

European Union Regional Policy



CPU Meeting 2nd June 2010, Brussels

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Cohesion policy: rationale and results

European Union Regional Policy

- Based on a system of multi-governance and highvalue cooperation
- A track record of achieving targets: improving competitiveness and attractiveness in regions (ICT, transport and environment)
- A contribution to institution-building in regions
- A place-based approach for the design of integrated innovation strategies that entails a shared responsibility for policy design and implementation, among different levels of government, where each level can contribute at its best and involve the relevant stakeholders
 - Barca Report



Cohesion policy: resources for innovation

- 2007-2013:
- € 86 billion (25%)
- of which:
 - - € 62 billion (22%)
 - Emp & Compet
 - € 22 billion (40%)
 - **Territorial Coop**
 - € 2 billion (27%)

- 2000-2006:
- € 25 502 million (11%)
- Staff Working Document SEC(2007)1547:
- Regions Delivering Innovation through Cohesion Policy
- http://ec.europa.eu/regional_policy/sources/docoffi c/official/communic/comm_en.htm







RTD & Innovation:

- Supporting the creation of regional and transregional clusters; networking among enterprises & research
- Development of science parks, incubators, etc
- Supporting RTD activities, investment and technology transfer in SMEs
- Promotion of environmentally-friendly products and processes in SMEs: eco-innovation
- RDT infrastructure and researchers













 Entrepreneurship: to support selfemployment and business start-up and advanced support services for businesses/ JEREMIE and other fin eng schemes shifting from grants to loans and guarantees









 Innovative ICT: services and applications for businesses and citizens, such as e-government, ehealth, etc.; take up and efficient use of ICTs by SMEs













Human resources:

- development of skills and mechanisms related to innovation capacity of staff at work
- training and services for employees to step up their adaptability to change
- design and dissemination of innovative and more productive ways of organising work













Strategic reporting 2009-2010

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News Background Commission S Report Member State		Cohesion policy: Strategic report 2010 on the implementation of the programmes 2007-2013 • What progress are Member States and their regions making in delivering agreed objectives, including high level EU objective? • How has cohesion policy contributed to reducing the economic and social disparities across Europe? • What has been the impact of the on-going economic crises on implementing cohesion programmes? • How are Member States performing in various sectors against the EU average?							111
		Commission Strategic Report In the strategic report, adopted on 31 March 2010, the Commission concludes that the strategic reporting exercise is an initiation accountability in the delivery of the policy's objectives. Though this first exercise has limitations, it is a promising basis for building a more thorough peer review of performance, giving an impetus to a more results oriented policy. The exercise also brings important and timely messages into the debate on the potential of the policy to accelerate the exit from the crisis by addressing development needs while responding to the effects of the crisis. It also provided a valuable more pound and points to areas where efforts must be reinforced in order to deliver an important early contribution to the burdence point. • Press Release Image of all of me of all first in the time me of performance. • Commission Communication COM(2010)110 of 31.03.2010							
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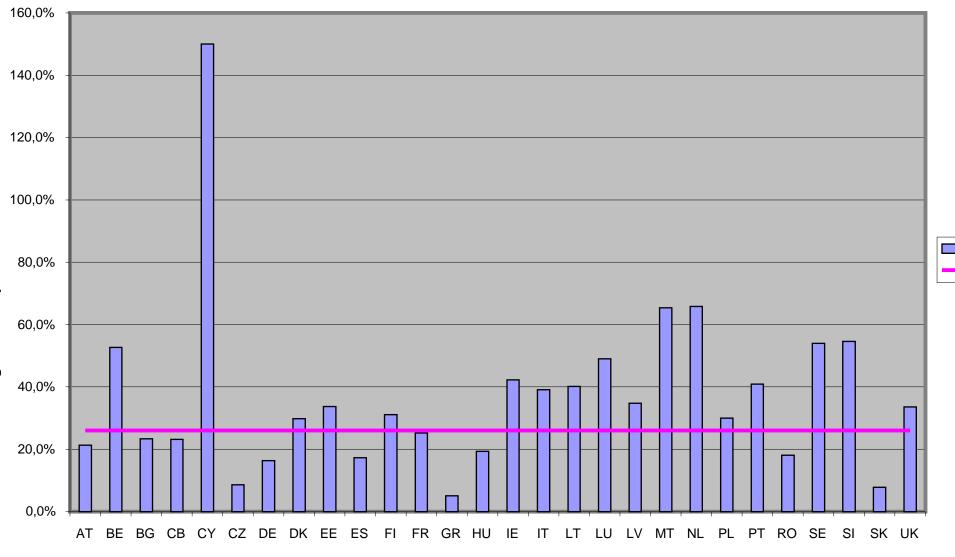
Respect of 'Lisbon earmarking' •Lisbon earmarked priority themes –over 27% selected

- •EU infrastructure, clean transport, energy priorities
 - Innovation, research, entrepreneurship
 Human capital, labour market, social inclusion
- Investments strongly aligned with Europe 2020
- •Europe 2020 strategy can reinforce consensus ... and mobilise National and Regional players





Programming period 2007- 2013 Selected projects: Innovation

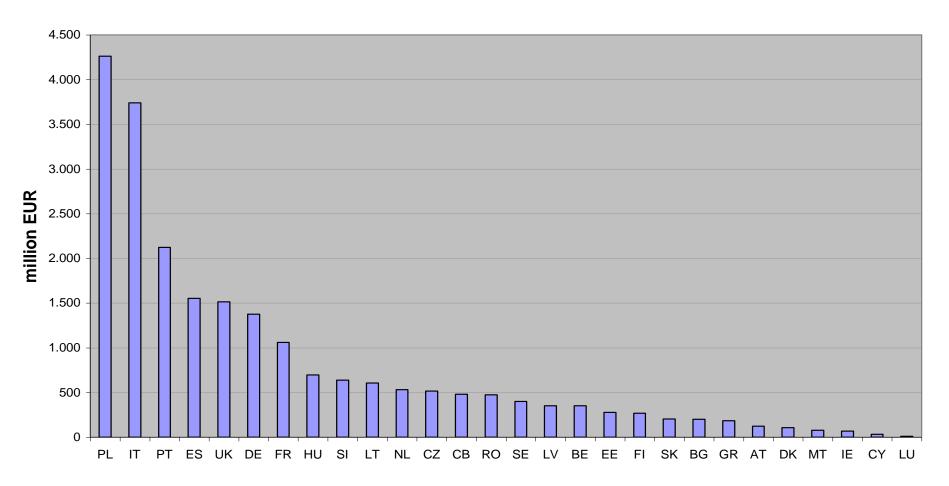


(NB: CY 460%)





Amounts allocated to innovation projects by Member State Programming period 2007-2013

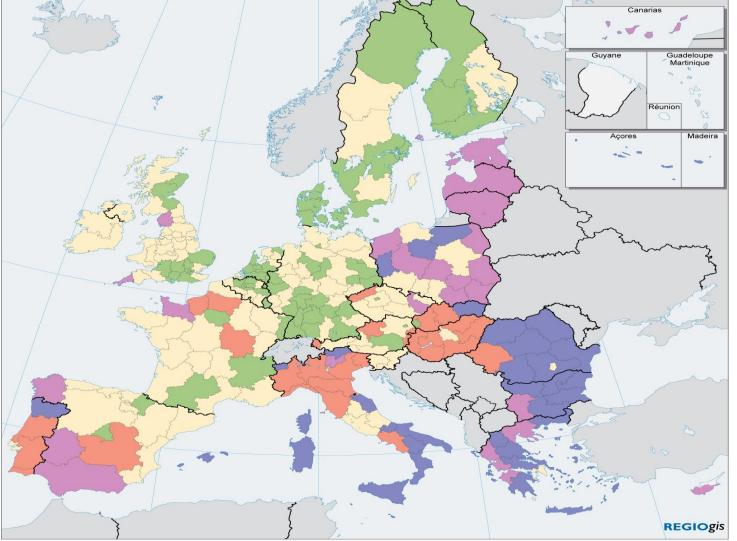


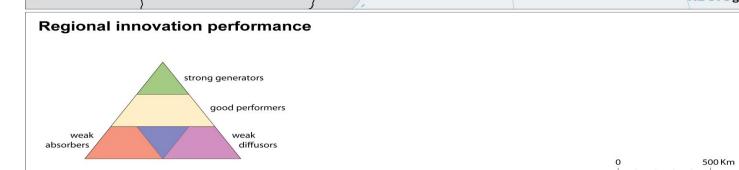


Europe 2020 and Cohesion Policy

- Smart growth: developing an economy based on knowledge and innovation
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy
- Inclusive growth: fostering a highemployment economy delivering social and territorial cohesion











- **Strong generators:** Highly developed regions of the North-Western Member States. close to the world technology frontier and their growth process generally hinges on innovation and R&D as well as on the accumulation of human capital, in view of moving this technology frontier up.
- **Good performers:** The second group broadly corresponds to the moderately developed regions of Europe. These regions are catching up on the first group through a process of technology absorption. However, such process requires high levels of human capital and the main challenge for these regions is therefore to reduce the gap in terms of the education level of their workforce.
- Weak diffusers and weak absorbers: regions mostly located in the Central and Eastern Member States. These regions catch up on the first group at an even faster pace. This process is generally based on the restructuring of their economies and critically rests on their capacity to benefit from technology diffusion. For these regions where the level of education is often relatively high, the first limitation factor is not human capital but rather their low endowment in infrastructure and the quality of the business environment. This third group can also be subdivided into two sub groups that measure the capacity of regions to absorb or to diffuse innovation.
- The absorption capacity is measured by the education level of the population, life long learning and the share of employment in Knowledge intensive services.
- The diffusion capacity is based on motorway and railway density, access to flights, distance of the population to universities, the share of high tech employment and the share of households with broadband access.





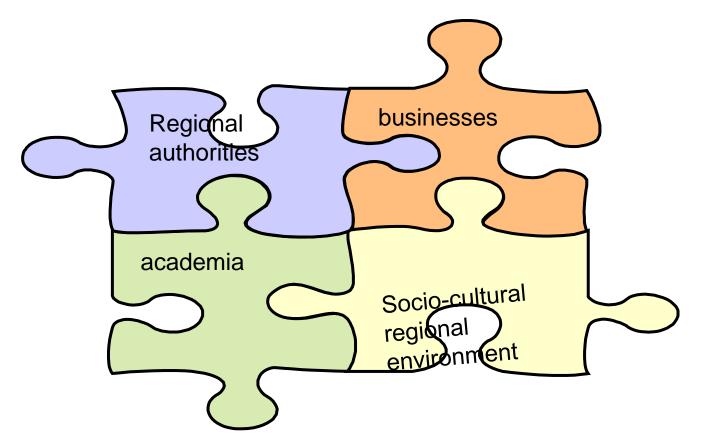
Smart specialisation

- There is no 'one-size fits all' model underpinning regional prosperity or industrial policies.
- We need an **entrepreneurial process of discovery** not a 'grand plan' or a foresight exercise that can reveal what a region does best
- We need investments and programs that will complement existing productive assets to create future domestic capability and interregional comparative advantage
- This process must be bottom-up and not top-down
- Public policy, regional, national and EU level should play a different role in promoting innovation in different territorial contexts



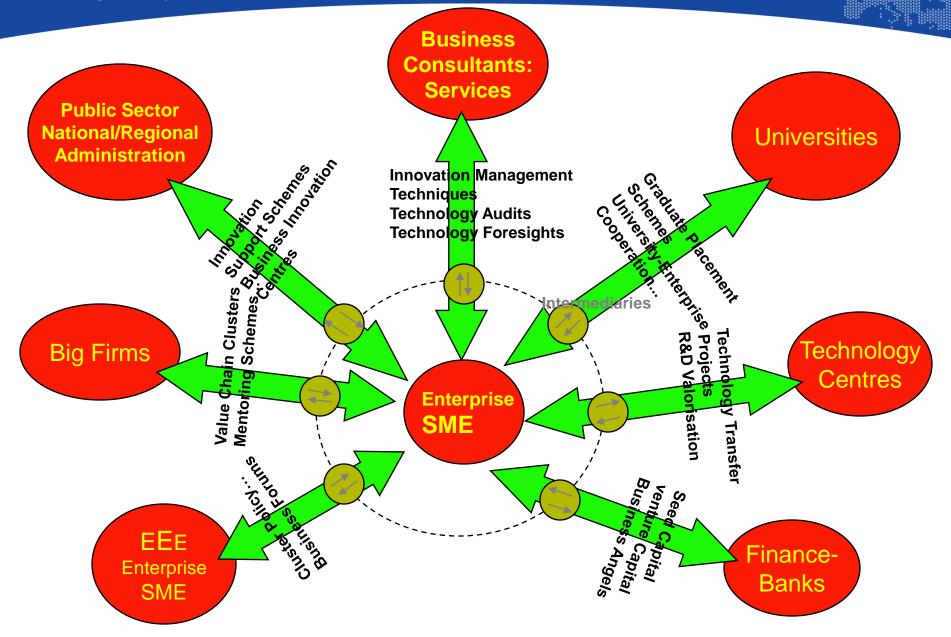


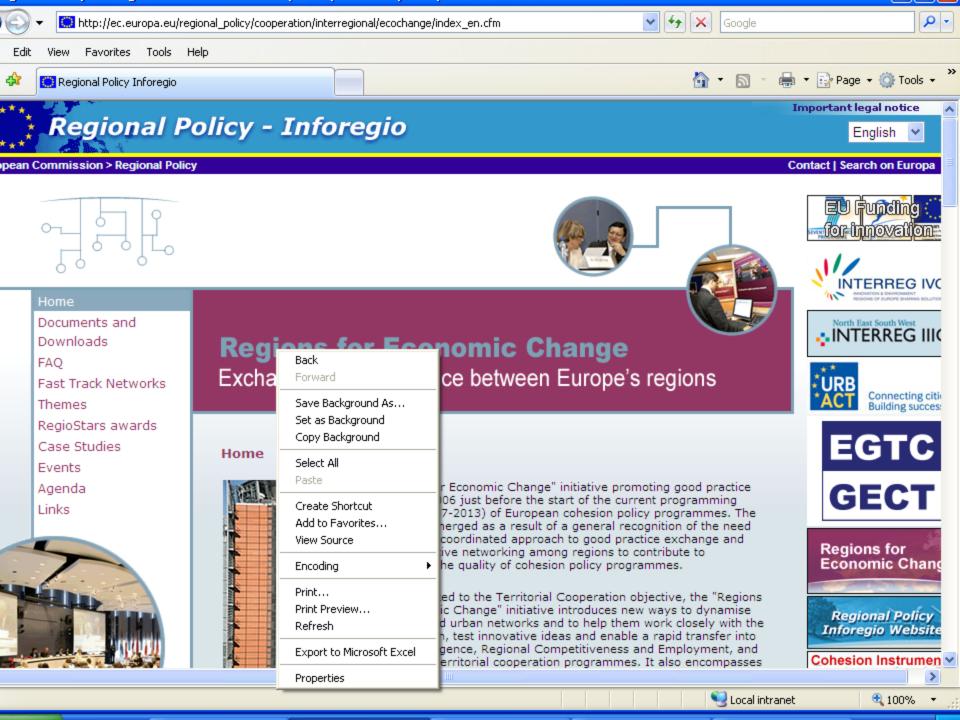
Identifying regional development paths to construct regional advantages: the systemic approach



now does it work in practice?

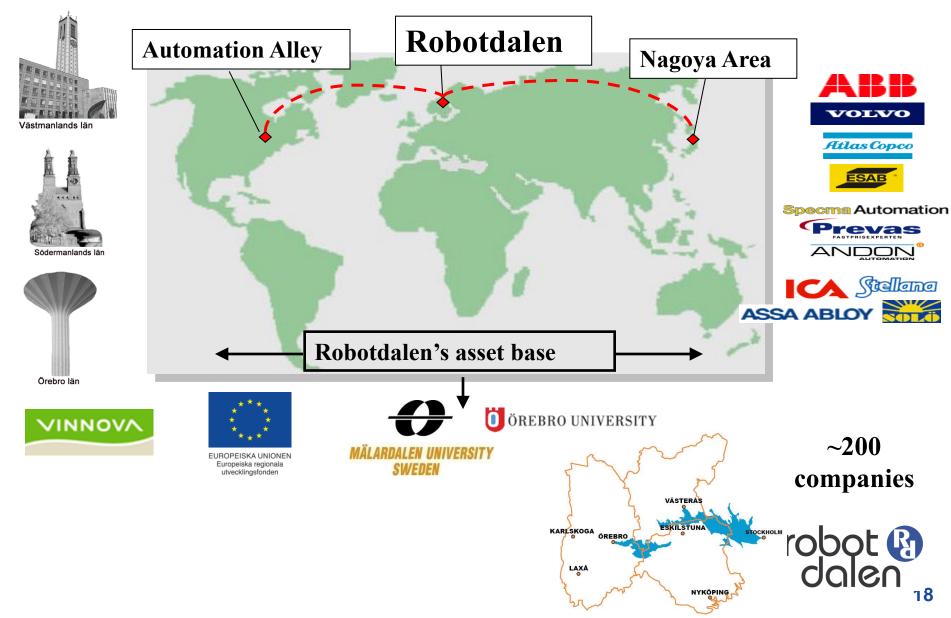
European Union Regional Policy







Robotdalen – a World Leading Region in Robotics!





Delivering results

I6 new products and 14 new companies so far. Some examples:





NSAL - Aut. mining truck First order 2007

SensActive – Bin picking First order 2007



GroundBot – Surveillance First order spring 2008





RobCab – Hospital Transports



Rerob – Muscle rehab



Bestic – Feeding aid









- From an Innovative Actions to an European Entreprise Award 2007
- Strategic Alliance of 21 Lower Bavarian Municipalities: supporting entrepreneurial spirit in small rural regions
- From EUR 3 million (ERDF) to EUR 13.2 million (private/public)
- New 170 start-ups that created 400 new jobs



Finalist 2008

the Innovation Assistant: from a success in one region to 10 other regions with ERIK ACTION

• The Innovation Assistant Programme Project started in 2002 to encourage SMEs to put more effort in innovations and strategy plans with help from newly graduated students with an academic profile towards innovation

and project management.

- Until March 2007 the programme funded 52 Innovation Assistants. The average cost for each action is 30,000 € which has been contributed by ERDF and regional funds. A detailed analysis of the projects showed that:
 - □ in over 90% of the cases the scheme was important for the SME in order to tackle the innovation issues and
 - □ in approximately 60% of the pilot projects an employment of the Innovation Assistant was prolonged and they remained within the company.
 - □ 80% of the SMEs developed one or more new products during the project.
 - Approximately 70% of the SMEs could report increasing turnover based on the innovations.
 - A significant number of 'gazelles' new firms with very quick growth reaching international markets





GAT Food Essentials_smart natural food ingredients™



Aston University

Birmingham

Innovation Voucher Scheme West Midlands

- invites SMEs to apply for a £3000 voucher to purchase academic support from 1 of the 13 universities in the West Midlands
- Additional support provided by ERDF has funded 150 of total 661 vouchers
- The success of the West Midlands based scheme has also led to further scheme being adopted in other UK regions, most notably in the North West and Yorkshire.



Innovative bench to test the strength of safety belts



- Fund: Regional Operational Programme for the Lodz Region, Priority III: Economy,
- Innovation, Entrepreneurship
- Total value of the project: 469 700,000 PLN
- Support from EU Funds: 221 250,000 PLN
- **Duration of the project**: 18 months





Thank you for your attention