



EU R&D Funding and Structural Funds Innovation promotion: two different policy delivery mechanisms with complementary objectives

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EU R&D Funding and Structural Funds Innovation promotion: two different policy delivery mechanisms with complementary objectives

1. The Promotion of Innovation in European Regional Policy
2. A European challenge: R&D excellence & Regional Innovation
3. Two policies with complementary objectives: a history on collaboration in search of synergies
4. A way forward

The Promotion of Innovation in European Regional Policy: a silent (r)evolution

1989 -1993: approximately 4% for innovation (2 billion out of 50)

(L. Tsipouri, IPTS Report N° 40, 2004)

- Community initiatives: Science and Technology for Regional Development - STRIDE, TELEMATIQUE, ENVIREG, VALOREN...

1994-1999: approximately 7% for innovation (7,6 billion out of 110)

(L. Tsipouri, IPTS Report N° 40, 2004)

- Pilot Projects: RIS, RIS+, RTTs, RISI, RISI2, IRISI, EBN, BICs

2000-2006: approximately 11% for innovation out of 195 billion

- “Regions in the new Economy”: PRAIS – Regional Programs of Innovative Actions 400 million

2007-2013: approximately 25% for innovation (86 billion out of 345)

- 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) *(Nordregio 2009)*
- Regions for Economic Change



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Regional Policy

Priority themes in 434 Operational Programs in 271 regions		344.305.598.427
Research and technological development (R&TD), innovation and entrepreneurship		50.046.501.271
01	R&TD activities in research centers	5.783.265.653
02	R&TD infrastructure and centers of competence in a specific technology	9.899.436.081
03	Technology transfer and improvement of cooperation networks (Clusters and Business Networks).	5.577.995.235
04	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)	5.573.990.437
05	Advanced support services for firms and groups of firms	5.150.882.219
06	Assistance to SMEs for the promotion of environmentally-friendly products and production processes	2.504.554.193
07	Investment in firms directly linked to research and innovation	9.029.635.350
09	Other measures to stimulate research and innovation and entrepreneurship in SMEs	6.526.742.103
Information society		13.028.213.085
11	Information and communication technologies	3.597.833.221
12	Information and communication technologies (TEN-ICT)	523.787.206
13	Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)	5.225.072.351
14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)	2.144.358.160
15	Other measures for improving access to and efficient use of ICT by SMEs	1.537.162.147
Increasing the adaptability of workers and firms, enterprises and entrepreneurs		14.427.929.049
62	Development of life-long learning systems and strategies in firms; training and services for employees ...	9.752.889.678
63	Design and dissemination of innovative and more productive ways of organising work	1.897.998.513
64	Development of special services for employment, training and support in connection with restructuring of sectors ...	2.777.040.858
Improving access to employment and sustainability		3.247.192.561
68	Support for self-employment and business start-up	3.247.192.561
Improving human capital		4.926.200.421
74	Developing human potential in the field of research and innovation, in particular through post-graduate studies ...	4.926.200.421
Total for innovation in a broad sense		85.676.036.387

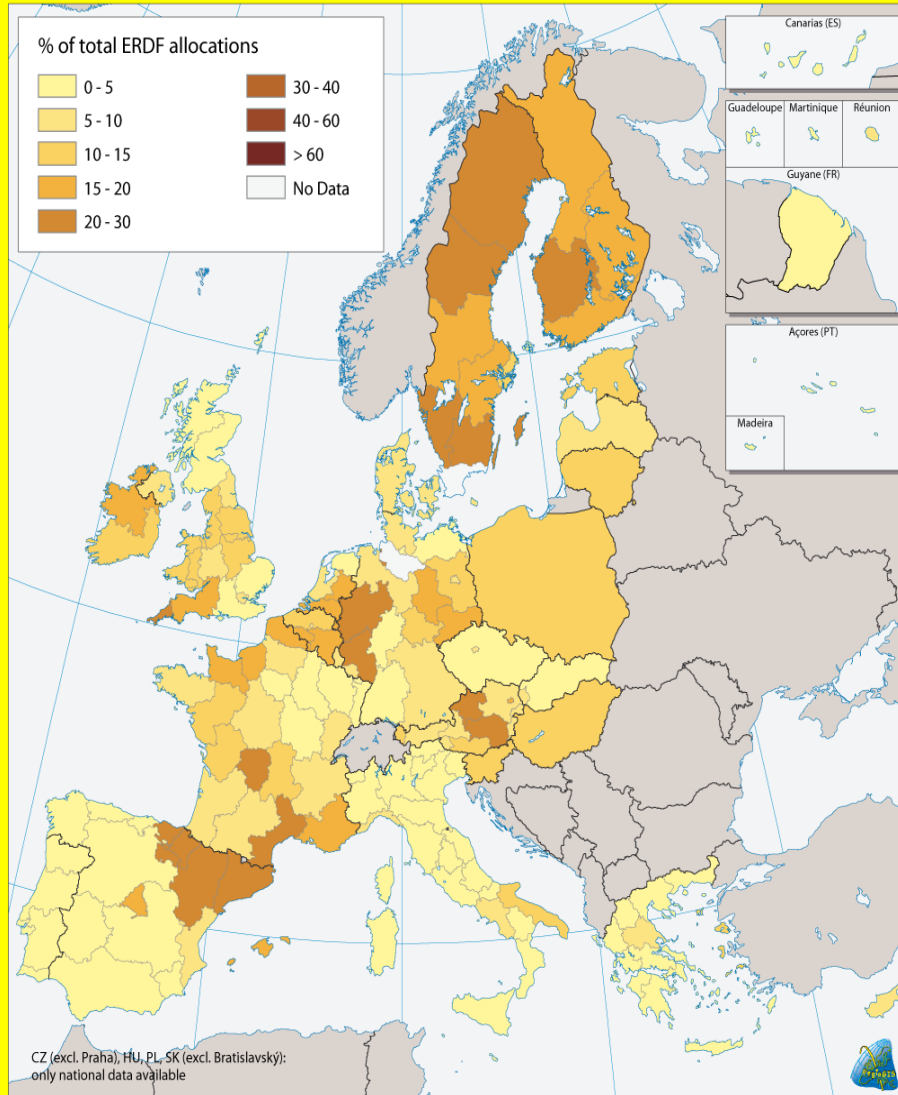
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Regional Policy

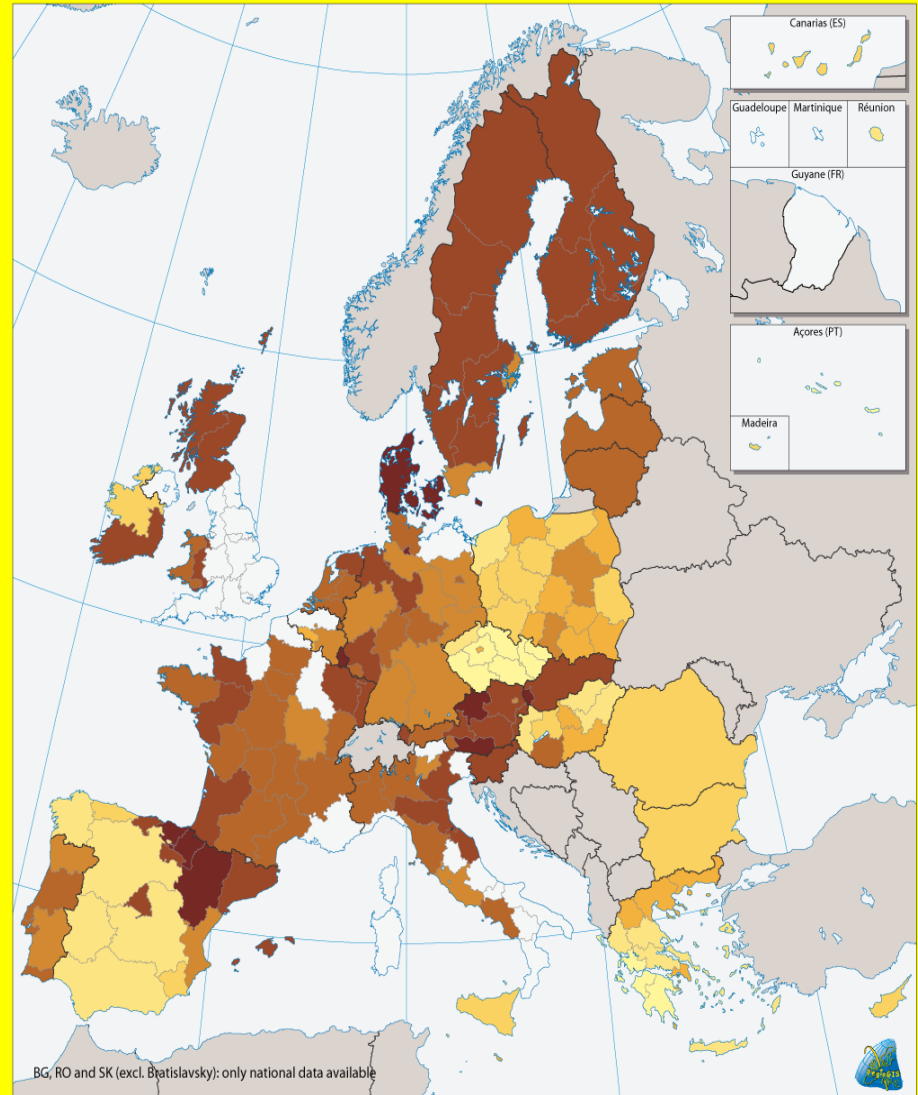
Country	Community Amount	Innovation Amount	Innovation
Bulgarija	6.673.628.244	854.810.079	12,8%
Belgique-België	2.063.500.766	664.660.905	32,2%
Ceska Republika	26.302.604.484	6.030.814.554	22,9%
Danmark	509.577.239	352.621.227	69,2%
Deutschland	25.488.616.290	8.398.439.376	32,9%
Eesti	3.403.459.881	822.898.618	24,2%
Ellada	20.210.261.445	3.639.988.911	18,0%
España	34.657.733.981	8.992.932.187	25,9%
France	13.449.221.051	4.217.044.709	31,4%
Ireland	750.724.742	159.100.000	21,2%
Italia	27.965.315.403	9.610.590.365	34,4%
Kypros	612.434.992	105.200.000	17,2%
Latvija	4.530.447.634	1.008.524.065	22,3%
Lietuva	6.775.492.823	1.487.915.167	22,0%
Luxembourg (Grand-Duche)	50.487.332	19.033.725	37,7%
Magyarország	24.921.148.600	3.786.227.603	15,2%
Malta	840.123.051	117.000.000	13,9%
Nederland	1.660.002.737	807.581.869	48,6%
Österreich	1.204.478.581	592.581.294	49,2%
Polska	65.221.852.992	14.199.841.734	21,8%
Portugal	21.411.560.512	5.189.012.139	24,2%
România	19.213.036.712	2.624.450.359	13,7%
Slovenija	4.101.048.636	1.168.953.524	28,5%
Slovenska Republica	11.360.619.950	2.612.632.236	23,0%
Suomi/Finland	1.595.966.044	862.027.460	54,0%
Sverige	1.626.091.888	741.045.901	45,6%
United Kingdom	9.890.937.463	4.533.743.520	45,8%
EU cross-border cooperation	7.815.224.954	2.076.364.860	26,6%
TOTAL	344.305.598.427	85.676.036.387	24,9%
EU 12	173.955.897.999	34.819.267.939	20,0%
EU 15	162.534.475.474	48.780.403.588	30,0%
EU 27	336.490.373.473	83.599.671.527	24,8%

Cohesion policy helps shifting the policy mix of public investment towards innovation

Expenditure for R&D, innovation and information society at regional level



Averages 2000-2006



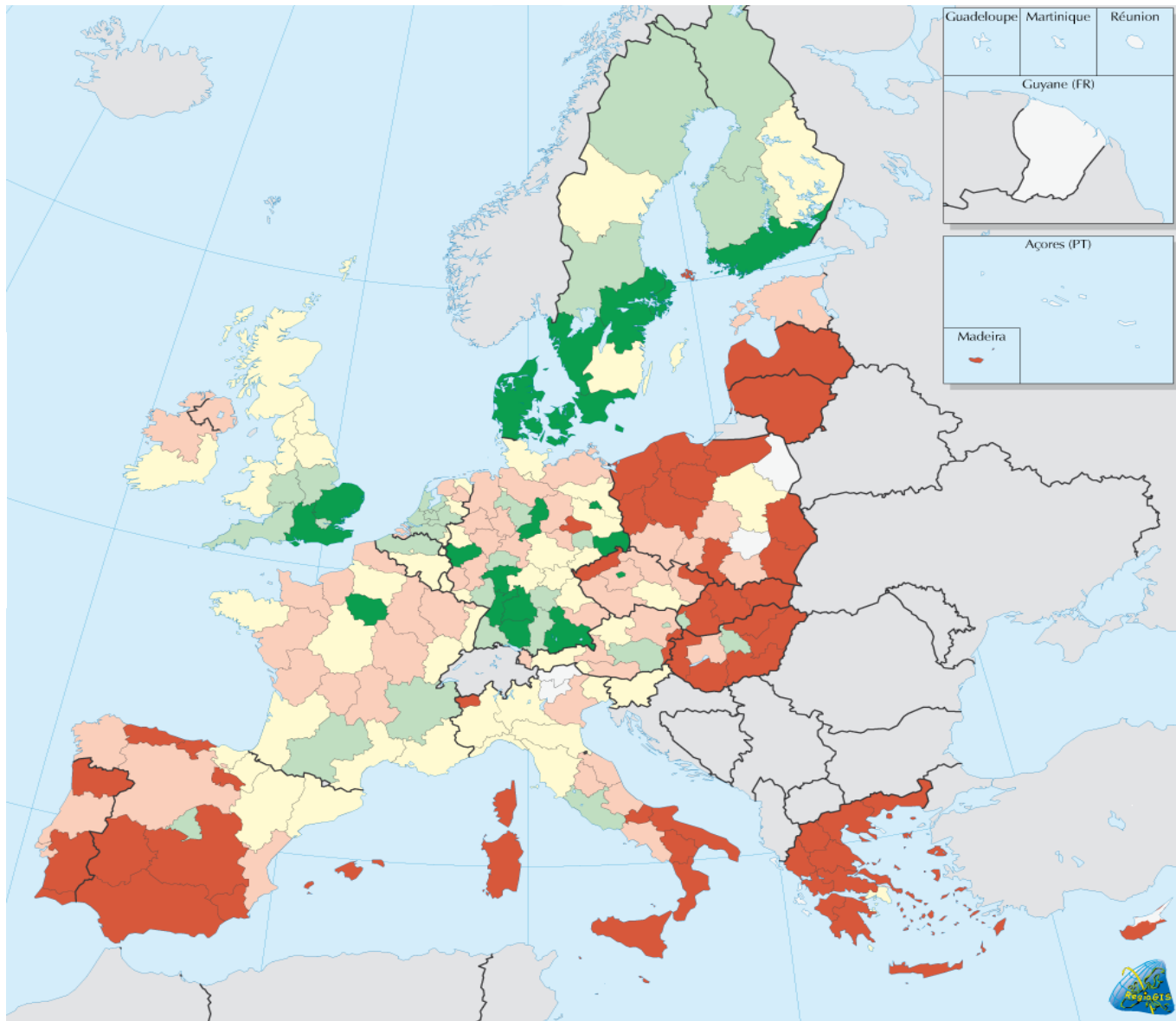
Averages 2007-2013



Regional Innovation Performance

Regional Innovation Scoreboard 2006

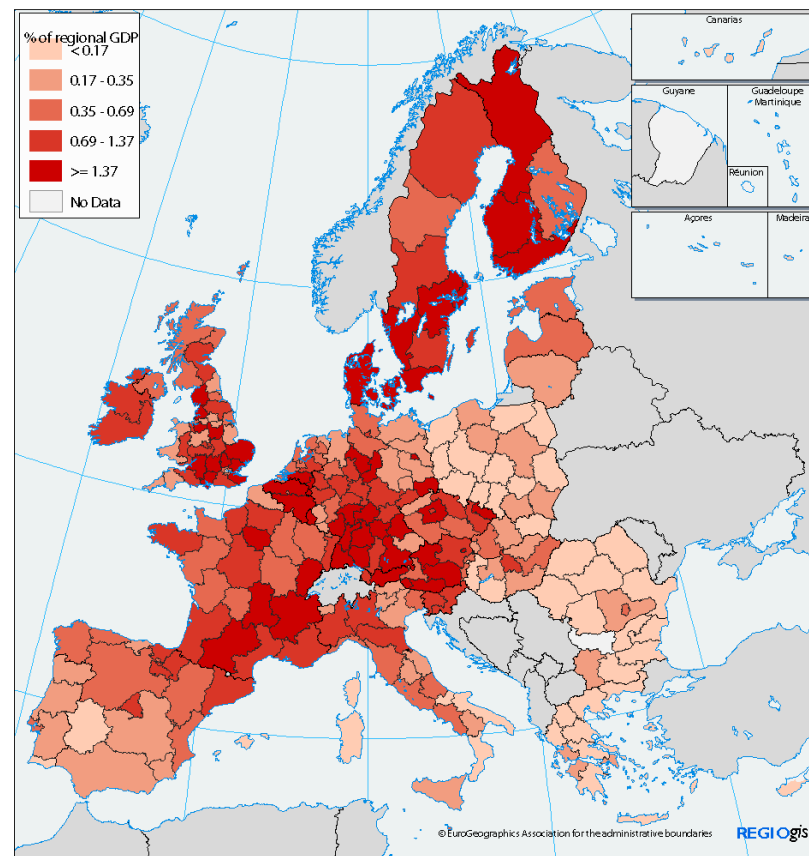
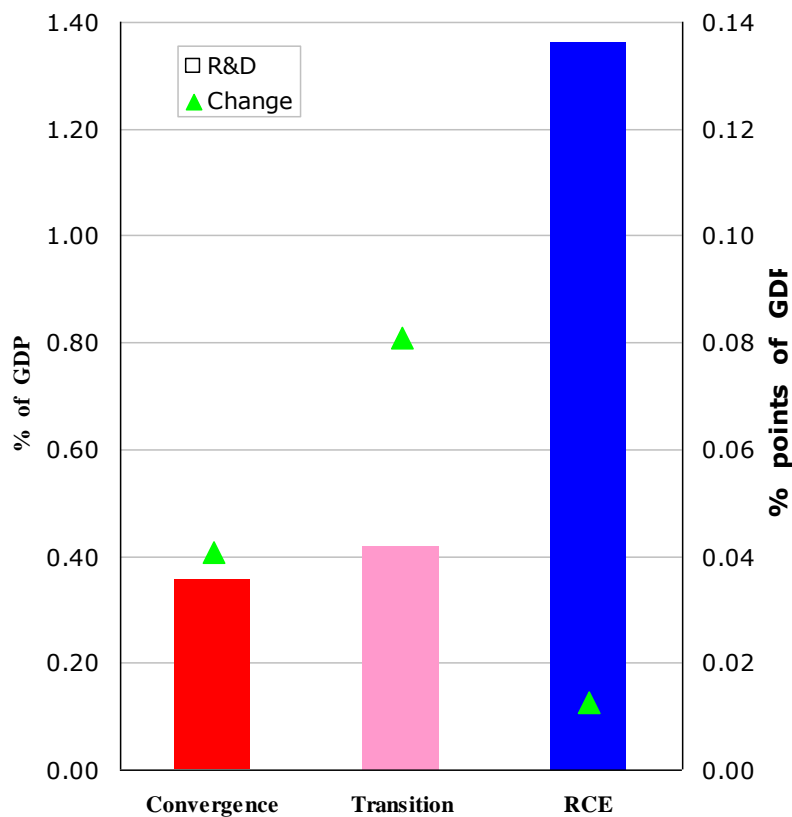
-  best performers
-  above average performers
-  average performers
-  below average performers
-  poor performers
-  no data



Innovation in firms: R&D and others

R&D expenditure in the business enterprise sector, as % of GDP, 2006

R&D expenditure in the business enterprise sector 2006 and evolution 2000-2006



A European challenge: R&D excellence & Regional Innovation

An R&D excellence-based approach: more money for basic leading edge R&D - help the best compete globally...the others will follow

30% of business expenditure on R&D and nearly half of all patent applications in just 10 regions

Over 6.000 SMEs involved in the VII FWP...in first two years (12,3% of all funding)

The "regional systems approach": more money for innovation – help tap underutilised potential, SMEs in particular, wherever it exists.

**Over 23 million SMEs across the Union providing up to 2/3 of all private sector jobs
(27 billion in EU Cohesion funding aid)**

“Both global economic growth and social cohesion require increasing the competitiveness of regions, especially where potential is highest. The comparative advantages that drive innovation and investment are as much a regional characteristic as a national one. For regions to succeed, they must harness their own mix of assets, skills and ideas to compete in a global market and develop unused potential.”

OECD (Conclusions of the Chair, High level Meeting, Martigny, Switzerland, July 2003)

Is the Regional Dimension Important for Innovation Policy?

- *“The capacity for developing human capital and interactions between firms, ... is increasingly localised,... networks of both formal and, mainly informal contacts...take place more easily at the regional level... synergies, or an innovative ‘surplus’ can arise from shared cultural, psychological or political perspectives arising from occupancy of a shared space or region” (Lundvall & Borras, 1997).*
- *“it is able to act on local knowledge, part of which is tacit, concerning the calibre of firms, the formal and informal linkages between firms, the quality of the labour force and the capacity of the institutions... the most appropriate level at which to build social capital...” (Morgan & Nauwelaers, 1997).*
- *“...to the extent that product and process innovation is based upon new ideas and that the creation of new ideas is a social process involving discussion, then geographical proximity is important in innovation...” (Best, 1990).*
- *« La Commission a donc décidé de mettre fortement l'accent sur l'innovation régionale dans les nouveaux programmes de cohésion. Parce que le niveau régional est le plus adapté pour prendre des mesures qui favorisent l'innovation. Il a un atout majeur: la proximité des acteurs – chefs d'entreprise, chercheurs, autorités locales, institutions financières » (J.M.Barroso, 2006).*



Two different policy delivery mechanisms and administrative cultures

EU R&D Policy	EU Regional Policy
Based on individual R&D Projects often of a pre-competitive nature aiming at improving leading edge basic research	Based on multiannual Programmes aiming at increased economic competitiveness through close to the market competitive R&D and innovation efforts
Awarded directly to final beneficiaries (firms, public and private R&D centers and Universities)	Awarded through shared management to national and regional public intermediaries
Competitive calls addressed to international groupings through peer review based on excellence criteria	Non competitive attribution addressed to regional players based on strategic planning negotiation

Two policies with complementary objectives: a history on collaboration in search of synergies

COM (1993) “Cohesion Policy and RTD Policy – Synergies between Research and Technological Development Policy and economic and social cohesion policy”

- DG Regio Cooperation Chart with DG Enter and DG INFSO: Innovating Regions in Europe – IRE, European Regional Information Society Association – Eris@, RINNO.

COM (1998) “Reinforcing Cohesion and Competitiveness through Research Technological Development and Innovation”

- RIS+ and RITTS.

COM (2001) “The Regional Dimension of the European Research Area”

- Regions of Knowledge

Practical Guide to EU Funding opportunities for R&I: http://cordis.europa.eu/eu-funding-guide/home_en.html

Example of synergies between ERDF and FWP VII: “Spanish ERDF Technology Fund”

Financing regional initiatives to stimulate the participation of regional stakeholders in FWP VII and other international R&D programmes

CDTI (National Innovation Promotion Agency) funded under the Spanish OP ‘Technology Fund 2007-2013’ uses Structural Funds to reinforce cooperation / communication / coordination between NCP of FP7 and national managers of international R&D programmes and Regional public agents promoting, financing and stimulating R&D and Innovation through:

- Information Campaigns
- Active Search of Partners
- Assistance in preparation of proposals

Example of combination of EU Funding: Potsdam-Golm Science Park (Germany)

(Finalist RegioStars Award 2009)

ERDF: € 74 million (1997-2007) for research infrastructure:

University of Potsdam

Research institutes

RTD-Framework Programme

(FP5) support for several joint research projects (2000-2005) from

University and research institutes



AN AGENDA FOR A REFORMED COHESION POLICY: A place-based approach to meeting European Union challenges and expectations

Fabrizio Barca Report (2009)

“...A particular case is made for selecting Innovation as a core priority. Place-based interventions, building on the strengths and taking account of the weaknesses of previous experience as regards cohesion policy in this area, could complement policies aimed at developing a European Research Area, by selecting in each region a limited number of sectors in which innovation can most readily occur and a knowledge base built up. Through such an approach – defined in the current policy debate as “smart specialisation” - the most could be made of the present diversity of industrial agglomerations and networks, while their “openness” beyond regional or national boundaries would be promoted...”