Cohesion policy and research and innovation strategies for smart specialisation (RIS3)

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The Committee on Regional Development adopted the own-initiative report by Ramón Luis VALCÁRCEL SISO (EPP, ES) on Cohesion Policy and Research and Innovation Strategies for Smart Specialisation (RIS3).

Members recalled that during the last legislative period, the European Regional Development Fund (ERDF) in support of Thematic Objective No 1, established that regions were required to focus their investment on R&D&I via **smart specialisation strategies** in the 2014-2020 programming period. Therefore, RIS3 is an ex-ante condition for member states and EU regions for receiving European Structural and Investment Funds (ESIF).

Smart specialisation combines and brings together different policies, including those for entrepreneurship, education and innovation, in order for regions to identify and select priority areas for their development and related investments by focusing on their strengths and comparative advantages.

The central role of RIS3: Members underlined that smart specialisation strategies support **thematic concentration and strategic programming of the European Structural and Investment Funds (ESI Funds)** and lead to increased performance orientation on the ground, thus contributing to the achievement of the Europe 2020 objectives. They called on all actors involved to:

- develop RIS3 on the basis of analyses of each region's existing capabilities, assets and competences;
- focus on entrepreneurial discovery in order to detect emerging niches or comparative advantages for smart specialisation, avoid forced and artificial overspecialisation;
- enhance a stronger partnership between public and private sectors while always avoiding possible conflicts of interest between the private and public sectors.

Members supported a **broad definition** of innovation as signifying the transformation of an idea into a new or improved product or service introduced on the market, into a new or improved operational process used in industry and commerce, or into a new approach to a social service.

They asked for:

- **regions** to design schemes for innovative support services aimed at complementing or replacing existing support services, in order to allow a given region to achieve its full competitive potential, help enterprises absorb new knowledge and technology in order to remain competitive;
- the Commission to align the general block exemption regulation in order to allow the Seal of Excellence conditions to be offered by the ESI Funds;
- **national authorities** to invest in regional intelligence and big data mining so that they are enabled both to demonstrate their unique competitive advantage and to understand trends relating to regional enterprises in the global value chain.

Welcoming the role of the **Smart Specialisation Platform** (S3 platform) established by the Commission's DG REGIO and located at the JRC in Seville, the report stressed that this platform should: (i) play a key role in advising regions and setting benchmarks on their innovation strategies; (ii) help lagging regions and enhancing multilevel governance and synergies between regions.

Multi-level governance and its capacity: Members regretted that some Member States have decided to opt for national RIS3 without giving local and regional authorities a chance to develop their own views. They called on the Member States concerned to **reconsider replacing the national RIS3 by regional ones in order not to miss out on growth opportunities**, and called for a better coordination between national and regional S3 strategies wherever appropriate, in order to adapt them if necessary to future needs and requirements for sustainable development, in particular in the food and energy sectors.

In order to encourage a change of mentality and to promote innovative policy approaches to boost intra-regional, inter-regional, extra-regional, cross-border and transnational collaboration, the report called for:

- the **development of flexibility and coordination mechanisms** to link the results of the RIS3 process to the implementation of Horizon 2020 and other programmes;
- the encouragement of regions to engage in forms of transnational cooperation such as the Vanguard Initiative, the Seal of Excellence, the Knowledge Exchange Platform (KEP), the S3 platforms, the Stairway to Excellence, and the regional innovation schemes for the co-location centres of the European Institute of Innovation and Technology (EIT);
- the facilitation of the development of **strategic cluster partnerships**, with a view to boosting investment, enhancing coordination, creating synergies and promoting exchanges of views in order to avoid duplication and inefficient spending of public resources.

Better synergies for growth and job creation: Members criticised the lack of synergies across ESI Funds and other EU financing instruments, which hinders coordination, coherence and integration in EU funding, as well as reducing its results and impact. They called for action to obtain the necessary information for achieving **synergies** between the various policies and instruments available in the RIS3, such as the cohesion policy for 2014-2020, the smart specialisation platform, the European Cluster Observatory, the European Innovation Partnership, the European Strategy Forum, the Key Enabling Technologies (KETs) and the research infrastructures.

The report stressed the need for the further development and extension throughout Europe of the concept of **'smart and connected cities'**. It welcomed the intention of the Dutch EU Presidency to create a bottom-up approach empowering cities in coordination with regional authorities, to develop the EU Urban Agenda.

Monitoring and evaluation: although most regions have adopted a RIS3, a considerable number of them still need to work on complying with the **ex-ante conditionality requirements**, the main challenges being the monitoring mechanism, the budgetary framework and the measures to stimulate private-sector research and innovation investments.

Members regretted a **lack of granularity** in many of the strategies, and called for the refinement of the prioritisation process, thus avoiding the risk of focusing all strategies on the same topics. They called for the development of strategies not only in high technology but also in low technology and social innovation.

The EU and the Member States are called upon to carry out periodic (annual and mid-term) monitoring – both quantitative and qualitative – of the implementation of the strategies, and to involve all stakeholders, including civil society, in the process.

Main lessons: Members called on the Commission to push for a **review of the strategies in 2017** in order to boost their efficiency and effectiveness, and to provide information on their contribution to both future cohesion and research and innovation policies after 2020. They asked DG REGIO and the S3 platform to draft, and widely disseminate, a short policy paper on the past RIS3 experience.