and innovation aims at facilitating the identification by the beneficiary of the most suitable funding opportunity for its research or innovation project and it explains the mechanisms for the complementary use of funds. This document must be complemented with improved information from and to the regions on the existing funding allocated to beneficiaries in their territories.

- Enlargement of the scope of this Practical Guide to:
  - any other existing EU and intergovernmental instruments related to research and innovation, including in particular IPA funds, DCI, ENPI, EIB/EIF instruments, EUREKA, COST, Life-long Learning Programme, ISA, Marco Polo, EIT, ...;
  - education and employment policies instruments, including Lifelong Learning and European Social Fund;
- Making the Practical Guide web-site a single entry point for any instruments supporting research and innovation and link it up to the Participant Portal.
- Member States and Regions – as well as any interested Associated and Third Countries – to contribute to the efficiency and completeness of this tool by making available and sharing information on their instruments supporting research, innovation and business.
- Continuation and strengthening of the Regions for Economic Change initiative and the RegioStars Awards, as useful tools to promote dissemination of effective synergies in practice.
- Ensuring improved synergies of action, avoidance of duplications and lack of support in some areas of the research-innovation value chain between the different networks/actors ensuring dissemination of information on EU instruments supporting research and innovation (CIP Enterprise Europe Network, FP7 NCP, SF Managing Authorities)

#### ***1.2.4. Comprehensive research and innovation system training***

- It is proposed to define a career for RTDI funding managers that includes European training. Some actions in this line may be the following:
  - Selection of good practices for the enhancement of positive behaviours and actions in R&D, business and innovation support at regional level → Practical guide and other tools (e.g. Research Infrastructures Support Measures, RegioStars awards, platforms for innovation support providers and innovation policy-designers like under Europe INNOVA, INTERREG IVC etc.).
  - Proposal for an Observatory of European funding, identifying cases of good practice.
  - Proposal of a Summer School for managers of regional strategies.

### **1.3. Evaluation / indicators**

- 1.3.1.** Study on how research and innovation policies, but also education and employments policies, can actively contribute to the Lisbon Treaty objective of territorial cohesion, as well as to the achievement of the Europe 2020 Strategy.
- 1.3.2.** Definition of a limited set of key indicators to monitor progress towards this achievement

## **2. Long term recommendations (next programming period)**

### **2.1. Policy**

#### ***2.1.1. Closer connection with EU 2020 strategy and ERA objectives***

- EU and Members States must focus their actions in the coming decade around the priorities of EU 2020 Strategy (smart, sustainable and inclusive growth), an in particular on grand challenges.
- EU Research and Innovation Plan should guide the implementation of the smart growth priority.
- Regional Strategy needs to be framed within and connected with the Strategy for the Europe 2020 and the European Research Area.
- Regions should develop integrated and tailor-made strategies pursuing “smart specialisation” by defining a few research and innovation priorities based on the European objectives and on their needs and potentials, identified in partnership with stakeholders, and concentrate earmarked EU resources on these identified priorities..

#### ***2.1.2. New Financial Perspectives: time for debate on adapted funds***

- The debate on the next financial perspectives (beyond 2014) must be based on an analysis of good practice in the use of funds and the desired achievement of synergy between community, national, and regional instruments.
- Debate on the feasibility and/or pertinence to tie distribution of Funds to (measurable) objectives of the Europe 2020 strategy and ERA objectives. New models should foster the search of synergies

- 2.1.3.** Review of the EU financing framework with a view to achieving a risk tolerant and trust-based approach for the management of research, innovation and cohesion funding supporting the EU's policy objectives, in agreement with the European Parliament and the Member States.

- 2.1.4.** A more integrated approach of EU research, innovation, business support and education policies and their instruments, to ensure implementation of actions taking into account the complete value chain from the creation of knowledge until the commercialisation of products.
- 2.1.5.** Strengthening of cooperation between the EC and the EIB Group to ensure a better access to finance for enterprises, notably SMEs, and any other relevant stakeholders.

## **2.2. Instruments**

- 2.2.1.** Need to frame the design and implementation of the different programmes within the overall EU 2020 Strategy and, most particularly, with the European Research and Innovation Plan.
- 2.2.2.** Clearer structures and substantial simplification of participation rules for all research and innovation funding, regardless of its origin, with the clear objective to strengthen therefore the overall research and innovation system, enable a more efficient use of funds and instruments, and ensure better participation by SMEs.
- 2.2.3.** While respecting specificities of each policy, design of harmonised rules governing the different instruments in order to ensure easier synergies and complementarities. Shared terminology among all EU innovation and business related instruments will help to avoid confusion among applicants.
- 2.2.4.** Consideration of evaluation criteria across instruments and levels
- *Definition of common principles for funding evaluation: Is there any possibility of using similar indicators in the evaluation process? Can the results of different evaluation processes be used in another one? Are there mutual learning objectives in the interactions between different actors?*
  - *"Innovative Regions" transparency seal. European quality seal for the regions that voluntarily decide to submit to an assessment audit.*

## **2.3. Evaluation**

- 2.3.1.** Definition of objectives and indicators compatible with the Europe 2020 Strategy and the ERA
- 2.3.2.** Evaluation of progress in terms of the overall objectives of the Europe 2020 strategy
- 2.3.3.** Develop common projects of assessment of results of the several community instruments and their impact in the attainment of results by regions at the light of the EU2020 priorities
- 2.3.4.** Shared approach as to the impact measurement for enterprises of different instruments will be foreseen.