

FP9 CONSULTATION – SYNERGIES WITH REGIONAL POLICY

The concept of regionality through Regional Innovation Strategies for Smart Specialisation (RIS3) should be considered for FP9, recognising the relevance of a place-based strategy. FP7 supported some excellent developments through Regions of Knowledge and Regions of Potential. These programmes did not feature in Horizon 2020, the intention being that such activities should be funded through regional ESIF within the Europe 2020 strategy, however in practice it was difficult to align Horizon 2020 with individual ESIF programmes.

We would propose that some recognition of regional potential be re-introduced to FP9, along the lines of the previous Regions of Knowledge and Regions of Potential.

1. Scotland's approach

- One of the strengths of EU engagement in Scotland has been the willingness to synergise – aligning activities carried out by different organisations/sectors working in partnership; and also aligning investments across the use of different EU funds.
- This is particularly evident in the Highlands and Islands region, from the Objective One Programme of 1994-99 to the current-day Transition Region status.
- This is partly because such alignment is good practice – but also from a pragmatic perspective; if there is a huge development challenge (eg in H&I with diseconomies of scale, distance, geography and sparsity of population) and limited support available, it makes sense to target resources towards shared goals, leading to critical mass and improved return on all investments.
- This is what is behind the concept of Smart Specialisation – a key feature at the development stage of the 2014-20 programmes. Basically, it means concentrating on areas of strength, where funding can make a difference, rather than 'spreading the jam too thin'. However, the policy goes beyond merely concentrating funding and support to the top 2-3 priorities.

2. Experience from previous programme planning

- For the first time in the 2014-20 EU programmes, there was a common, over-arching framework in the [Europe 2020 Strategy](#) for **smart, sustainable and inclusive** growth - so a Europe-wide starting point.
- At the planning stage for new 2014-20 programmes in Scotland, RIS3 – Regional Innovation Strategies for Smart Specialisation – featured heavily in discussions and how they could/should influence the development of new ESIF programmes in particular.
- The need to adapt strategies to suit specific regional needs was recognised – eg looking at the specific challenges for remote, rural and sparsely populated regions:

The analysis of the case study regions demonstrates that SPA [Sparsely populated areas] have been able to create innovative environments in sparsely populated and remote areas and that there is a mind-set and willingness to utilise the possibilities provided by S3 processes. However, in doing so SPA need to strengthen their competitiveness with extra-regional knowledge and networking pipelines and even more so than other types of regions in consideration of the lack of critical mass. The specific characteristics and features of SPA often with abundant natural resources, but with limited human capital and lack of agglomeration economies need to be carefully studied and the regional actors need not only to be heard but also to be invited to an inclusive S3 process. The cases discussed enlighten the need to address S3 as an overarching framework for territorial development based on the integration of complementary policies.¹

- However, challenges in translating theory into practice were beginning to emerge:
 - *‘In theory’, the Smart Specialisation policy thinking is supposed to be applicable in any type of regional setting*
 - *‘In practice’, much attention to metropolitan and urban contexts –less attention to the applicability of RIS3 in remote regions*
 - *How to apply smart specialisation when the geographical area is huge-but the number of people living in the area is small? ²*
- There was also the intention to promote synergies across ESIF funds (particularly ESF and ERDF) as well as with eg wider European Territorial Cooperation Programmes (INTERREG) - and Horizon 2020 in particular.
- Scotland had identified key growth sectors to be prioritised in ESIF – the same priority sectors RIS3 – and the clear extension of this was to synergise across to Horizon 2020 participation.

*‘Strengthening synergies between Horizon 2020 and the European Structural and Investment Funds (ESI Funds) is about **building meaningful interactions** between investment strategies and interventions as a way to have significant impacts on the economy, combining **place-based innovation investments** in smart specialisation priorities with **world-class research and innovation initiatives**, thus ensuring a higher impact of the funds.’³*

- With reduced levels of ESIF funding available, this approach made sense in principle and it fed into implementation planning.
- Again, however, on a practical level, it proved challenging. An excellent case could be made on paper for a synergistic approach to, for example, building new facilities for Health Science research through the ERDF programme, then populating it with researchers through a Horizon 2020 initiative. In practice, timescales for decisions on funding applications do not align, leading to the risk that one aspect might be funded and the other not. Programme targets and outputs might not

¹ <https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/implementing-smart-specialisation-sparsely-populated-areas>

² <https://www.espon.eu/sites/default/files/attachments/Implementing%20smart%20specialisation%20in%20sparsely%20populated%20areas%2C%20Jukka%20Teras.pdf>

³ <https://ec.europa.eu/research/regions/index.cfm?pg=synergies>

align either, leading to the risk that one may be compromised by the other, to the detriment of the original concept.

- There have been excellent examples (*MERIKA is one – there are many others from across Scotland in the Case Study booklet*) of where good synergy has occurred – but these tend to be against the odds rather than as the result of careful, sequential planning!
- In the 2007-13 programmes, there had been useful, practical options in support of synergies in FP7 through the Regions of Knowledge and Regions of Potential initiatives.
- Regions of Knowledge was aimed at strengthening research potential in regions and Regions of Potential was aimed at unlocking research potential in Europe's convergence and outermost regions.
- The MERIKA project was a €3.95m Regions of Potential project, the only one funded in the UK, and built on previous ERDF and ESF investment in UHI's research capacity in marine energy by funding high spec research equipment and close collaboration with thematic experts in other member states – with the expectation of progressing on to Horizon 2020 participation. (*Brexit being a factor in next steps – but perhaps not for detailing here!*)
- However, the Horizon 2020 programme no longer includes Regions of Knowledge or Regions of Potential – the rationale being that such activities should be funded through regional ESIF within the Europe 2020 strategy.
- Again, this looked fine in theory – but in practice (in our experience in Scotland, at least) it has failed to deliver, for the reasons outlined above.

3. 'Regionality' in FP9?

- We would propose that some recognition of regional potential be re-introduced to FP9, along the lines of the previous Regions of Knowledge and Regions of Potential. This in no way diminishes or dilutes the commitment to excellence – rather, it encourages new approaches to innovation from new players, with new ideas from different regions, which may not have had the opportunity to participate to the same extent in the past.
- Scotland is recognised as being an 'innovative region', with the UK identified as an 'Innovation Leader in 2017'.⁴ Scottish organisations have been key players in Horizon 2020 and previous Framework Programmes – but there is potential to build further on this strong platform in FP9, leading to greater benefits to the wider economy through increased commercialisation and links with industry.
- Synergy with Regional Policy is essential here, aligning research and innovation excellence aims of Framework Programmes with the stated aims of Cohesion Policy, thus:
 - Building on previous investment in disadvantaged regions, allowing progression and maximum benefit from potential – ensuring lasting legacy to regions; and

⁴ http://ec.europa.eu/regional_policy/en/information/publications/factsheets/2017/smart-specialisation-strengthening-innovation-in-united-kingdom

- Recognising that some regional disparities may remain – but they do not necessarily mean a lack of innovation at regional level; in fact, the opposite is often the case, based on the need to respond to the challenges posed by such disparities!
- Such an approach is also in line with aspirations to widen participation and would also ensure that the impact of funding and support is greater than that of a range of disconnected, independent initiatives.