



EUROPEAN COMMISSION
DIRECTORATE GENERAL FOR RESEARCH & INNOVATION

Directorate C - Research and Innovation
Unit C.5- Regional Dimension of Innovation

Brussels,
RTD/CWA/C5/

Summary record of the 2013 ERAC MUTUAL LEARNING SEMINAR
“Synergies between Horizon 2020 and Cohesion Policy:
The challenge and the opportunity of Smart Specialisation”
WEDNESDAY, 20 MARCH 2013, BRUSSELS

The focus of the March 20 seminar was on three aspects:

- The need for synergies between the Union's Research and Innovation and Cohesion policies: the case for the new programming period (2014-20) - *session I*
- The Challenge and the Opportunity of Smart Specialisation: towards a place-based economic transformation - *session II*
- Closing the Research and Innovation Divide: actions in Horizon 2020 – *session III*

The sessions consisted of presentations by high-level experts and Commission officials, followed by discussion, moderated by Commission staff.

1. Welcome and Introduction

Dr Dimitri Corpakis, Head of Unit at DG Research and Innovation (RTD) (Unit “Regional Dimension of Innovation”), welcomed the delegates coming from both ministries of Research and Economy in the EU Member States and Croatia. The focus of this one-day seminar was on synergies to be put in place between Horizon 2020 and Cohesion policy in order to maximise the impact of R&I on the ground, as this is considered to be a pillar of the Europe 2020 Strategy. He stressed that the two policy frameworks follow different rules and procedures for selection and funding of activities: a partnership one in the Structural Funds and a competitive one for Horizon 2020. Nevertheless the final objective is common, namely to raise the competitiveness of MS and regions.

2. Session I: The need for synergies between the Union’s Research and Innovation and Cohesion policies: addressing the next programming period (2014-2020)

Prof. Dr Manfred Horvat from the Vienna University of Technology, presented the work undertaken by the Experts Group on synergies, for which he has been acting as Rapporteur (report finalised in June 2011).

Prof. Horvat explained that one of the first tasks of the group was to define what was the real meaning of the term “synergies”, i.e. cooperation between policy frameworks, programmes and actions allowing better attainment of objectives but also, active coordination towards common objectives.

The report analysed FP7 but also looked at the future, in view of the new financial programming period. It took as a basis the innovation systems approach taking on board all actors, the local-based dimension (insisting on the importance of proximity) and the concept of local-global connectedness.

It also stressed the main issues for R&I systems: their fragmentation at national and European level and the disparities in funding, the weak complementarities and interoperability of policies and the poor communication between relevant committees at Union level. These findings showed the importance for creating better synergies between the two policy frameworks in the future, although they are indeed very different in their respective functioning. Prof. Dr Manfred Horvat detailed the characteristics of both:

- Horizon 2020 promoting excellence at EU level, in a competitive selection system under its three pillars: Excellence, Industrial Leadership and Societal Challenges.
- The Cohesion Policy Funds (in the future *European Structural and Investment Funds*) function at national and regional levels and focus mainly on capacity building and on reducing economic disparities between regions: it is in this capacity that in the future the proposal of the Expert Group was that they should be working mainly towards fostering a “stairway to excellence” in terms of Research and Innovation.

The experts recommended a greater use of transnational cooperation for the period 2014-2020 in the context of Cohesion policy (where this dimension is somewhat played down). Regarding the two FP7 regional programmes (“Regions of Knowledge” and “Research Potential”), they proposed to anchor their objectives under the future European Territorial Cooperation of Cohesion policy as well as under the mainstream objectives of the European Regional Development Fund.

The main recommendation was that the Commission acts as a facilitator and Member States and regions as main actors of those synergies.

The debate with the audience (moderated by Mr Ciaran Dearle from the Regional Dimension of Innovation Unit of DG RTD), focused mainly on the practicalities of the synergies on the ground. Regarding funding of a single project both by Horizon 2020 and the Structural Funds, the best option for the moment seems to be to identify distinct work packages under Horizon 2020 and additional ones to be funded by the Structural Funds. The Commission services work actively to prepare a Guide that would provide relevant support on such issues to the ESIF Managing Authorities in the Member States as well as to relevant Horizon 2020 participants.

On questions raised on the ex-ante conditionality of Smart Specialisation, the Commission explained that the aim is to drive Member States to plan better, as this would allow them to focus better on their areas of strength.

3. Session II: The Challenge and the Opportunity of Smart Specialisation: towards a place-based economic transformation

Prof. Dominique Foray, from the Ecole Polytechnique fédérale de Lausanne, one of the spiritual “fathers” of the Smart Specialisation concept, gave an extensive presentation and explained its basic principles recalling also its origin in DG RTD’s “Knowledge for Growth” Experts Group.

Two years after its launch, the concept was remarkably adopted at the highest level by the MS and even set as an ex-ante conditionality in the ESI Funds’ Common Provisions Regulation (CPR) in terms of future investments on Research and Innovation. The basic idea is to stimulate a location-based economic transformation strategy based on Research and Innovation choices that would give MS and regions a competitive advantage drawing on opportunities they can seize because of their particular and unique characteristics. Research and Innovation Strategies for Smart Specialisation (RIS3) are thus expected to become a motor for economic development over the next programming period (2014-20).

Smart Specialisation follows a vertical logic, rather than promoting general purpose horizontal measures (that will continue to be useful anyway). The following characteristics describe better the specificity of the concept:

- *Granularity*: priorities have to be set-up between sectors and projects;
- *Entrepreneurial discovery*, expresses the way for regions to discover new domains of opportunities;
- *Evolving priorities* means that selected priorities will have to change over time and local communities have to be ready for such a change and prepare for it (the need to diversify);
- Inclusiveness (this is a strategy for all regions)

Mikel Landabaso, Head of Unit at DG Regional and Urban Policy (REGIO) (Competence Centre for Smart Growth), recalled the 11 thematic objectives of the European Structural and Investment Funds (ESIF), the first of which was R&I, stressing that the relevant regulatory framework is expected to be adopted next October. He underlined the importance for regions to draft their Smart Specialisation strategies for receiving funds from the ESI Funds for their future Research and Innovation investments. For this reason, Research and Innovation authorities in the MS should be talking early to their National Economy counterparts to ensure a proper and meaningful coordination.

Mr Landabaso detailed the progress for drafting Smart Specialisation strategies in the MS focusing also on relevant Commission assistance. 118 regions are already registered with the Smart Specialisation Platform (JRC-IPTS) in Seville, which provides advice, peer reviews and seminars to the interested regions. Moreover, DG REGIO has appointed 60 experts to help individual regions to draft their own strategies (a parallel operation involving some 30 experts is being deployed by DG Research and Innovation, with an emphasis on the national and regional R&I systems). Work is on-going and good progress is already reported.

Regarding synergies, DG REGIO presented two options: stakeholders can follow either a sequential approach (i.e. get first funds from one funding source and then ask for additional money from the other one), or a simultaneous one by identifying specific work packages to be funded by each tool. Articles 55(8), 60(2) and 87 of the CPR regulation encourage funding synergies and interoperability between ESIF and Horizon 2020.

During the discussion that followed, moderated by Mr Lucas Janssen, (Unit on Regional Dimension of Innovation of DG RTD), questions insisted on the tight timing to put these new synergies into practice. Mr. Mikel Landabaso explained the planning ahead regarding adoption of the Regulations: a provisional formal agreement in October would mean that three months later, the MS should present their draft Partnership Agreements to the Commission and four months later their proposals on their Operational Programmes.

4. Session 3: Closing the Innovation Divide: action in Horizon 2020

Dr Dimitri Corpakis, Head of Unit at DG Research and Innovation (RTD), started his presentation with a number of statistics regarding the situation on research and development within the EU, in which a correlation was shown between R&D investment and economic growth. He underlined the commitment of the EU to support R&I investment by referring to and explaining the background of the Innovation Union. He clarified the EU strategy for closing the innovation divide; this will be done by mobilising cohesion policy to build a stairway to excellence, through Horizon 2020 and by creating synergies between Horizon 2020 and Cohesion policy.

After explaining the need for building a stairway to excellence by using the ESI Funds, Dr. Corpakis clarified what is meant by synergies and how synergies will be identified. He underlined that keys to synergies will be Smart Specialisation as ex-ante conditionality for receiving cohesion funding and the new principle of “thematic concentration”. He also mentioned that by definition, the structure of Horizon 2020 will favour smaller players. Several new action tools under Horizon 2020 for closing the innovation divide in Europe (Policy Support Facility, ERA Chairs, teaming "for low performing regions", twinning and cross border science networks) were explained in more details.

The last part of the presentation focussed on synergies on the ground and the implications for future Horizon 2020 stakeholders. Dr Corpakis ended by highlighting that the main responsibility lies with the Members States and the regions in order to make those synergies operational on the ground.

In the ensuing discussion (moderated by Ms Colombe Warin, from the Unit Regional Dimension of Innovation of DG RTD), several questions focused on practical issues regarding the implementation of H2020 (e.g. eligibility for ERA chairs), streamlining coherence and R&I policy and stimulating national strengths (within Smart Specialisation Strategies). Dr Corpakis underlined that smart specialisation can be used to identify new opportunities on the basis of comparative advantages. A question, which was raised regarding a possible connection between the Regions of Knowledge and Research Potential programmes with INTERREG, was addressed by underlining the difference in the nature of the programmes and by indicating that the focus should be on the improvement of INTERREG. Also the issue of the upstream and downstream effects of synergies between H2020 and ESI Funds was raised. Dr Corpakis underlined the importance of synergies on both levels. Last but not least, the importance of good communication between the different EU programmes was emphasized.

5. Concluding session

Ms Clara de la Torre, Director (Directorate for Research and Innovation at the DG for Research and Innovation (RTD)), closed the seminar by thanking all participants, for what has clearly been a very lively and informative debate.

She underlined that the Commission recognises that the best way to develop synergies is to have a clear division of labour between the two policies with each concentrating on what it does best, but in a mutually reinforcing way. So, Horizon 2020 will continue to support excellence while Cohesion policy concentrates on socio-economic development and the reduction of disparities.

It is clear however that EU Member States and regions face a variety of challenges in order to increase the benefit they can derive from the excellence-based system of funding that will continue under Horizon 2020. This is where Cohesion policy has a key role.

Despite some delays, the three parties to the negotiations – Parliament, Council and Commission – are moving towards an agreement on the regulatory framework that will govern research and innovation and cohesion policies during the next programming period. Already informal discussions are taking place between the Commission and the Member States and regions on the outline of the future Partnership Agreements and Operational Programmes while DG RTD and the other DGs in the Research family are actively planning the first draft Work Programmes under Horizon 2020. All of these will have to be formalised as soon once the regulatory framework is in place.

In conclusion, she stressed that this is the moment for all key officials in the Member States dealing on the one hand with Horizon 2020 and on the other with Cohesion policy planning linked to research and innovation aspects, to organise this process, in order to ensure that the necessary synergies are also established 'on the ground'. The Commission services are ready to assist the relevant authorities with their expertise, as appropriate.