



# Fostering EU competitiveness through smart specialisation in the new cohesion policy of the EU in 2014-20

**Warsaw, 15 May 2015**

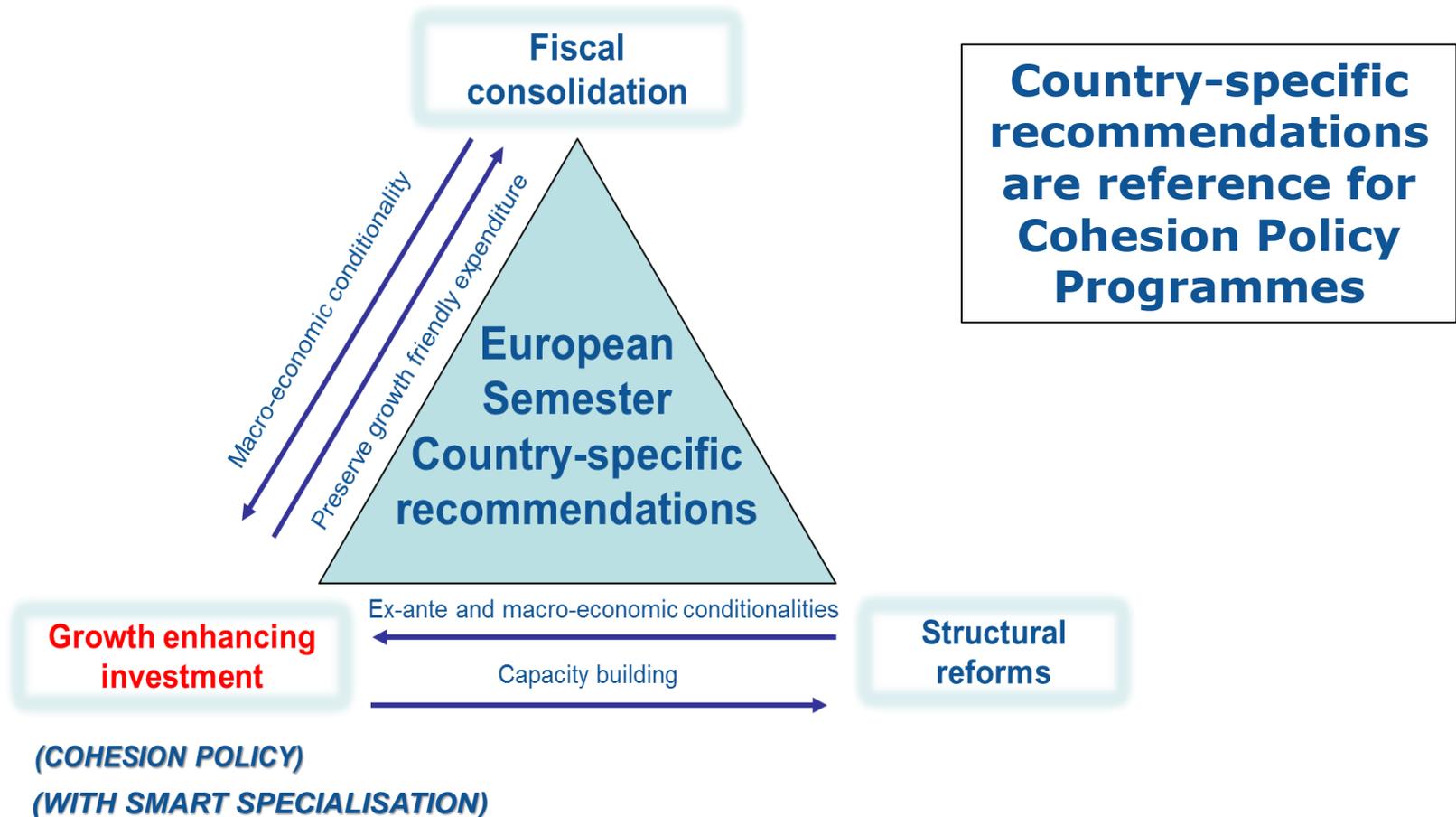
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# EU Cohesion Policy 2014-20 in the EU economic policy mix



# New Cohesion Policy 2014-2020

- **From absorption logic to investment policy for growth and jobs**
  - Greater focus on results
  - Targeting resources at key growth sectors
  - Pre-conditions for funding – ex ante conditionalities
  - Reinforced partnership
  - Increased synergies between Funds and with other EU instruments
  - Stronger link to the EU economic governance "European semester"
- **Smart Specialisation** = Key feature of reformed Cohesion Policy to ensure effectiveness of ERDF investments in innovation

## Smart Specialisation strategy is defined in the Common Provision Regulation 1303/2013

The national or regional innovation strategies which:

- set **priorities**
- in order to build **competitive advantage**
- by developing and **matching research** and innovation own strengths **to business needs**
- in order to address **emerging opportunities** and market developments
- in a **coherent manner**, while avoiding duplication and fragmentation of efforts

Smart specialisation strategies shall be developed through involving national or regional managing authorities and stakeholders such as universities and other higher education institutions, industry and civil society in

**an entrepreneurial discovery process**



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**Entrepreneurial discovery process means a genuine involvement of local innovation actors to develop and implement S3**

# RIS3 Guide

## Content:

- ▶ Step-by-step guide to strategy development
- ▶ Suggestions for delivery instruments
- ▶ Guidance for expert assessment

Target group: policy-makers, academics, innovation support providers

See: <http://s3platform.jrc.ec.europa.eu/s3pguide>



## Smart Specialisation (S3) has 6 fundamental methodological elements any EU country or region has to undertake:

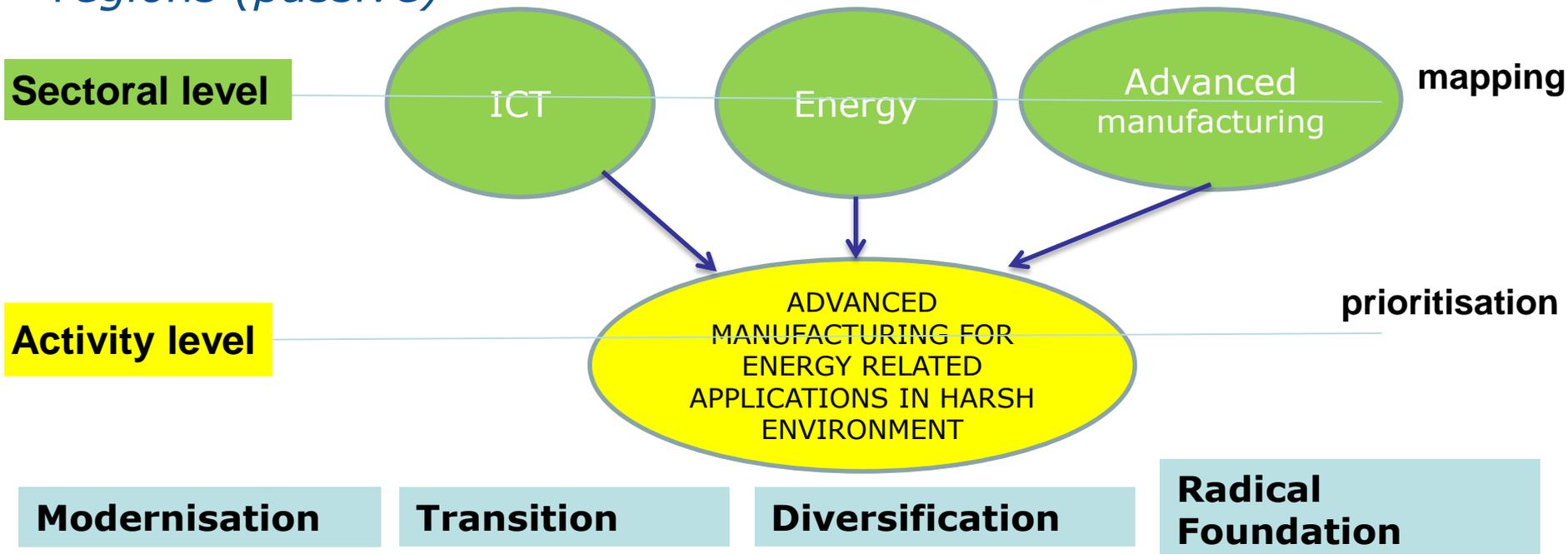
- 1: Analysing one's strengths, weaknesses, competitive advantages and potential for excellence
- 2: Involving innovation stakeholders, in particular the business community
- 3: Elaboration of an overall vision for the future of the region
- 4: Selection of priorities for S3 + definition of objectives
- 5: Definition of coherent policy mix, roadmaps and action plans
- 6: Integration of monitoring and evaluation mechanisms



# The notion of specialisation

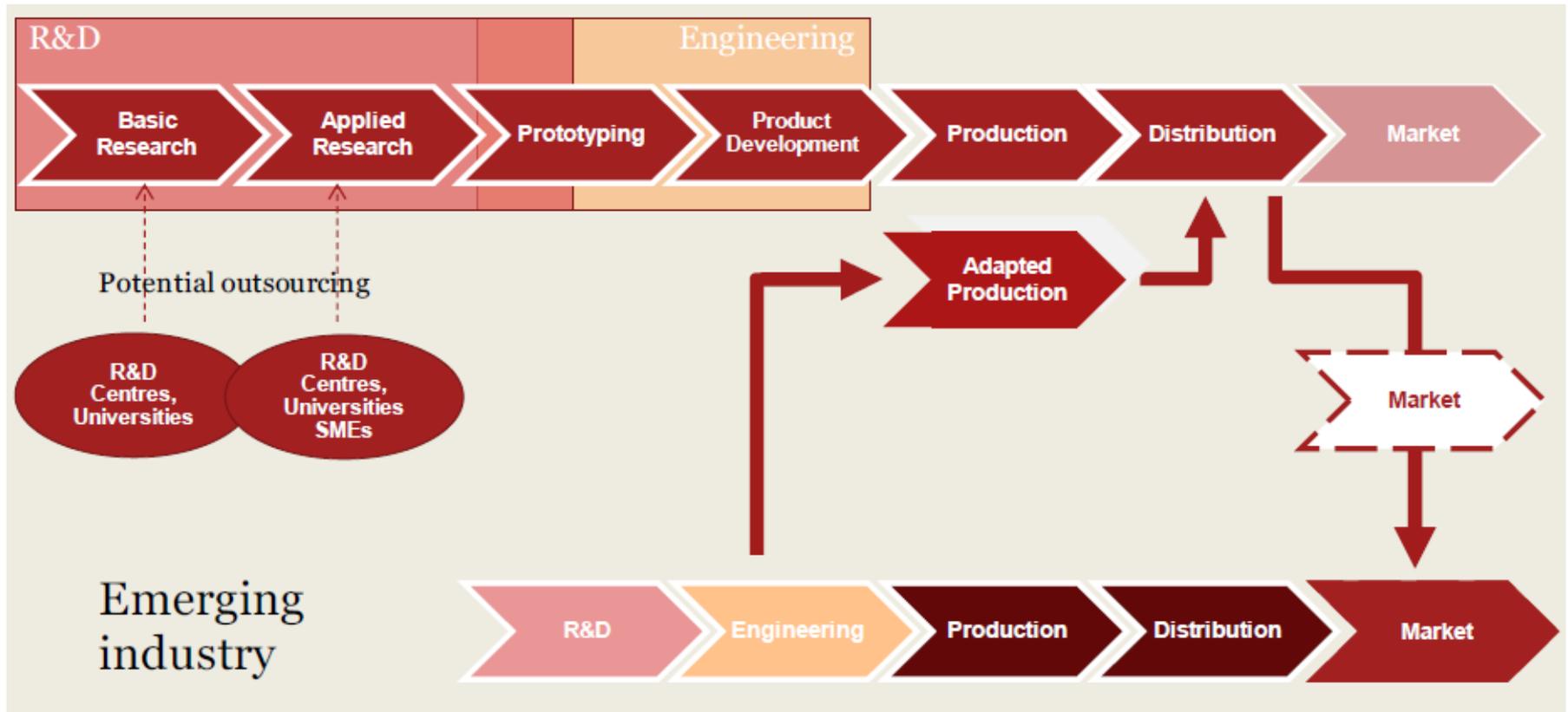
*It is about developing new specialities based on regional concentration of knowledge, competence and market potential (dynamic)*

*Not understood as a sector or specialised relative to other regions (passive)*





# New Industrial Value Chains



# Obligation to put in place smart specialisation strategy has triggered changes

- RIS3 are designed and implemented across the European Union following the same methodology
- Rethinking the role of public administration in economic development:
  - Renewal of the regional planning culture
  - Robust design of the operational programmes
  - Paradigm shift in economic development policy
- Opening up to build networking among related regions based on RIS3 areas

# Main challenges for to make smart specialisation work:

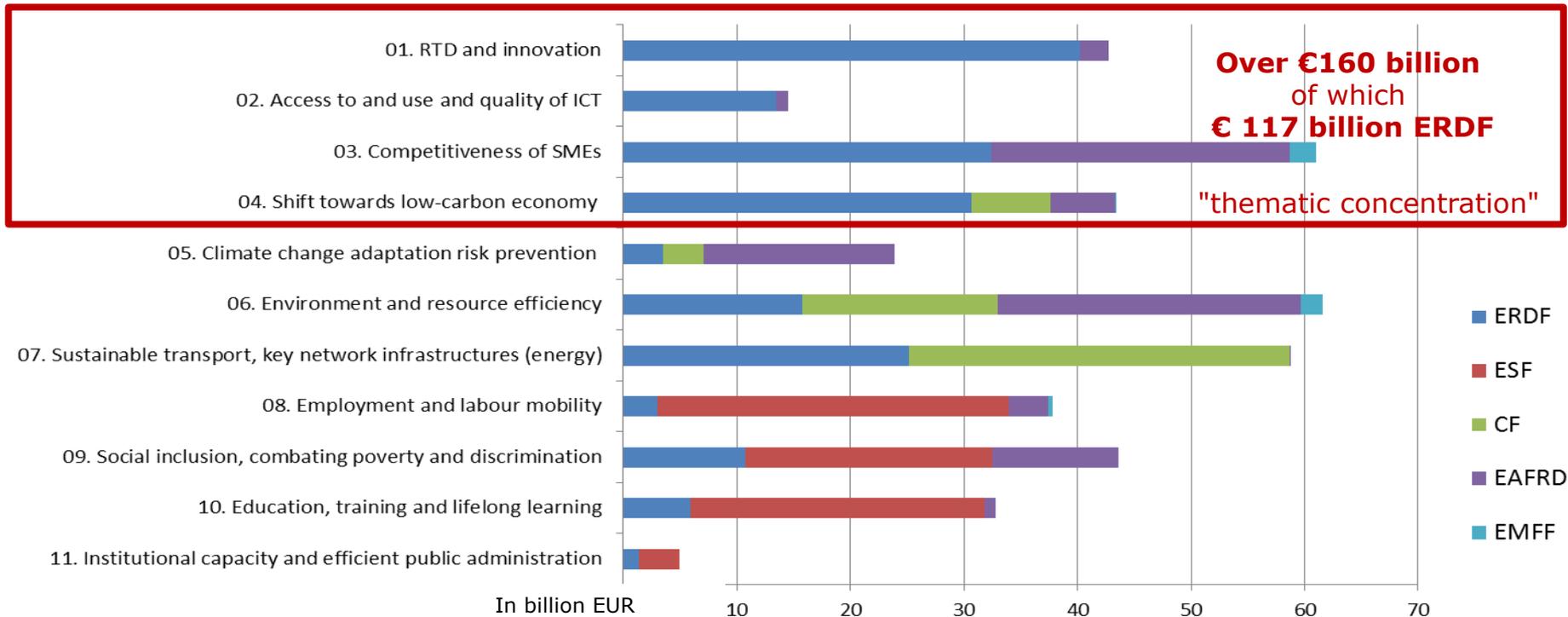
**Ensuring continuity:** RIS3 is conceived as an on-going (and reiterative) process with stakeholder involvement (Entrepreneurial Discovery Process), monitoring and adjustments

**Implementation tools & capacities:** quality of the implementation and impact depends on suitability of the support tools, the administrative capacities to design such tools and manage them effectively and efficiently

**International opening and cooperation:** generate critical mass via combining forces, complementing capacities and getting the chain links together for value chains. Role for **synergies with Horizon 2020**

# ESIF programming: State of Play

- **So far 266 ESIF programmes adopted**, worth more than €256 billion. Last adoptions of the remaining over 100 programmes expected by June 2015
- **Numerous Action Plans for ex ante conditionality fulfilment** (some significant prejudice cases with suspension of payments)



Source: Final ESIF partnership agreements as of December 2014

# ~€40 billion of the ERDF budget for 11 thematic objectives is allocated to TO1

- Over half of TO1 allocation will be invested in 4 countries: PL, ES, DE and IT.

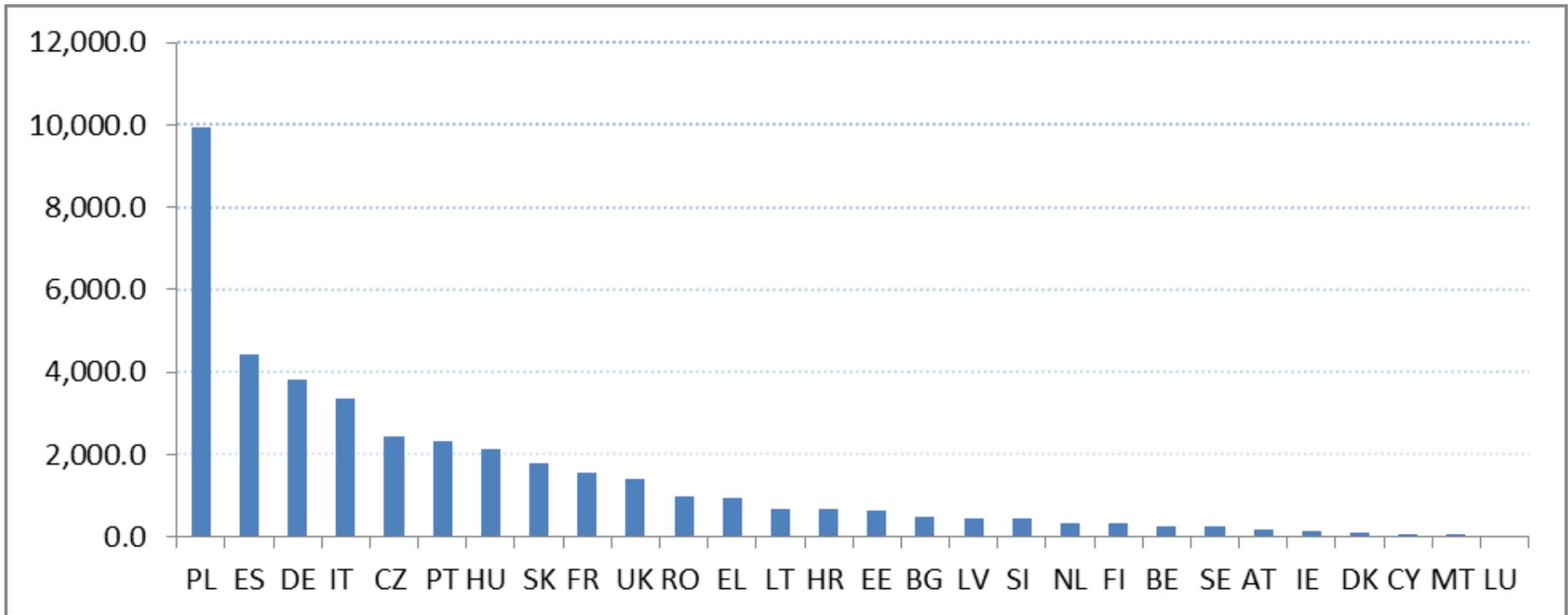
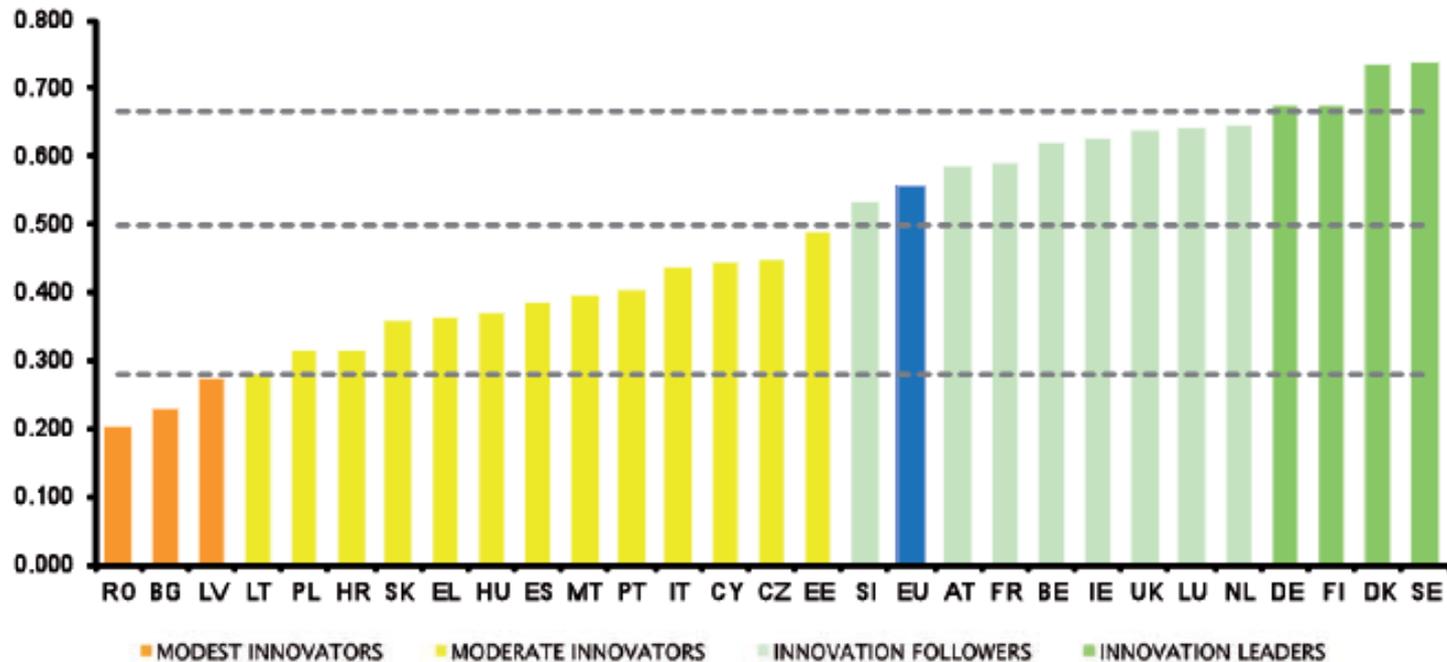


Figure1. Financial allocation to TO1 ERDF, (million euros) subject to possible changes until all operational programmes are adopted

# Innovation Union Scoreboard 2015



*Note: Average performance is measured using a composite indicator building on data for 25 indicators going from a lowest possible performance of 0 to a maximum possible performance of 1. Average performance reflects performance in 2012 due to a lag in data availability.*

Figure 3. EU Member States' Innovation performance according to Innovation Union Scoreboard 2015

## REGIONAL INNOVATION PARADOX

- There is a clear pattern: more developed MS/regions invest more proportion of available ERDF funding into knowledge based economy than MS/regions lagging behind

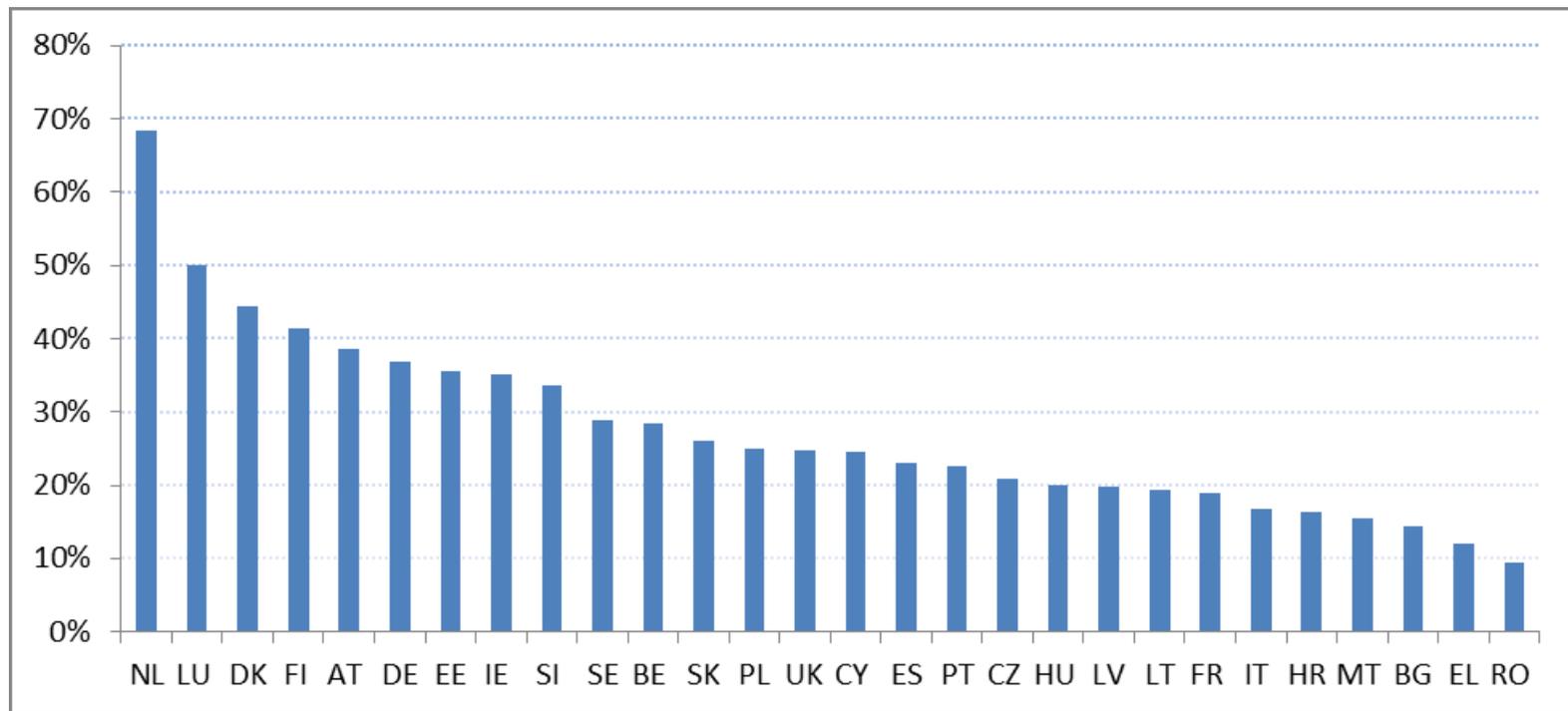


Figure 3. Share of ERDF allocation for TO1 in total ERDF allocation for 11 thematic objectives (%)

# Thank you for your attention!

*For more information:*

- *on Cohesion Policy:*

[http://ec.europa.eu/regional\\_policy/index\\_en.cfm](http://ec.europa.eu/regional_policy/index_en.cfm)

- *on Smart Specialisation Strategies*

<http://s3platform.jrc.ec.europa.eu/s3pguide>