

WEEK OF INNOVATIVE REGIONS IN EUROPE
15-17/03/2010
More information : <http://www.micinn.es/wire2010>

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1. Research and Innovation in the light of the cohesion policy and EU2020 strategy

1.1. Europe vs. United States

In Europe

- Stop penalizing failure / bankruptcy -> shift the system, change mentalities
- Increase the Capability to connect the Research world to the real world
- Trust better in the individual initiative and not only in the governance
- Increase access to venture and risk capital

1.2. Improvement cohesion policy

Cohesion policy

- Simplification
- Adoption of Flat Rate
- Combine grants and repayable instruments

Policy umbrella

- - Legal: law documents
- - Soft power: guidelines
- - Financial instruments

With EU2020 it is the first time that the EU defines its strategy goals and tries to align its financial instrument.

1.3. Changes in DGs

DG TREN becomes:

- DG CLIM
- DG ENERGY
- DG MOVE (Transport)

2. The future of the cohesion Policy, the key role of Research and Innovation

2.1. Challenges

Globalisation; Demography; Climate; Energy

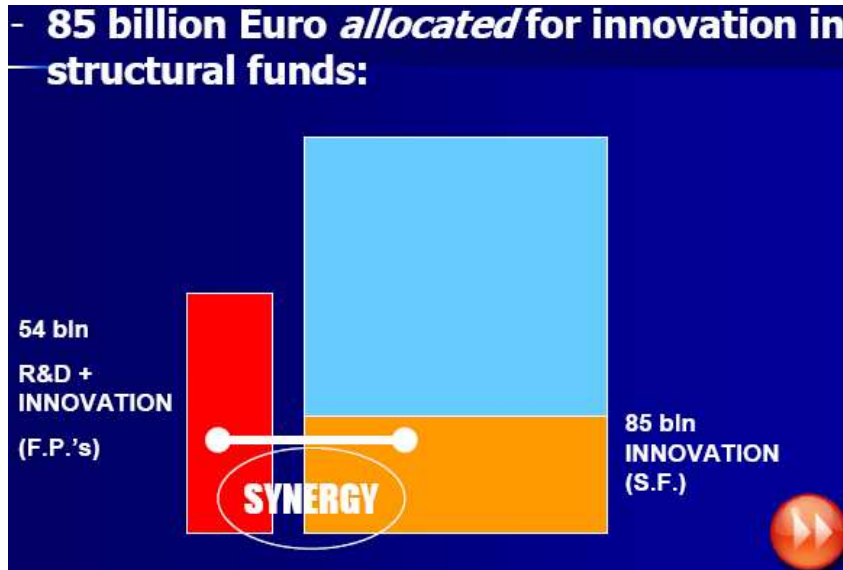
2.2. European Parliament agenda

- Treaty: new objective : new objective 'Territorial Cohesion'
- EU 2020: Review growth and jobs Strategy
- Reviews and evaluation EU policy: Budget FP7-8 and Innovation Act, Regional Policy

2.3. EU 2020 Strategy

- Partly a response of centralisation to EU challenges
- EU sets main priorities
- Will Member States provide budget for plans in 'EU 2020'?
- Cohesion Policy = Capacity-building

2.4. Synergy cohesion and R&D&I



2.5. Synergy in Structural in Structural Funds (source EC)

- 1989 -1993: 4% for innovation (2 billion out of 50) (Community initiatives)
- 1994-1999: 7% for innovation (7,6 billion out of 110) (Pilot Projects)
- 2000-2006: 11% for innovation (20 billion out of 195) (Regional Programs of Innovative Actions)
- 2007-2013: 25% for innovation (86 billion out of 345) (Regions for Economic Change, Article 5 of the ERDF: innovation as a priority for the "Competitiveness" objective -31.000 R&TD projects identified in only 95 ERDF Programs (40% of total budget).

2.6. Policy-complementarity integration

- FP7 (7th Framework programme)
- CIP (Competitiveness and Innovation Framework Programme)
- EIB (European Investment Bank)
- EIT (European Institute of technology)
- Regions for economic changes

2.7. How improve synergies?

Already Done	To Do - Improve
Instruments (FP's, Cohesion funds) have same duration	Instrument coordination
EU priority coordination	Information, Communication, Evaluation
Stakeholders Guidelines	Networking and connexion between public authorities

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2.8. Recommendations - European Parliament Synergy draft Report

- Create knowledge economy : smarter and greener economy ('EU2020)
- Better coordination / governance of instruments: EU, national, Regional
- Integrating policies and priorities on EU level: set main goals and coordinate framework Programmes and Cohesion Policy in order to maximise impact of U policy
- Creating EU criteria to evaluate national and regional authorities on efficient use of EU innovation funds

Remarks, Ideas for European Parliament Synergy draft Report

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3. Synergies of actions: are they possible? View of main actors

3.1. Old approach vs. New approach

	Old Approach	New Approach
Regional policy	Redistribution from leading to lagging regions	Building competitive regions (bringing together actors and targeting key local assets)
Science and Technology/ Innovation	Individual, single sector projects in basic research	Promoting collaborative and multi-sectoral industry-relevant research
Industry	Subsidies to firms; national champions	Supporting clusters and technology absorption (especially SMEs)
Higher Education	Teaching and basic research role only	Triple helix and "third mission"

3.2. Clusters

Today Clusters connected thematically

In the future Clusters connected horizontally and inter-regionally

Strategy for strong clusters

- European Paradox: good new knowledge but don't make commercial profit of this knowledge
- Development of the European Industry
- Recognition of the work done in Universities ; Better connection between the academic and the economic sphere

3.3. Role of Regions

- Advice –orient –help
- Establish their own R&D strategy, create implementation structures
- Political support – based on real potential and expertise and not only on politicians

Major Barriers

- Fragmentation of contact points, lack of information
- Focus on short term goals
- Rules differ according to the programme
- Lack of sharing best practise with abroad

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3.4. Tools

A good synergy depends on the fund complementarities
 CIP, FP7, Structural funds (main tool for innovation and competitiveness)

4. Regions of Knowledge Programme (ROK Programme)

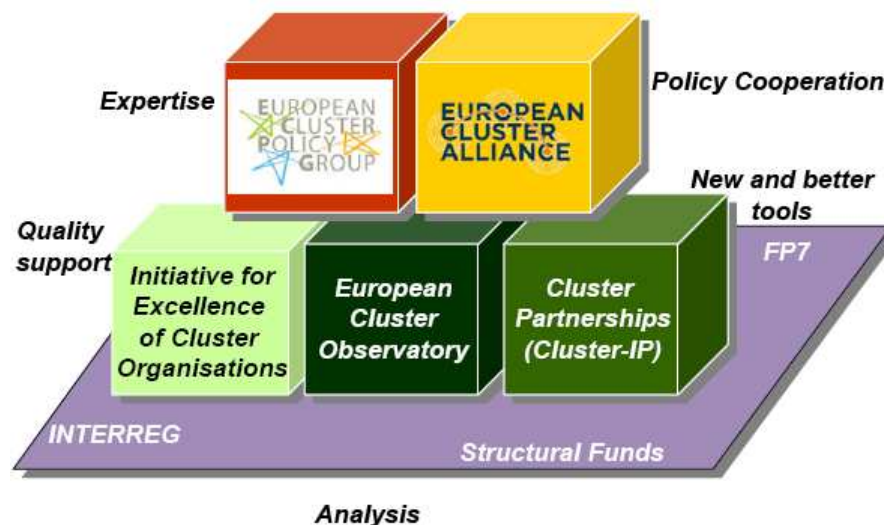
4.1. Calls from 2007 to 2010

	2007	2008	2009	2010
<i>Eligible proposals</i>	94	85	29	33
<i>EC requested contribution</i>	85.255.080 €	61.527.141€	53.812.481 €	72.020.207 €
<i>Average EC requested Budget</i>	885.810 €	891.697€	1.674.312 €	2.057.720 €
<i>Funded proposals</i>	17	15	9	7?
<i>EC contribution</i>	10M€	10.1M€	16.15M€	16.95M€*

4.2. Region of Knowledge topics

- 2008: research infrastructures ; reducing CO2 emissions
- 2009: sustainable use of natural resources
- 2010: health, including e-health
- 2011: sustainable transport
- 2012: energy?

4.3. Synergy with EU clusters initiatives

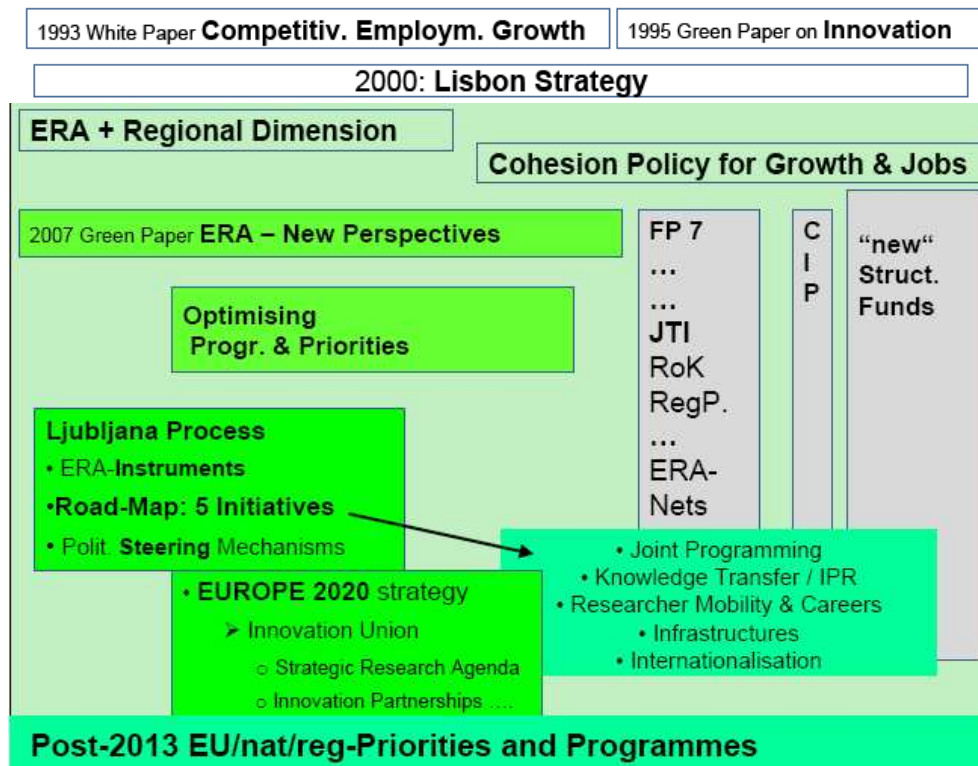


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4.4. Synergies with cohesion policy, research and innovation

- Reducing regional disparities
- Promoting competitiveness, growth and jobs
- Addressing sustainable issues
- Eamarking: at least 60% or 75% of funds for Lisbon priorities
- 86 billion € = 25% from SF to RTD-I (2007-2013)
- Including 62 billion € = 22% in coherence objectives
- 22 billion € = 40% in employment / competitiveness
- 2 billion € = 27% in territorial cooperation

4.5. Optimising programmes and priorities



4.6. Example of ROK projects

- CREATE
- REDICT
- INRES

5. Recommendations and questions asked to the EC from different actors about ROK programme and possible synergies

ROK STRENGTHS	ROK WEAKNESSES
clustering, institutional learning (capacity building on innovation)	ROK has too little money for impact ;
development of strategies; knowledge transfer from R2B, from B2I, etc.;	ROK-terminology of clusters is vague and confusing
Internationalization of platforms ; exchange of tools and	Innovative firms want to develop – ROK does not pay for implementation

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experts; integrated regional economic development approach	
ROK –networks show a very valuable follow-up culture in EU programming	ROK-focus too weak on economic innovation for regional development
	“Triple-Helix-Clusters” are difficult to build – randomized results

5.1. What does this program really want?

- Capacity for regional institutions?
- Tangible innovation; Measurable regional development?
- Joint Strategic actions? (Who – To what end?)
- Research or Business clusters?
- Excellence?
- Cohesion?

5.2. Recommendations

- In FP7 thematic calls it should be an advantage during the evaluation if the proposed project is an action coming from a ROK JAP
- Specific, non-thematic research calls for proposal could be published for the ROK JAP projects
- By preparing the topics of the FP7 thematic calls the JAP's and their topics should be taken into account
- Make synergies between national/regional policy and RoK a real priority in the program
- Open up the themes! Like in Research Potential – all thematic areas under cooperation eligible... or combine a changing theme with an unchanged horizontal theme each year
- To reduce risk of oversubscription : Increase the minimum number of clusters per project
- For possible synergies at regional level between RIS and RoK JAP : Each Region should be able to publish systematically its regional innovation strategy

5.3. Clusters: a policy or a tool for a policy

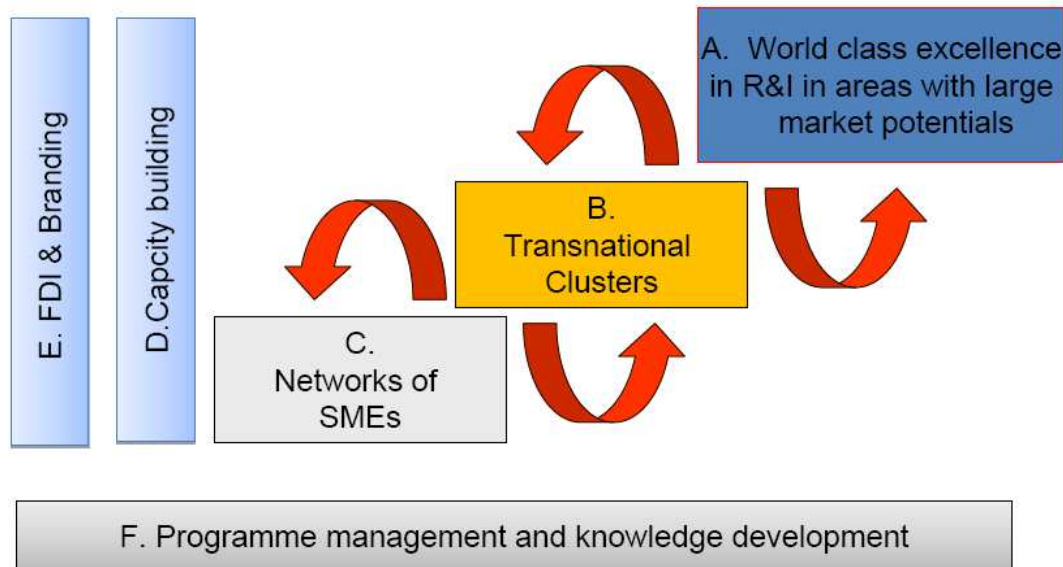
- **Cluster = tool for policy synergies** to transform innovation policies into operational programmes; example of Plastipolis using different EC schemes to promote innovation into the polymer processing industry
- **Fostering innovation and tomorrow's industry**
- Building international cooperation (next step = develop cluster level cooperation for international development)

ECPG: European Cluster Policy Group is one of the initiatives created in October 2008 with a mandate to advise the Commission and Member States on how to better support the development of more world-class clusters www.proinno-europe.eu

- important tool for enhancing and reinforcing competitiveness at micro-economic level
- element of organizing principle for EU initiatives (KICs; ETP (European Technology Platforms; JTI) in order to facilitate effective transfer of knowledge

- support of emerging industries

Uppsala BIO: Life Science Initiative – Cluster in Sweden



Food cluster coordinator (Keith Harrap- UK)

- **Direct outcomes:** S&T-related outcomes; Regional outcomes; Agrosector outcomes
- **Indirect outcomes:** Clusters can be marketing tools, enhance awareness, increase investment, widen horizons e.g. to embrace other clusters, stimulate new product development in businesses, generate new projects etc
- An important Commission benchmark for the success of the Cluster is likely to be a demonstration of increased involvements in good quality proposals to other areas of FP7 and in particular increased involvements and **synergies** with the **CIP** and **Structural Funds** as a result of the start made in research capacity-building

Cluster outcomes and impacts are being assessed in different contexts – science; training; business; regional governance; synergies

If clustering is an important tool for innovation policy it must be prioritised as a requirement in joint calls or opportunities using the different funding instruments rather than being an “add on” after projects have been evaluated

TACTICS initiative (Michel Ganoote – OSEO)

How to better support clusters via enterprises?

TACTICS is a transnational consortium to develop better cluster policies / practical tools & incentives for clusters and their companies in the EU through a reflection group & ECA (European Cluster Alliance)

The challenge is to have common actions between TACTICS & ECPG, promote metaclusters and put on the political agenda, build a joint strategy / benchmark strategy via cooperation.

Clusters are a tool for competitiveness integrated in a policy and not a policy; they are catalyst between companies and research

5.4. How to optimise the impact of ROK programme?

EURADA: European Association of Development Agencies

- National innovation agencies have to play together with regional authorities

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- After 2013:
 - o More money (bigger projects, more projects, something new) and one programme needed
 - o Triple helix is not sufficient => Penta helix

Business Role	DGs and Other EU Institutions	Specific Features	Penta Helix
Research	DG Research European Parliament	RTD-FP7 • Cooperation • Regions of knowledge • Regional potential • SMEs European Technology Platform	Universities Research centres Enterprises
Innovation	DG Enterprise and Industry DG Environment European Investment Fund European Institute of Technology DG Regio European Parliament Committee of the Regions European Investment Bank	Clusters initiative Pro-Inno EEN Cohesion Fund ERDF/ESF Operational Programmes Interreg Knowledge and Innovation Communities EIF Venture Capital Fund ETAP (Environment Technology Action Plan)	Technology transfer organisations Enterprises Regional intermediary bodies Investors
Production	European Investment Bank DG Regio DG Competition DG Employment and Social Affairs	EIB Global Loans ERDF/ESF Operational Programmes State Aid framework rules	Regional intermediary bodies Enterprises Investors
Access to markets and internationalisation	DG Enterprise and Industry DG Regio DG Transport DG Markt	Lead market ERDF Operational Programmes Interreg Marco Polo Green Procurement EEN ETAP	Regional intermediary bodies Enterprises
Strategy for the development of new product and service concepts	DG Research European Institute of Technology European Parliament Committee of the Regions	Technology platform	Enterprises Universities Research centres Civil society Regions Regional foresighting bodies

5.5. Conclusion

Global agreement that these programmes should be:

- more enterprises-oriented to increase the share of knowledge
- more simplified for SMEs (Practical guide is a first instrument)
- more links between research & innovation

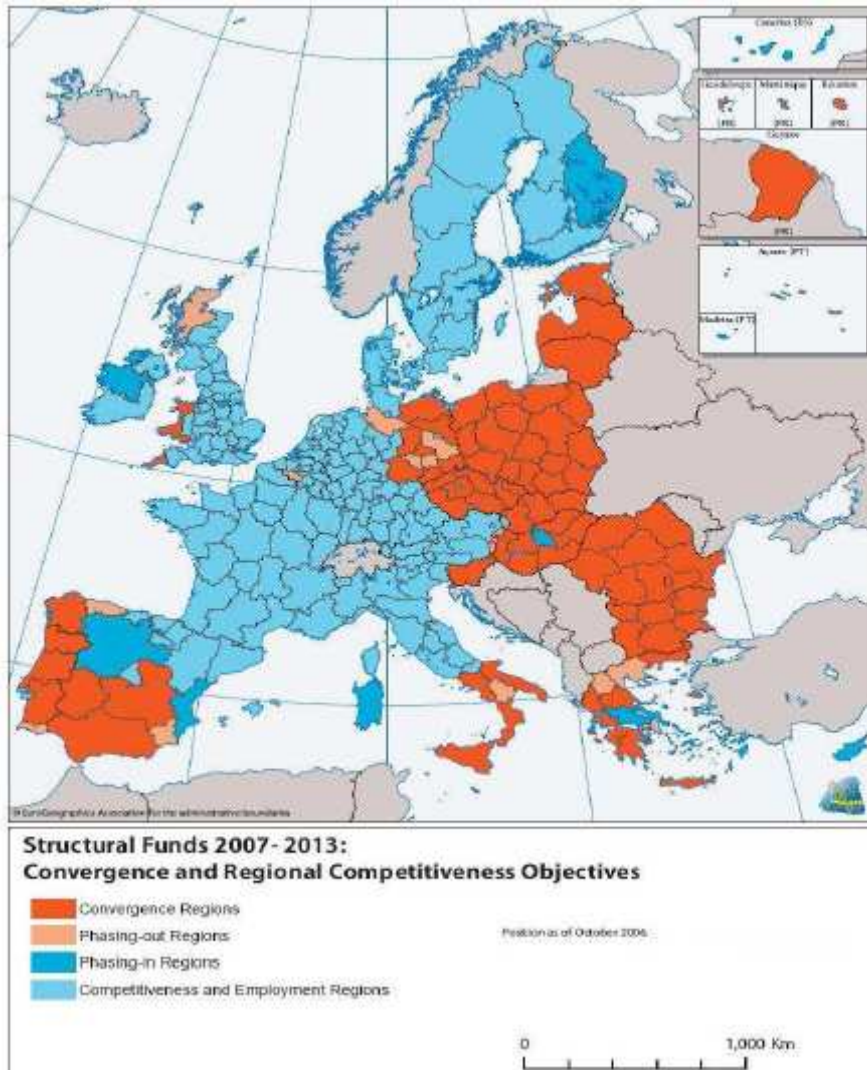
6. Research Potential Programme (REGPOT Programme)

6.1. Research Potential Programme

“**Research Potential**” (REGPOT) created within the FP7 Capacities Programme:

- to reinforce excellent research institutions located in **Convergence and Outermost regions**
- to permit their emergence in ERA
- to boost-up the development of these regions with the production of new knowledge & technological processes, contributing to an increase of productivity, employment and

CONVERGENCE REGIONS eligible for financing by the Structural Funds (2007-2013) are regions whose GDP per capita is less than 75 % of the average GDP of the EU-25



OUTERMOST REGIONS Regions defined by art. 299§2 of EC Treaty

- Canary Islands (ES),
- Guadeloupe, Guyane, Martinique, Réunion,
- Saint-Barthélemy, Saint- Martin (FR),
- Azores & Madeira (PT)

6.2. Objectives for the EU regions

- Contribute to the regional sustainable socio-economic development and (mid-term) jobs creation
- Stimulate the realisation of the full REGPOT of the ERA by integrating excellent research entities established in the EU's convergence and outermost regions

6.3. Budget

Budget: 340 M€ for 2007-2013 period

- The EC financial contribution per selected project can be up to EUR 4 million (as from 2009)
- The EC financial contribution may reach a max. of 100% of eligible costs – Support Actions
- Duration of projects: up to 36 months (+ 6 additional months if ex-post evaluation facility is included)

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6.4. Recommendations

Budget demand more than 20 times higher than the available budget

EC intends to double the budget in 2011 and enhance the links with SF. REGPOT should remain a bottom up programme covering all FP7 thematics.

REGPOT STRENGTHS	REGPOT WEAKNESSES
Great success, high demand	low success rate :5% for 2009 and 2010 Low budget Too many excellent proposals annually rejected because of budgetary constrains
Well structured scheme: collaborative mode, strengthening human resources and infrastructure (~7 partners)	Lack of strategy SWOT / Action Plan, focus on equipment, partnering Sustainability in terms of employment
Coordination with regional / national authorities: regional strategy and sustainable development	Regional impact and link to Structural Funds

7. Regional dimension of Innovation (OECD study)

*Source: OECD (2009) Regions Matter: Economic Recovery, Innovation and Sustainable Growth
 OECD (2009) How Regions Grow: Trends and Analysis.*

This report draws on OECD analysis of regional data (including where growth happens, country-by-country), policy reviews and case studies. It argues that it is how investments are made, regional assets used and synergies exploited that can make the difference.

- Public investment should prioritise longer-term impacts on productivity growth and combine measures in an integrated way
- Important role for regional policies in shaping growth and economic recovery policies, but also challenges policy makers to implement policy reforms
- no unique pattern of sustainable growth
- Concentration of economic activity does not necessarily yield higher levels of productivity or higher growth rates
- Opportunities for growth exist in all types of regions across the entire territory and will depend on how well the region is capable of mobilising its assets to make full use of its potential growth

8. Academia – Industry relationship: Intellectual Property rights & Technology Transfer

European Patent Organisation

- an intergovernmental organisation set up in 1977
- two bodies, the European Patent Office and the Administrative Council
- 36 member states
- support innovation competitiveness and economic growth across Europe
- NPOs (National Patent Offices) foster Technology transfer from universities to industry

EURADA (European Association of Development Agencies)

Non-profit making organisation to promote

- regional economic development through dialogue with the EC services

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- exchanges of good practices & trans-national cooperation among members
 - regional development agencies as a concept
- Membership of about 150 regional development agencies across the European Union
Strong international links through the Economic Development Council (IEDC)

IPeuropAware

Project which brings together two existing Europe-wide initiatives:

InnovAccess, a Web portal created by the National Patent Offices to provide information on their services for the end user

IPR-Helpdesk, Helpline and training mechanism for current and potential contractors in EC-funded Framework Programme projects.

- aim to target and improve usage of and access to research, exploitation and innovation in Europe
- 26 partners, 20 National Patent Offices that can communicate directly with national governments, other national and regional actors, their members, individuals, businesses and the European Commission

9. Governance: Coherence between regional, national and European instruments

Implementation strategy needs to be:

- **Objective-driven** and not instrument-driven
- **Comprehensive** taking into account all regional competences & budgets
- Taking account of **spill-over** from over regions
- **Evidence-based**
- **Competence-based** = “smart”

Role of EU in the context of empowered regions and strong national policies:

- EC money = **glue** for European collaboration
- JTI & JP rules for **cross-border cooperation**
- **Zipper** (complementarities) vs **Velcro** (alignment)
- Interoperability of programmes & simplification
- **Opening up** of regional innovation support & clusters
- **Foster convergence** of cohesion & competitiveness policy approaches
- Stronger involvement of regions in the governance of European R&D policies & Europe 2020 strategy

10. Instruments

An enhanced set of coherent rules:

- **Efficient dissemination** / better access to information (EEN, FP7, SF, improvement of the practical guide on EU funding / Networking)
- **Regional Clusters**: key role as catalysers for efficient regional governance
- Better use of **Structural Funds** by regions & member states

Key recommendations for the future:

- fewer instruments but designed with a clear vision of the objectives and expected results/ outputs
- harmonisation of rules & speed up the process of evaluation (EU level)
- more appropriate control measures; more flexibility

- A complete tool box in terms of sources of funding, not limited to grants

11. Concluding remarks

Benoît Cerexhe: Future president-in-office of the competitiveness Council (Research) under Belgian Presidency

EUROPE 2020: “**A strategy for smart, sustainable and inclusive growth**”

ERA as a key element of the 2020 strategy: 3% + qualitative dimension + monitoring:

- Need to pursue and reinforce budget investment in R&D
- Closer link between 2020 strategy and EU budget
- Synergies research credits-structural funds

Other research issues under Belgian Presidency:

- Joint programming
- Mid-term review of FP7
- Simplification
- Citizen's support for investing in science and research

