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TECHNICAL PAPER FROM THE CPMR GENERAL SECRETARIAT

**REGIONS AND REGIONAL TERRITORIES, CORNERSTONES
OF SYNERGIES BETWEEN EU REGIONAL POLICY AND EU R&D
POLICIES**

Over the past years, the issue of synergies between EU regional policy, and EU R&D policies¹ has been addressed several times at European level, in the framework of different reports and initiatives². In the coming months, it will remain on the European agenda, for instance through a report currently under preparation at the European Parliament³, and in the framework of the WIRE Conference⁴, which will be held during the Spanish Presidency, and in which CPMR will directly be involved⁵. In the longer term, it will be one of the angles under which the preparation of the next generation of EU policies after 2013 will be discussed. Today, it can already be connected to the on-going debates on the EU2020 strategy, as well as with those on the future of the budget and of EU regional policy and of European R&D policies, issues on which the CPMR is active.

This technical paper presents the main lines of the CPMR's current approach, which will be further developed in the coming months⁶. Rather than aiming at addressing all the possible issues in this debate, it focuses on the interest of tackling these issues under the angle of the territorial dimension and the role of the Regions.

EU regional policy, the FP and the CIP are today very different both in terms of objectives and governance. They should however ideally be at the service of a common strategy shared at all governance levels. This strategy should consider regional territories as a relevant level of implementation and coordination of European policies and Regions as real partners.

¹ Here, this Technical Paper is referring to the FPRDT (Framework Programme on Research and Technological Development), to the CIP (Framework Programme for Competitiveness and Innovation) and to the EIB (European Investment Bank). On a larger extent, it does also occasionally refer to European funding for research in the framework of sectoral policies.

² See for instance:

- "Synergies between the 7th Framework Programme for Research, the Framework Programme for Competitiveness and Innovation and the Structural Funds", Study for the European Parliament, (2007);

- Final report of the European Research Advisory Board on "Energising Europe's Knowledge Triangle of Research, Education and Innovation through the Structural Funds", April 2007;

- CREST guidelines on "Coordinating the Research Framework Programme and the Structural Funds to Support Research and Development", May 2007;

- European Commission, "Practical Guide to EU Funding Opportunities for Research and Innovation", SEC (2007) 1045, 16/08/2007.

- "Moving towards a territorialisation of European R&D and innovation policies", Study for the European Parliament, 2009,

³ Report on the implementation of the synergies of research and innovation earmarked funds in Regulation (EC) n° 1080/2006 concerning the European Fund of Regional Development and the Seventh Framework Programme for Research and Development in cities and regions as well as in the Member States and the Union Committee on Regional Development - *Rapporteur*: Lambert van Nistelrooij;

⁴ Week of Innovative Regions in Europe - 15-17 March 2010 <http://wire.fecyt.es/publico/Inicio/index.aspx?idioma=en>;

⁵ http://www.crpm.org/pub/docs/149_100317_cpmr_wire_conference.pdf

⁶ This Technical Paper is on a working basis. It therefore does not bring answers to all the questions it raises.

These ideas constitute a common guideline for the analysis and recommendations set out in this paper. The ideas are summarised here below and detailed under the following main ideas:

I. Better synergies through a stronger convergence of cohesion and competitiveness policy approaches:

A - Identifying and going beyond contradictions:

1. Between contradictory impacts and potential synergies:

- An obvious contradiction in terms of potential impact on territorial cohesion
- Another contradiction between cohesion, scientific excellence and economic competitiveness
- Potential synergies
- Analysing tensions in the long run, and in a dynamic perspective

2. Put boundaries between EU policies supporting cohesion and those supporting excellence into perspective

- Regions and the EU regional policy also support excellence
- The FP does not only support excellence

B - Building bridges for better synergies between policy approaches

1. Implement a new thinking on the concepts of cohesion and excellence, and define how they could include rather than exclude each other

2. Improve data and knowledge on the territorial impact of EU R&D policies

3. Broaden innovation approaches

II. Better synergies through a stronger involvement of Regions in the governance of European R&D policies

A - From the European Territorial Pact to regional R&D strategies

1. European Territorial Pact in parallel to the EU2020 strategy
2. A horizontal multi-level coordination through EU regional policy
3. The continuous improvement of regional R&D strategies

B - Regions, real future partners in the governance of public private initiatives structuring the ERA?

C- Regions, real future partners in the coordination and management of European R&D policies?

1. Increasing the involvement of Regions in the coordination of research programmes at European level and in future joint programming (Art. 169)
2. Towards decentralisation of the management of EU research policy?

III. Better synergies through easier combined use of EU R&D funding instruments

A - Organising the coherence of European policies around the key functions in the regional innovation systems

B - Facilitate the combined use of European funding

I. - BETTER SYNERGIES THROUGH BETTER CONVERGENCE OF COHESION AND COMPETITIVENESS POLICY APPROACHES

The first difficulty in the debate on synergies between EU regional policy and EU R&D instruments such as the FP, results from the fact that the policy approaches inspiring them, respectively based on cohesion and on excellence, are generally considered as being rather contradictory⁷.

If such contradiction cannot be denied or minimised, it is however not absolutely radical. For a part, synergies are possible and exist. Addressing the issue through the angle of the regional dimension is actually useful to identify them.

A. IDENTIFYING AND GOING BEYOND CONTRADICTIONS

1. Between contradictory impacts, and potential synergies

An obvious contradiction in terms of potential impact on territorial cohesion

Competitiveness policies and their component in innovation and research are likely to have a strong and rather negative influence on territorial cohesion and on tensions between centres and peripheries, both at European level and in the Regions. The Barca report stressed, *“A strong innovation “polarisation”: the presence of technological “hotspots” is accompanied by a high number of regions with low or very low performance. Leaving aside the Finnish and Swedish northern regions (which are large in terms of land area but sparsely populated, for which the relevant disaggregated data do not exist), Europe’s innovation “polarisation” is strongly marked by a form a centre-periphery pattern. Many of the regions located physically on the outskirts of Europe or farthest from the European centre, appear to lag behind in research and innovation”*.

This reality makes corrective action a necessity, as a further increase in territorial disparities would however be contradictory with the territorial cohesion objective, enhanced since the Lisbon Treaty. Specific attention must therefore be given to this risk at all levels, in order to avoid a further fragmentation which would have negative consequences for peripheries. EU regional policy is today a powerful means of tackling this problem, and enables for instance the Regions to undertake active policies for the valorisation and dissemination of R&D activity outputs throughout their territories, beyond the main urban centres.

Another contradiction between cohesion, scientific excellence and economic competitiveness

In parallel, considerations in line with cohesion are easily excluded by nature from the objectives of European policies targeting world level scientific excellence, and economic competitiveness. The tendency in the debates on these policies is indeed often to pledge for reinforcement of strong actors having an important critical mass, rather than to encourage development of activities in every part of the European territory. As such, this approach is of course not incompatible with the existence of EU regional policy, which is also used to support the competitiveness of territories in terms of innovation and competitiveness, and which is at the same time counterbalancing tendencies for concentration at European level.

The two contradictions mentioned are difficult to solve and therefore represent a difficulty in terms of synergies between European policies. They must however be put into perspective with other elements, such as the synergies that cohesion and competitiveness approaches can generate for one other.

Potential synergies

Rather than a contradictory element, the territorial dimension can be perceived as an asset for European competitiveness. Indeed, detailing a point of view that is today largely admitted, a significant share of innovation patterns and of links between stakeholders of the triple helix takes place at regional and local levels.

⁷ Except when it is specified, this technical paper refers to cohesion as a policy approach, and not as an objective of the European Union.

Moreover, there is specific interesting potential in terms of innovation in peripheral Regions, such as for instance those linked with their natural maritime or agricultural resources.

European growth would not benefit from the full potential of European territories if the most disadvantaged, rural and peripheral European Regions were left apart in the run for competitiveness. As indicated in the Barca report, *“If, in the polarisation process, places not on the technological frontier but with a strong knowledge base were to fall behind, the opportunity would be wasted to apply new general purpose technologies in the activities in which they are specialised. Diversity would be squandered and growth opportunities would be lost. Inefficiency traps would multiply. The overall effect on Europe innovation and productivity growth would be negative. Moreover, the persistent failure to adapt the new technologies to regions away from the frontier, by progressively eroding the comparative advantages of those regions, would increase the fears of the people living there about the effect of innovation and their opposition to it, (...)Such opposition, too, would have negative effects on overall growth”*.

These observations are useful to put relativity in the contradictions between cohesion and excellence, and to put the regional dimension at the centre of an eventual better convergence between these two approaches in the future. Another element to further develop this direction is that the contradictions described above seem more obvious and homogeneous in a static perspective than in a dynamic perspective over time.

Analysing tensions in the long run, and in a dynamic perspective

Actions and public policies undertaken in the fields of innovation and research, and in the framework of cohesion policies such as EU regional policy, also aim in the end at increasing competitiveness of organisations and territories benefiting from it. In the long run, there should therefore be no need to maintain actions without an end in the framework of cohesion policies, even if in reality however, it is observed that the gaps in terms of levels of development between territories tend to persist, notably for the reason that the level of development of the most competitive territories is also in constant evolution. In a dynamic perspective and in theory, cohesion and excellence policies should enable a convergence between territories.

In parallel and also in theory, the support provided to already “excellent” stakeholders in the framework of EU research policy is not supposed to produce rigidity or never-ending dominant positions in the scientific field or in the market. Scientific and economic excellence is not static over time, and policies for excellence should therefore in theory be accessible for emerging excellent stakeholders, in order to facilitate their success. In practice, it is however always easier and less risky for administrations, including at European level, to give support to stakeholders which are already excellent and competitive. There is thus a risk that the excellent stakeholders of tomorrow, which are by nature more difficult to identify, don’t get relevant support whereas they are the ones needing it the most. Again, in a dynamic perspective and in theory, policies for excellence should not exclude support to emerging stakeholders or territories.

Under this perspective, and despite the contradictions mentioned, policies for cohesion and excellence can in theory be perceived as elements of a common and long-term approach.

In parallel to this thinking on policy approaches, it is interesting to stress that in practice, European and regional policies for innovation and research are not separated by strict boundaries.

2. Put boundaries between EU policies supporting cohesion and those supporting excellence into perspective

In line with the idea that cohesion and competitiveness or excellence are rather contradictory, the feeling that these approaches must be implemented in the framework of separate policies at European level remains sometimes strong. Again, even if this is understandable, it is interesting, in view of exploring possible directions for better synergies, to stress that in practice, boundaries between these policies are not as strict as they may seem to be.

As a matter of fact, in the same way as Regions don’t leave apart the objective of excellence and the European dimension in the framework of their policies, EU research policy does not only support excellence.

Regions and EU regional policy also support excellence

The fact that the FP focuses on excellence should not lead to the conclusion that only the European level is bringing support to excellence, whereas Regions would only support non excellent stakeholders or projects.

This is however not contradictory with the fact that those Regions often implement strategies which also take the potentialities of less advanced sectors or stakeholders into account. In several cases, stakeholders which have become excellent have actually initially benefited from the support of the Regions.

The FP does not only support excellence

The strong competition for accessing FP funds and the quality of the process for project selection make participation in FP projects a good indicator of scientific excellence. However, businesses and teams of researchers participating in the FP are not always only the excellent ones. Indeed, the necessity to obtain funding is as such often very important and sometimes predominant in the decision of a given stakeholder to apply for European funding. It therefore happens that excellent private or public teams located in a given Region do not strongly participate in the FP, simply because they don't need it. It also happens in some cases that excellent teams use other opportunities than the FP, such as Interreg, for collaboration of European level, just because they are easier to use, and bring sufficient answers to their needs.

As a conclusion, EU regional policy, and EU R&D policies are not separated by strict boundaries in reality. The CPMR will deepen this axis for thinking in the coming months, looking how to facilitate defining a common policy vision that could be taken into account in the definition of future European policies after 2013. As for now, and without trying to be exhaustive, three first suggestions can be made.

B. BUILDING BRIDGES FOR BETTER SYNERGIES BETWEEN POLICY APPROACHES

The suggestions below concern the search for convergences between policy approaches which are guiding policies for cohesion and for excellence. In the second part of this Technical Paper, they are complemented by some suggestions about the funding instrument themselves. As for now, and without having the objective of being exhaustive, three suggestions can be made:

1. Implement a new thinking on the concepts of cohesion and excellence, and define how they could include rather than exclude each other

Such work would put the contradictions and the potential synergies between EU regional policy and EU R&D policies in perspective with an assessment of their implementation and of their impact in terms of competitiveness and territorial cohesion since 2007.

New visions could be built on the basis of such analysis:

- On the cohesion concept and its links with innovation and research;
- On the excellence concept, as it is used in the framework of the FP. The introduction of a territorial dimension in the excellence concept could be an interesting option. In this perspective, the following ideas could for instance be explored:
 - Address excellence in a dynamic perspective, which would take into account the initial level of development of stakeholders concerned;
 - The introduction of a territorial dimension in the evaluation criteria on the socio-economic impact of the projects;
 - The extension of the principle applied in the framework of the Regions of Knowledge programme which funds projects involving stakeholders representing research organisations, businesses and regional authorities in each of the regional territories represented in the consortium. Thereby, Regions

of Knowledge projects have a territorial impact through the development of links between stakeholders not only at European level, but also within the Regions.

2. Improve data and knowledge on the territorial impact of EU R&D policies

There is today a strong political contradiction between the fact that regional authorities are urged to develop and improve regional innovation strategies taking into account the European context and policies, whilst being consistent with European policies, and the fact that it is very difficult for them in most of the countries to access reliable statistical information about FP projects involving stakeholders located on their territories⁸. As a matter of fact, very few Regions and very few Member States are able to develop reliable and regionalised data on FP participations. This lack of data is obviously having strong negative consequences on the possibility as such to coordinate the FP with the policies implemented at regional level and in the first place with EU regional policy.

Development of such data could be done horizontally, but also for specific thematics covered by the FP. For instance, regionalised data on FP participations and trends in the maritime, energy and climate change, rural development sectors could respectively be put in perspective with EU maritime policy, the Set-Plan and EU policy for energy, rural development... Today, this is unfortunately not really possible, simply because of the lack of data.

In parallel to this lack of data on the territorial impact of the FP, the territorial impact of the earmarking has not been analysed so far.

To remedy this situation, it would be worthwhile to considerably facilitate development of mapping and assessment of:

- The territorial impact of the FP at European level. On the occasion of the first debates on the objective of territorial cohesion, the CPMR already expressed the opinion that the territorial impact of all European policies should be analysed;
- FP results in the Regions (how many projects per Region, on which thematics?). DG RTD is currently actively working on this issue, but important statistical problems must still be faced. The statistical process for collecting data on participation in FP8 will therefore need to be adapted;
- Networks generated by the FP at European level:
 - Which are the long lasting synergies resulting from FP networks in Europe, and which stakeholders from which parts of Europe do they involve? Are these fundings benefiting a rather small number of stakeholders, or is the competition for the obtention of funding allowing a renewal of FP participants?
 - Is the composition of European networks funded by the FP revealing a tendency for geographical polarisation or rather polycentric dynamics? Are some specific Regions, such as those with permanent geographical or demographic constraints, totally excluded from participation in the FP?

3. Broaden innovation approaches

There is clearly a global formal consensus at European level on the fact that innovation should not only be perceived as a technological process only taking place in urban areas. However:

- Even if some progress has been made, European indicators and projects funded at European level are still very much focusing on product innovation, and less on other aspects. More attention should therefore be

⁸ For some months now, the CPMR has been working on the territorial assessment of the FP with different Regions that have developed specific analysis on this issue within their territory. Special consideration is being given to the impact and coordination of European R&D policies at territorial level. CPMR supported the elaboration of an ESPON Project (Project AMCER - Advanced Monitoring and Coordination of Eu R&D policies at Regional level), involving 9 Regions and focusing on the impact and coordination of EU R&D policies (mainly earmarking of the Eu Regional policy and FP) at regional level.

paid at EU level to processing innovation and to innovation in rural areas, and in Regions with permanent demographic and geographical handicaps;

- The shift to a knowledge society involves strong societal factors, in relation to people, talents and skills that cannot be envisaged only under angle of the technology. In that respect, societal and cultural factors, as well as some specific policies, such as education policies for instance, should be reinforced.

These elements show that some paths can to be explored in terms of policy approaches so as to facilitate synergies between EU regional policy and European R&D policies. In parallel, consideration of concrete policy instruments and their governance must be developed too. Here again, the regional dimension and the role of the Regions can be useful sources of inspiration.

II. - BETTER SYNERGIES THROUGH A STRONGER INVOLVEMENT OF REGIONS IN THE MANAGEMENT OF EUROPEAN AND R&D POLICIES

This part links the issue of synergies with the perspective of regional authorities in the governance of European R&D policies.

The CPMR's current approach on the issue of the governance of future EU policies after 2013 is firstly based on the proposition of a European Territorial Pact, which would be adopted in parallel to the EU2020 strategy and would consist of a European formal and political agreement involving the Regions. At a more operational level, Regions would be considered as partners, not only in the definition of European guidelines, but also in the management of parts of EU policies, including in the fields of innovation and research. This would be a way to develop better synergies between public authorities from different governance levels, as well as between EU regional policy and EU R&D policies.

A. FROM THE EUROPEAN TERRITORIAL PACT TO REGIONAL R&D STRATEGIES

1. A European Territorial Pact in parallel to the EU2020 strategy

As stated in its contribution to the COR's White Paper on Multi-Level Governance⁹, the CPMR considers that it is essential to continue having a regional policy for all European Regions with improved arrangements for multi-level governance. This is embodied in the proposals the CPMR has been putting forward since 2008 for a European Territorial Pact, which:

- In order to implement the EU2020 strategy as a whole, calls for a political agreement on the vision, goals and priorities of this strategy to be signed between the European Commission and all European regional authorities, in which the latter would undertake to implement these in their respective areas of competence;
- With regard to territorial cohesion, proposes to establish contracts involving regional authorities, with bilateral or trilateral contracts with the Member States, depending on national institutional arrangements.

There is today a strong need for improvement of links between the main challenges and priorities identified at EU level with the territorial dimension and the role of the Regions, including in the fields of innovation and research. Over the past few years, the Lisbon strategy, in its strand dedicated to innovation and research, as well as the EU instruments such as the Framework Programme has given the impression to not include the territorial dimension enough and to consider cohesion as a secondary objective, while at the same time, EU regional policy was for a part aligned on the Lisbon strategy priorities through earmarking. Several of the key messages delivered in the framework of the Lisbon strategy would have needed a greater ownership from regional authorities, and to be adapted to the specificities of the European territories in which they were supposed to be implemented. As an example, the 3% objective or the imperative to compete for excellence is not appropriate as such for all Regions, including those covered by the Competitiveness Objective. Many Regions, among those the ones having permanent geographical and demographic constraints, are in very specific situations which require a complex rather than a mere top-down implementation of these classical messages. Finally, the crisis is today an additional element which reinforces the need to give major attention to territorial issues and to the objective of territorial cohesion¹⁰.

2. A horizontal multi-level coordination through EU regional policy

⁹ See the Technical Paper from the CPMR General Secretariat "*Reaction to the Committee of the Regions' White Paper on Multi-Level Governance (MLG)*", December 2009

¹⁰ See for instance:

- The CPMR study "*The Regions facing the crisis - results of the CPMR inquiry*", August 2009

- Technical Paper from the CPMR General Secretariat "*Emerging Stronger from the Crisis: Territories at the Heart of Medium-term European Policies*", August 2009

The CPMR considers that it is relevant to organise the future EU2020 strategy around some key thematic issues. In its contribution to the consultation on the EU2020 strategy¹¹, the CPMR stressed that fact that it agreed *“with the three key priorities proposed by the paper: i) creating value by basing growth on knowledge; ii) empowering people in inclusive societies and iii) creating a competitive, connected and greener economy.”*

However, and as stated in the CPMR’s contribution on the EU2020 strategy, *“the way key priorities are detailed points to a possible sectoralisation of EU intervention, which (the CPMR) believes would be particularly unwise since, from an economic point of view, it is increasingly recognised that public action is more effective when it integrates rather than separates investment decisions. While the paper rightly states that horizontal coordination will be more important than ever in finding successful exits from the crisis, sectoralisation would, on the contrary, make coordination of policies more difficult, increase risks of conflicting results and could hamper the exploitation of synergies between policies.”*

Today, through the processes leading to the adoption of Operational Programmes and the regional innovation strategies they often support, European regional policy is a concrete tool for multi-level governance. This element makes the quality of regional innovation strategies an essential component for an efficient implementation of EU R&D policies.

3. The continuous improvement of regional R&D strategies

In the framework of the 2007-2013 period, and even more since 2000, some very positive evolutions of the quality of strategies for innovation have already been observed. These developments are especially remarkable, because the political time they require is of course long. The design and delivery of an innovation strategy cannot be undertaken by government order, and is the result of a political process and collective learning which takes time. The negotiations on Operational Programmes for all regions must therefore continue to be a key stage for the definition of regional strategies for innovation and research. The role of the European Commission is fundamental in this process and it will be important to give it the resources it requires in order to be a full stakeholder in fundamental discussions, on top of its supervisory role.

The European level is contributing to the development of the strategic thinking of the Regions through the funding of European collaborative projects. Today, several programmes, which depend on several different European policies, play this role:

- EU regional policy funds collaborative projects through Objective Territorial Cooperation which, beyond the funding of classical collaborative projects, is also the framework for the Regions for Economic Change initiative;
- FP7 mainly contributes to the same objective through the programmes Regions of Knowledge, Convergence Regions Research Potential, and OMC-Net.

The impact of these projects is in itself interesting in terms of synergies between EU regional policy and EU R&D policies.

Some years after the beginning of the 2007-2013 period, assessments of these programmes are needed, and are in some cases already scheduled by the European Commission. From the CPMR’s perspective, the issues below are among those which these assessments should address:

- To which extent did the projects funded have an impact on the policies implemented by the Regions, and by other governance levels?
- Are the Regions participating in these programmes always the same?
- How can participation in these programmes be simplified?
- In the end, are these programmes useful for building real synergies between EU regional policy and EU R&D policies?

¹¹ See CPMR Policy Position - Opinion of the CPMR General Secretariat (to be approved by the CPMR Political Bureau - 15/16 February 2010, Gijón-Asturias, Spain), *“Contribution to the Consultation on the Future EU2020 Strategy”*, December 2009

Answers to these questions could help to define the way to adapt these programmes so as to make them more useful, always under the angle of better synergies between EU regional policy and EU R&D policies. Other questions, such as the ones below, could also be asked:

- Should these programmes be merged?
- Should these programmes continue being managed by different Directorates General of the European Commission, should it be considered that since their objective is to improve the quality of regional strategies, and therefore also the implementation of EU regional policy, they should rather be managed only by the Directorate General of the European Commission in charge of regional policy?
- Should their management be more decentralised, or more centralised by the European Commission?

In addition to the answers to these questions, it would be necessary to increase the participation of Regions, as partners in the governance of some of the key European initiatives structuring the European Research Area.

B. REGIONS, REAL FUTURE PARTNERS IN THE GOVERNANCE OF PUBLIC PRIVATE INITIATIVES STRUCTURING THE ERA?

Several ambitious initiatives have been launched with the objective to structure links between public and private research players at European level. As a matter of fact, Regions are however unfortunately not at the heart of the governance of some of these key initiatives. In these cases there is a strong paradox between this situation, and the fact that Regions are called to take the European context into account in the framework of their own policies, including in the use they make of EU regional policy. For instance:

- Very few Regions managed to directly take part in the governance of European Joint Technology Initiatives (JTIs) and European Technology Platforms (ETPs). Regions however often provide support at regional level, including sometimes through EU regional policy, to the stakeholders involved in these initiatives. A direct representation of the Regions in the governance of the JTIs and of the ETPs would therefore considerably facilitate the coordination of public authorities.
- Regions have not directly taken part in the process that led to the identification of ESFRI research infrastructures. Besides, they have rarely even been represented in the working groups or conferences which produced thinking and official reports on the regional dimension of these infrastructures¹². This situation needs to be improved, in particular given that today, links with the Regions are considered as being very important in order to discuss and agree on the eventual use of EU regional policy to the benefit of these infrastructures.

To the contrary, and as an example showing that integration of Regions as partners is possible, some of the Knowledge and Innovation Communities (KIC) recently launched by the European Technology Institute directly integrate regional authorities in their governance. This is, for instance, the case of the “Climate Change Mitigation and Adaptation” KIC, which involves a consortium of “*Regional Innovation and Implementation Communities*” of six Regions¹³. Each Region brings together a cluster of regional development players including Universities, research institutes, large companies, SMEs, and public agencies. This example shows that the link with Regions and with regional territories can be considered as being useful. Why not then extend this approach to the other European initiatives mentioned above?

Rules set up for governance of this kind of initiative should therefore facilitate the involvement of Regions and other regional stakeholders. *In fine*, this would also have positive consequences on the capacity of the Regions to use EU regional policy in better coherence with key European guidelines in the field of R&D.

Beyond this, Regions should be directly involved in the coordination of research programmes at European level, and in the management of EU R&D policies.

¹² See for instance the Report of the ESFRI Regional Issues Working Group, 2008

¹³ These Regions are the following: Central Hungary, Lower Silesia (Poland), Midlands (UK), Hessen (Germany), Emilia Romagna (Italy) and Valencia (Spain)

C. REGIONS, REAL FUTURE PARTNERS IN THE COORDINATION AND MANAGEMENT OF EUROPEAN R&D POLICIES?

1. Increasing the involvement of Regions in the coordination of research programmes at European levels and in future joint programming (Art. 169)

Through the Era-Net and Era-Net+, FP6 and FP7 set up and developed new opportunities for public authorities to coordinate their research programmes in the framework of European partnerships. Involvement of Regions in these projects represents another possibility to organise better synergies between EU regional policy and EU R&D policies. Indeed, programmes coordinated through these schemes correspond to key priorities of the FP, and of the Regions involved.

However, only a small number of Regions is involved in existing projects, even if the situation is better in the framework of FP7 than it was in the framework of FP6. The practical difficulties encountered by the Regions, and problems of critical mass of regional programmes are among the reasons explaining this situation. This however raises the following questions:

- How could the Era-Net and Era-Net+ be simplified at European level and made more accessible for the Regions? Should another, specific programme be set up?
- Should existing programmes such as Regions of Knowledge, which directly targets the Regions, be reinforced and provide funding for the coordination of research programmes?
- In the future, should these programmes be managed by the Directorate General of the European Commission in charge of research policy, or by the one in charge of regional policy, in order to increase their impact on the programming of this policy?
- Should the possibilities to cooperate at inter-regional level through the mainstream of the ERDF replace these programmes¹⁴?

In parallel to this, joint programming (Art. 169) was recently introduced as a new opportunity for the coordination of research programmes. Great expectations are associated with joint programming, but since the principle is to leave the initiative to the Member States and to coordinate research programmes representing an important critical mass, the risk is that Regions could not easily get involved in the programmes set up.

2. Towards decentralisation of the management of EU research policy?

Through the co-funding of mobility programmes, FP7 introduced very interesting new opportunities for public authorities and for Regions. One original feature of the co-funding mechanism is the fact that it does not require the setting up of a partnership at European level.

The co-funding can therefore be considered as an attempt for EU research policy to maximise its impact on public research programmes, in a decentralised way leaving very strong latitude to the beneficiaries. This way of managing EU research policy should also be envisaged as a serious option for the future, including in fields other than the mobility of researchers.

¹⁴ The CPMR is currently developing specific work on the issue of the links between Objectives 1 and 2 and Objective 3 of EU regional policy in the framework of its working group on interregional cooperation.

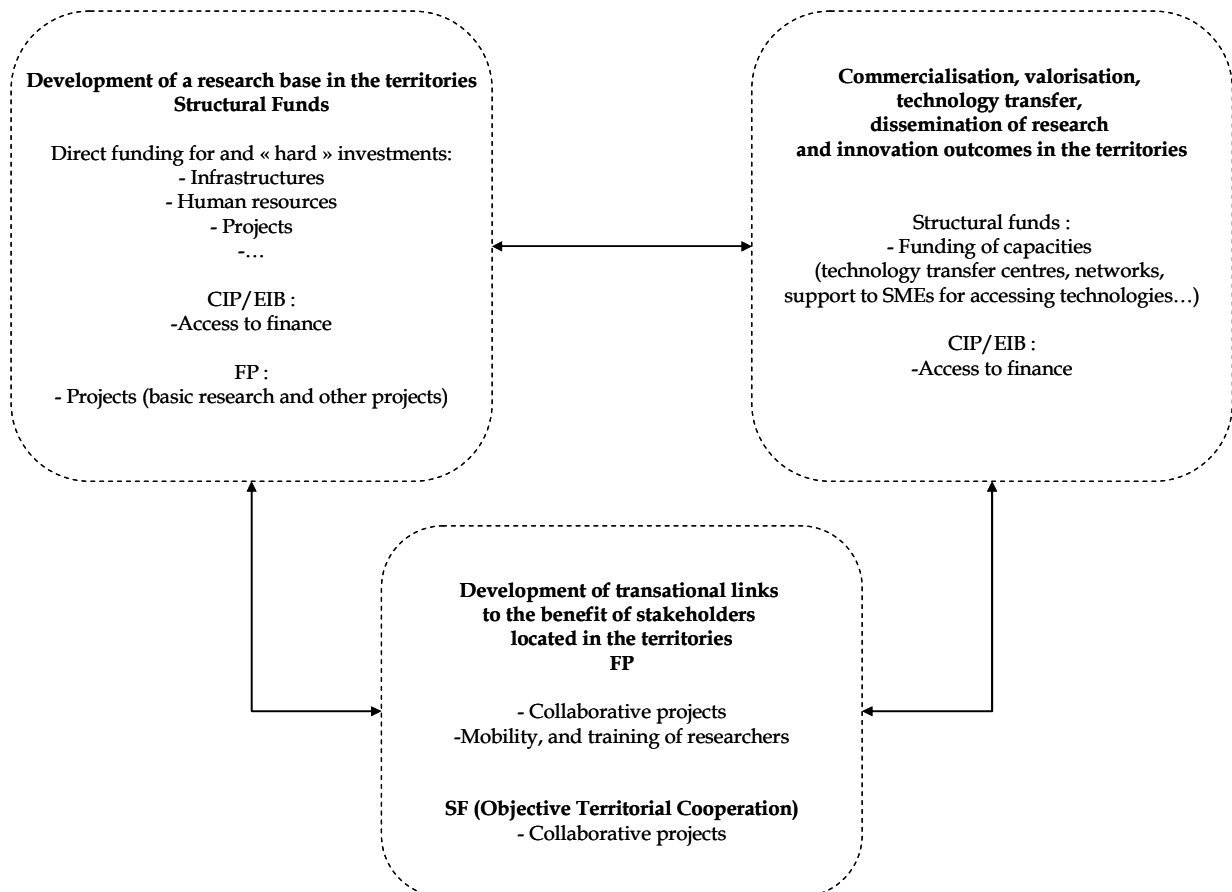
III. BETTER SYNERGIES THROUGH EASIER COMBINED USE OF EU R&D FUNDING INSTRUMENTS

In this part, the issue of the combined use of EU regional policy and of European R&D policies is addressed under the angle of their contribution to the functioning of regional innovation systems, and then under the angle of some specific issues.

A. ORGANISING THE COHERENCE OF EUROPEAN POLICIES AROUND THE KEY FUNCTIONS IN THE REGIONAL INNOVATION SYSTEMS

As represented below, EU regional policy, the FP and the CIP can all contribute to various actions useful in the framework of one or other of the key functions in regional innovation systems¹⁵. In broad terms, these functions can for instance be defined as follows:

- Development of a research base;
- Commercialisation, valorisation, technology transfer, dissemination of research and innovation outcomes in the territories;
- Development of trans-national links to the benefit of stakeholders located in the territories.



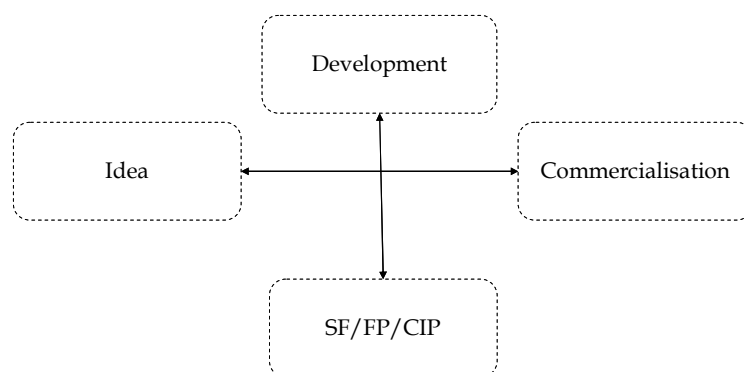
For each of these key functions, EU regional policy and EU R&D policies can be used in a combined way. The issue is then to work on their coherence, so as to avoid overlaps and to make their combined use as easy as possible.

This must also be completed by more accurate work from the very concrete perspective of stakeholders.

¹⁵ On the scheme below, these functions are represented in a very schematic and partially artificial manner.

B. FACILITATE THE COMBINED USE OF EUROPEAN FUNDING

The scheme below, which is very simple, illustrates the fact that EU regional policy, the FP and the CIP contribute to the development of projects along their different steps.



In theory, several possibilities exist to make combined use of EU funding available through EU regional policy, and through EU R&D policies. For instance:

- FP projects can generate ideas for projects which can then require “hard investments” (ie: infrastructures) or just “important investments” that are made possible by the Structural Funds and the EIB;
- FP project results can also lead to the creation of new businesses which will need to benefit from funding from ESF and ERDF;
- Businesses and research organisations can use the FP to develop ideas that benefit development of activities initially supported through Structural Funds. More globally, businesses needs can be answered by research projects funded by either SF, the FP or the CIP (eco-innovation);
- Several other examples could be quoted here¹⁶.

Some questions about the ways to improve combined uses can be raised. For instance:

- To which extent could projects which have received excellent evaluations in the framework of the FP selection process be funded with credits of EU regional policy? Could this for instance be done in the framework of the existing possibilities opened by Article 37.6.B of the general regulation on the ERDF, the ESF or the Cohesion fund for 2007-2013? Or in the framework of specific inter-regional Operational Programmes?
- Should the rates or the co-funding rules applicable to funding awarded in the framework of EU regional policy be more important for projects connected to projects funded by the FP?

These questions could be explored at such, and also under the angle of specific issues, such as those mentioned below. These have been chosen because they are specifically identified in the earmarking.

• **The example of research infrastructures**

Research infrastructures are among the priorities of the earmarking of regional policy, and of EU policy for research (cf. ESFRI infrastructures for example).

Here, synergies between EU regional policy, the FP and the CIP are necessary and possible as:

- There are some obvious funding needs for the ESFRI infrastructures. The European Commission, some Member States and sometimes some Regions are assessing the possibilities to use Structural Funds for this. Some decisions were already made for some of the ESFRI infrastructures (ELI for instance);

¹⁶ See for instance the report from the CREST “Guidelines on Coordinating the Research Framework Programme and the Structural Funds to Support Research and Development”, May 2007

- ESFRI infrastructures should be connected to “Regional partner infrastructures”, for which Regions interested could use Structural Funds. In addition, the FP provides funding for the development of networks enabling research infrastructures to work in collaboration with other infrastructures, and researchers to access infrastructures only exist in Regions other than theirs;
- In addition to the debate on ESFRI infrastructures, there are important needs for investment in hard infrastructures in several Regions. Today, EU regional policy makes these investments possible.

- **The example of technology transfer**

Here, synergies between EU regional policy, the FP and the CIP are necessary and possible as:

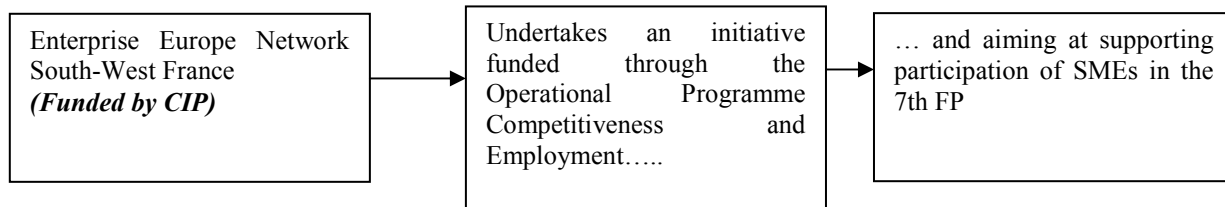
- These issues involve considerable investment in the territories, which allows both production and absorption of innovative technologies and processes (i.e.: technology transfer centres which can help SMEs to use new technologies that were produced in other Regions);
- These investments must be done in consistency with a strategy adapted to the regional economies. EU regional policy is an efficient tool for this and is, as a matter of fact, used for this in numerous Regions.

- **The example of innovative SMEs**

Here, synergies between EU regional policy, the FP and the CIP are necessary and possible as:

- EU regional policy and FP7 and the CIP provide complementary opportunities to SMEs: while FP7 and CIP can fund trans-national activities, EU regional policy funds more “hard investments” such as infrastructures or equipment...
- Structural Funds can enable local stakeholders to improve their competitiveness, and to participate in the FP and CIP. Numerous Regions actually set up specific actions aiming at supporting the participation of innovative SMEs in the FP, with the help of EU regional policy.

As an example:



- **The example of clusters**

Here, synergies between EU regional policy, the FP and the CIP are necessary and possible as:

- Clusters need funding for “hard investments”, which can only be provided through Structural Funds, and also need funding for development of trans-national networks. This funding can be obtained through EU regional policy and the FP.