



# **Innovation, smart specialisation and clusters in EU Cohesion Policy 2014-2020**

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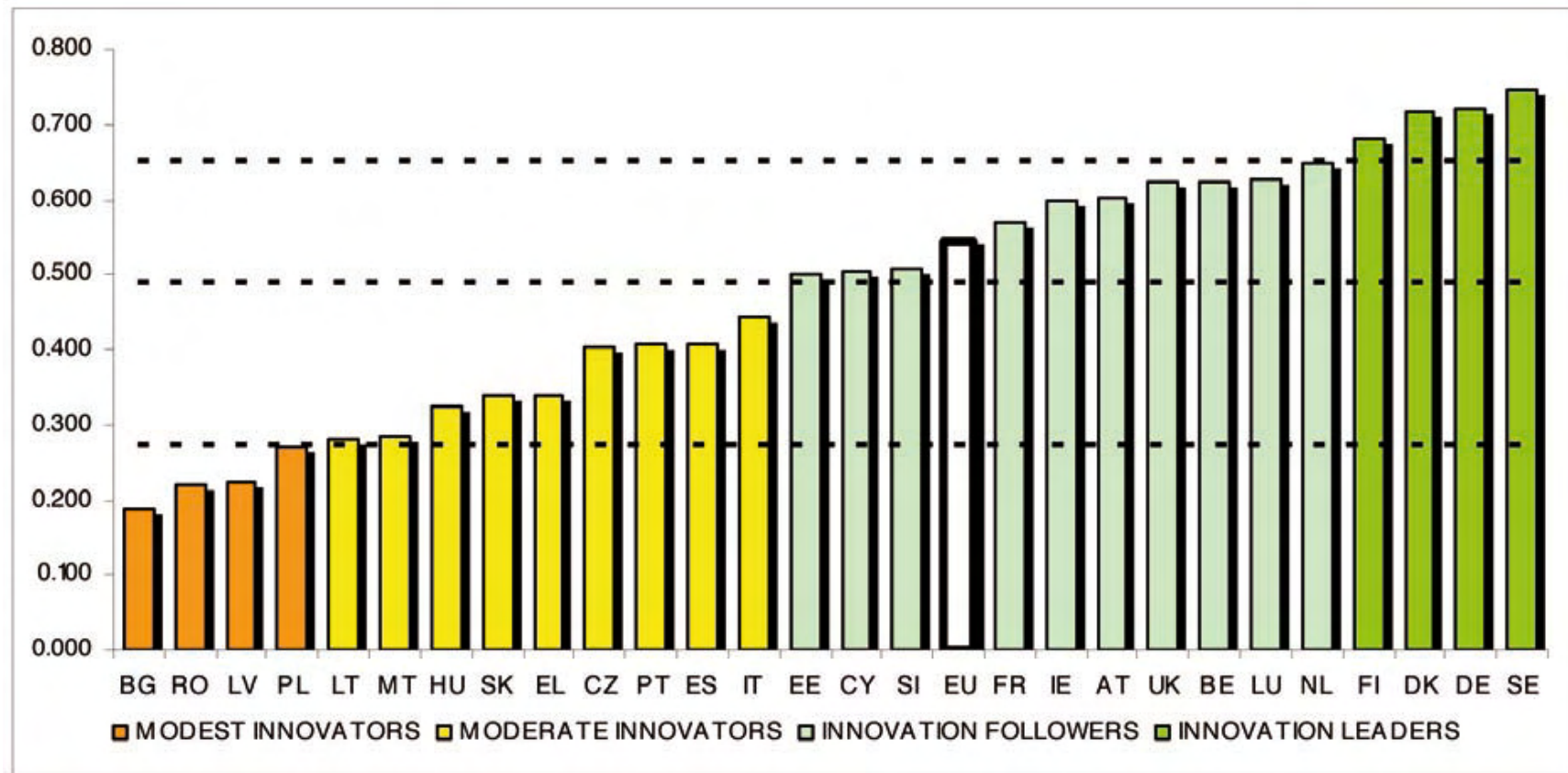
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## Innovation support under EU Cohesion Policy

- Cohesion Policy support for innovation:
  - ❑ 4% in 1989-1993
  - ❑ 7% in 1994-1999
  - ❑ 11% in 2000-2006
  - ❑ 25% in 2007-2013 ( $\approx$  EUR 86 billion)
- EU Cohesion Policy 2014-2020: ***research and innovation (R&I) as major priority***
  - ❑ Innovation focus of the ***Europe 2020*** agenda → ESI Funds as main support tool to drive smart growth
  - ❑ Increase synergies between ESI funds and Horizon 2020
  - ❑ R&I as main driver of growth and competitiveness
  - ❑ Strong evidence that R&I-driven economies (Germany, Sweden, Finland, Netherlands...) survived the crisis better

## EU Member States' innovation performance: the Innovation Union Scoreboard 2013





## EU Cohesion Policy 2014-20: thematic objectives

- List of 11 thematic objectives developed around the Europe 2020 headline targets and flagship initiatives
- ***TO1: Strengthening research, technological development and innovation***
- TO2: Enhancing access to, and use and quality of, information and communication technologies
- ***TO3: Enhancing the competitiveness of SMEs***
- ...
- Funding priorities for individual Member States have been outlined in ***Commission Position Papers*** for each Member State (presented at the end of 2012)



## EU Cohesion Policy 2014-20: investment priorities (Presidency Compromise)

- Strengthening research, technological development and innovation through:
  - ❑ 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...***
- Enhancing the competitiveness of SMEs through:
  - ❑ promoting entrepreneurship ... by fostering the creation of new firms, including through business incubators
  - ❑ supporting the capacity of SMEs to engage in growth and innovation processes...



## EU Cohesion Policy 2014-20: thematic concentration (Presidency Compromise)

- The policy's focus on R&I is reflected in ***thematic concentration***, i.e. minimum shares for R&I through the European Regional Development Fund (ERDF)
- In the more developed and transition regions, at least **60%** of the total ERDF resources at national level shall be allocated to one or more of the thematic objectives 1 (R&I), 2 (ICTs) and 3 (SMEs)
- In the less developed regions, at least **40%** of the total ERDF resources at national level shall be allocated to one or more of the thematic objectives 1, 2 and 3
- Possibility to allocate a lower share than set out above to a category of region if such a decrease is compensated by an increase in another category of regions → the resulting sum at national level counts



## EU Cohesion Policy 2014-20: ex-ante conditionalities (Presidency Compromise)

- Introduction of ex-ante conditionalities to ensure that the necessary conditions for effective support are in place
- For R&I: The existence of a national or regional research and innovation strategic policy framework for **smart specialisation** ... to leverage private research and innovation expenditure
- For SMEs: Specific actions have been carried out to underpin the promotion of **entrepreneurship**...
- Currently, many Member States and regions are elaborating and drafting their Smart Specialisation Strategies, with support from the European Commission (mainly through the JRC's Smart Specialisation Platform, contracted experts etc.)



## EU Cohesion Policy 2014-20: smart specialisation

- **National/Regional R&I Strategies for Smart Specialisation (RIS3 Strategies)** are integrated, place-based economic transformation agendas that
  - ❑ focus policy support and investments on key national/regional priorities, challenges and needs for knowledge-based development
  - ❑ build on each country/region's strengths, competitive advantages and potential for excellence
  - ❑ support technological as well as practice-based innovation and aim to stimulate private sector investment
  - ❑ get stakeholders fully involved and encourage innovation and experimentation
  - ❑ are evidence-based and include sound monitoring and evaluation systems



## Smart specialisation and cluster policies: synergies (1)

- Cluster theory and the theory of smart specialisation are closely related and share many basic conceptual aspects
- Why should EU Cohesion Policy support cluster initiatives?  
***Clusters can be a very suitable instrument to implement RIS3 Strategies:***
  - ❑ Clusters can improve regional competitiveness by upgrading traditional economic activities through innovation while facilitating the emergence of new products, processes and services
  - ❑ Both clusters and RIS3 Strategies should be a combination of bottom-up and top-down approaches: both involvement of stakeholders and overall strategic coordination are needed
  - ❑ Clusters offer a fertile environment for SMEs to innovate and develop linkages with large companies and international partners; they can facilitate technology transfer

## Smart specialisation and cluster policies: synergies (2)

	<b>Synergies between clusters and smart specialisation</b>
<b><i>Global context</i></b>	<ul style="list-style-type: none"> <li>• Clusters are good channels for the internationalisation of SMEs</li> <li>• They can contribute to reach competitive advantages through specialisation</li> </ul>
<b><i>Specialisation patterns</i></b>	<ul style="list-style-type: none"> <li>• Clusters reflect the current and potential regional specialisation pattern</li> <li>• They are channels to reach critical mass (e.g. through agglomeration economies)</li> </ul>
<b><i>Related variety</i></b>	<ul style="list-style-type: none"> <li>• Cluster initiatives facilitate cooperation between the different actors of the triple/quadruple helix</li> <li>• They contribute to entrepreneurial discovery processes</li> <li>• They have a huge potential for related diversification processes from existing specialisations</li> </ul>



## **Cluster support under EU Cohesion Policy 2014-20**

- Cluster initiatives play a crucial role in promoting the regional capability of absorbing RDI funding from the ESI Funds
- They are very important elements for Member States and regions' compliance with several ex-ante conditionalities and with the thematic concentration provisions
- They are essential in mobilising companies and key regional actors around the priorities and instruments of the RIS3 approach
- Therefore, they have been flagged as an investment priority under the ERDF and are very prominently placed in the Commission's Position Papers outlining funding priorities for EU Cohesion Policy 2014-20



**Thank you very much  
for your attention!**

