

AMCER

Targeted Analysis 2013/2/18

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This report presents the interim results of a Targeted Analysis conducted within the framework of the ESPON 2013 Programme, partly financed by the European Regional Development Fund.

The partnership behind the ESPON Programme consists of the EU Commission and the Member States of the EU27, plus Iceland, Liechtenstein, Norway and Switzerland. Each partner is represented in the ESPON Monitoring Committee.

This report does not necessarily reflect the opinion of the members of the Monitoring Committee.

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Annex 1

Component 1

Synthesis of the territorial and R&D systems of the nine case study regions involved in the project

{ENCLOSED}

Annex 2 The case of Brittany (Region Bretagne) Data and figures related to participation in EU RDI Programmes

1.1. Brittany in the FP6

Exhibit 1 Regional participation in the FP6 themes and activities

Priority Area		All instruments					
		Nbr of Participations (participation AND coordinations)		Nbr of coordinations		EC financial contribution	
		Nbr.	%	Nbr.	%	Euros	%
Integrating and strengthening the ERA	1. Life sciences, genomics and biotechnology for health						
	2. Information society technologies						
	3. Nanotechnologies and nanosciences, knowledge-based multifunctional materials and new production processes and devices						
	4. Aeronautics and space						
	5. Food quality and safety						
	6. Sustainable development, global change and ecosystems						
	7. Citizens and governance in a knowledge-based society						
	Policy support and anticipating scientific and technological needs						
	Horizontal research activities involving SMEs						
	Specific measures in support of international cooperation						
	Support for the coordination of activities						
	Support for the coherent development of research & innovation policies						
Structuring the ERA	Research and innovation						
	Human resources and mobility						
	Research infrastructures						
	Science and society						
Eurat om							
Total		0	0,0 %	0	0,0 %	0	0,0 %

Exhibit 2 Participation of SME in the FP6

Priority Area		SME			
		Participations		EC financial contribution	
		Nbr.	%	Euros	%
Integrating and strengthening the ERA	1. Life sciences, genomics and biotechnology for health				
	2. Information society technologies				
	3. Nanotechnologies and nanosciences, knowledge-based multifunctional materials and new production processes and devices				
	4. Aeronautics and space				
	5. Food quality and safety				
	6. Sustainable development, global change and ecosystems				
	7. Citizens and governance in a knowledge-based society				
	Policy support and anticipating scientific and technological needs				
	Horizontal research activities involving SMEs				
	Specific measures in support of international cooperation				
	Support for the coordination of activities				
	Support for the coherent development of research & innovation policies				
	Structuring the ERA	Research and innovation			
Human resources and mobility					
Research infrastructures					
Science and society					
Euratom					
Total		0,0%		0,0%	

1.2. Brittany in the FP7

1.2.1. Headquarter analysis

Exhibit 3 1- Overall result of the Headquarter analysis

1- Overall result of the Headquarter analysis	
(1) Nbr of participation with no headquarter effect	136
(2) Nbr of ingoing participations	73
(3) Nbr of outgoing participations	0
Total nbr of participations (1)+(2)-(3)	209

Exhibit 4 2- Participation localisation detail (Ingoing participations, Outgoing participation and static participation)

Participation flow	Regions with participations to subtract	Regions with participation to add	Number of participation concerned	Total	%
In	FR10	FR521	3	73	34,9%
In	FR10	FR522	42		
In	FR51	FR522	1		
In	FR10	FR523	27		
Out					
no Headquarter effect				136	65,1%
Total (after correction)				209	100,0%

Exhibit 5 Typology of Ingoing, Outgoing and static participation

Organisation type	Ingoing participations		Outgoing participations		Static participations	
HES	4	5,5%			59	43,4%
OTH	1	1,4%			10	7,4%
PRC	2	2,7%			52	38,2%
PUB		0,0%			7	5,1%
REC	66	90,4%			8	5,9%
	73	100,0%	0		136	100,0%

2 1.2 Regional indicators

2.1.1 1.2.1. Brittany in the FP7

Exhibit 6 Brittany in the FP7

	FR52	FR	FP	% in FR52 in FR	% in FR in FP
Nbr of participations in projects	209	6785	69719	3,1%	9,7%
Nbr of coordinations	38	1433	12929	2,7%	11,1%
EC contribution	60 740 997	2 485 507 163	22 188 391 959	2,4%	11,2%

Exhibit 7 Intraregional distribution

	FR52 1	%	FR522	%	FR523	%	FR52 4	%	Total FR52	%
Nbr of participations in projects	13	6,2 %	89	42,6 %	98	46,9 %	9	4,3 %	209	100 %
Nbr of coordinations	0	0,0 %	18	47,4 %	19	50,0 %	1	2,6 %	38	100 %
EC contribution (€Mln)	2, 475	4,1 %	26,902 406	44,3 %	30, 013	49,4 %	1, 350	2,2 %	60, 740	100 %

Exhibit 8 Participant Typology

	FR52				France			
	Nbr of participations in projects	Nbr of coordinations	EC contribution	%	Nbr of participations in projects	Nbr of coordinations	EC contribution	%
HES	63	10	17,270	28,4%	1121	317	361,242	13,6 %
OTH	11		0,803	1,3%	227	24	208,206	7,9%
PRC	54	6	10,386	17,1%	2334	212	686,064	25,9 %
PUB	7		1,256	2,1%	253	27	47,568	1,8%
REC	74	22	31,025	51,1%	2853	853	345,789	50,8 %
Total	209	38	60,741	100%	6788	1433	648,869	100 %

Exhibit 9 Intraregional distribution and typology

FR521				
Participant type	Nbr of participations in projects	Nbr of coordinations	EC contribution (in €Mln)	%
HES			0,000	0,0%
OTH	2		0,248	10,0%
PRC	9		1,681	67,9%
PUB			0,000	0,0%
REC	2		0,546	22,1%
Total	13	0	2,475	100,0%
FR522				
Participant type	Nbr of participations in projects	Nbr of coordinations	EC contribution (in €Mln)	%
HES	17	5	4,359	16,2%
OTH	5		0,408	1,5%
PRC	17		1,576	5,9%
PUB	7		1,256	4,7%
REC	43	13	19,303	71,8%
Total	89	18	26,902	100,0%
FR523				
Participant type	Nbr of participations in projects	Nbr of coordinations	EC contribution (in €Mln)	%
HES	43	5	12,634	42,1%
OTH	4		0,147	0,5%
PRC	22	5	6,056	20,2%
PUB		9	0,000	0,0%
REC	29		11,176	37,2%
Total	98	19	30,013	100,0%
FR524				
Participant type	Nbr of participations in projects	Nbr of coordinations	EC contribution (in €Mln)	%
HES	3		0,277	20,5%
OTH			0,000	0,0%
PRC	6	1	1,074	79,5%
PUB			0,000	0,0%
REC			0,000	0,0%
Total	9	1	1,350	100,0%

Exhibit 10 Public/private participations and comparison at national level

		FR52		France	
	Private organisations	nbr	EC contrib.		
Private	PRC	54	10,39	2367	694,19
	PNP	21	2,37	730	438,48
	<i>total private</i>	75	12,76	3097	1 132,67
Public	Commercial		0,00	125	31,07
	PNP	134	47,98	3566	1 485,12
	<i>total public</i>	134	47,98	3691	1 516,20
	TOTAL	209	60,74	6788	2 648,87

Exhibit 11 Involvement of SME

	Total Bretagne	Total France	Total FP	FR521	FR522	FR523	FR524
Nbr of participations in projects	39	1 077	11 545	4	9	20	6
EC contribution	8 169 640	289 167 995	2 873 556 998	551 328	1 541 251	5 003 404	1 073 657

Exhibit 12 Type of SME (commercial or not profit organisations)

	FR52		France	
	Nbr	Ec Contrib	Nbr	Ec Contrib

PRC	34	7,21	1008	273,42
PNP	5	0,96	69	15,74
TOTAL	39	8,17	1077	289,17

2.1.2 1.2.2 Themes

Exhibit 13 Regional participation in the FP7 themes and activities

Num	PROG SPEC	Theme	FP		FR		FR 52	
			nbr	EC contrib	nbr	EC contrib	nbr	EC contrib
1	COOP	Health	6 580	637,32 ²	639	293,75	6	1,45
2	COOP	Food, Agriculture and Fisheries, and Biotechnology	3 605	847,06	314	86,93	20	7,05
3	COOP	Information and Communication Technologies	13 491	733,80 ⁴	1 375	481,65	41	8,73
4	COOP	Nanosciences, Nanotechnologies, Materials and new Production Technologies - NMP	4 881	536,17 ¹	409	132,58	7	2,13
5	COOP	Energy	2 383	854,66	188	66,40	3	0,69
6	COOP	Environment (including Climate Change)	4 590	016,88 ¹	322	79,43	22	4,42
7	COOP	Transport (including Aeronautics)	5 446	451,94 ¹	769	231,15	5	1,26
8	COOP	Socio-economic sciences and Humanities	1 515	277,19	103	18,85	5	0,49
9	COOP	Space	1 449	405,09	190	117,98	8	3,29
10	COOP	Security	1 590	516,41	197	76,55	1	0,10
11	COOP	General Activities	162	56,89	15	2,85		0,00
12	CAPAC ITIES	Research Infrastructures	3 919	171,12 ¹	364	154,76	17	9,40
13	CAPAC ITIES	Research for the benefit of SMEs	4 485	587,96	249	37,88	11	1,54
14	CAPAC ITIES	Regions of Knowledge	588	54,87	47	5,08	3	0,36
15	CAPAC ITIES	Research Potential	239	185,87	11	7,74		0,00
16	CAPAC ITIES	Science in Society	1 123	143,51	70	8,40	7	0,36
17	CAPAC ITIES	Support for the coherent development of research policies	85	17,74	7	1,36		0,00
18	CAPAC ITIES	Activities of International Cooperation	584	70,78	50	6,41		0,00
20	PEOPLE	Marie-Curie Actions	9 434	003,54 ²	977	220,13	50	14,72
21	IDEA	European Research Council	2 269	225,21 ³	286	406,47	3	4,75
22	EURATOM	Fusion Energy	64	5,00	5	0,93		0,00
23	EURATOM	Nuclear Fission and Radiation Protection	1 236	226,10	198	48,22		0,00
			69 718	22 025	69 718	22 025	209	60,74

Exhibit 14 Intraregional participation in the FP7 themes and activities

Num	PROG SPEC	Theme	FR521		FR522		FR523		FR524	
			nbr	EC cont rib	nbr	EC cont rib	nbr	EC cont rib	nbr	EC cont rib
1	COOP	Health			2	0,42	4	1,03		
2	COOP	Food, Agriculture and Fisheries, and Biotechnology			11	4,00	9	3,05		
3	COOP	Information and Communication Technologies	7	0,52	4	0,64	29	7,33	1	0,24
4	COOP	Nanosciences, Nanotechnologies, Materials and new Production Technologies - NMP	4	1,41			3	0,72		
5	COOP	Energy			2	0,31	1	0,37		
6	COOP	Environment (including Climate Change)			17	3,31	4	0,96	1	0,15
7	COOP	Transport (including Aeronautics)			2	0,32	2	0,88	1	0,06
8	COOP	Socio-economic sciences and Humanities					5	0,49		
9	COOP	Space	2	0,55	6	2,74				
10	COOP	Security					1	0,10		
11	COOP	General Activities								
12	CAPACIT IES	Research Infrastructures			13	8,00	4	1,40		
13	CAPACIT IES	Research for the benefit of SMEs			6	0,86	1		4	0,68
14	CAPACIT IES	Regions of Knowledge			2	0,30	1	0,06		
15	CAPACIT IES	Research Potential								
16	CAPACIT IES	Science in Society			2		5	0,36		
17	CAPACIT IES	Support for the coherent development of research policies								
18	CAPACIT IES	Activities of International Cooperation								
20	PEOPLE	Marie-Curie Actions			21	4,90	27	9,60	2	0,21
21	IDEA	European Research Council			1	1,10	2	3,65		
22	EURATO M	Fusion Energy								
23	EURATO M	Nuclear Fission and Radiation Protection								
			13	2,48	89	26,90	98	30,01	9	1,35

2.1.3 1.2.7 International cooperation

The main coordinators of regional participants

The participations coordinated by the region

Network analysis

Maps

1.3. Brittany in the CIP

2.1.4 1.3.1 Brittany in the sub program CIP-ICT

Exhibit 15 Brittany in the sub-programme CIP-ICT

	FR52	FR	CIP ICT	% of FR52 in FR	% of FR in CIP ICT
Nbr of participations in projects	1	154	2141	0,6%	7,2%
Nbr of coordinations	0	10	128	0,0%	7,8%
EC contribution	159 781	19 991 259	304 167 499	0,8%	6,6%

II. Participant Typology/organisation type

Exhibit 16 Participant Typology/organisation type

	FR52				FR				CIP ICT PSP			
	Nbr	Nbr of coord.	EC contrib.	%	Nbr	Nbr of coord.	EC contrib.	%	Nbr	Nbr of coord.	EC contrib.	%
HE S				0,0%	14	1	2,03	10,1%	345	14	48,93	16,1%
OT H				0,0%	14	1	1,11	5,6%	230	14	33,77	11,1%
PR C	1		0,160	100,0%	78	6	9,10	45,5%	835	78	116,50	38,3%
PU B				0,0%	26		4,85	24,3%	425	26	67,39	22,2%
RE C				0,0%	22	2	2,91	14,5%	306	22	37,57	12,4%
Total	1	0	0,16	100%	154	10	19,99	100%	2141	154	304,17	100%

III. Participant Typology/Public-Private organisations

Exhibit 17 Participant Typology/Public-Private organisations

	FR52			FR			CIP ICT PSP		
	Nbr	EC contrib.	%	Nbr	EC contrib.	%	Nbr	EC contrib.	%
Private commercial (PRC)	1	0,160	100,0%	78	9,10	45,5%	842	117,81	38,7%
Private non Profit (PNP)			0,0%	22	1,75	8,8%	442	56,87	18,7%
Total Private organisations	1	0,16	1	100	10,85	54,3%	1 284	174,69	57,4%
Public Commercial (PUC)				8	1,56	7,8%	120	15,17	5,0%
Gouvernemental (GOV)				46	7,57	37,9%	737	114,31	37,6%
Total Public organisations			0,0%	54	9,14	45,7%	857	129,48	42,6%
Total	1	0,16	100,0%	154	19,99	100,0%	2 141	304,17	100,0%

Exhibit 18 SME

	FR52			FR			CIP ICT PSP		
	Nbr	EC contrib.	%	Nbr	EC contrib.	%	Nbr	EC contrib.	%
Private commercial (PRC)	1	159 781	100,0%	30	4,11	91,1%	344	49,19	76,9%
Private non Profit (PNP)			0,0%	3	0,40	8,9%	59	14,77	23,1%
Total	1	159 781	100,0%	33	4,51	100,0%	403	63,95	100,0%

Exhibit 19 Strategic objectives

Number	STRATEGIC_OBJECTIVE	FR 52		FR		CIP ICT PSP	
		Nbr	EC contrib.	nbr	EC contrib.	nbr	EC contrib.

1	Preparing the implementation of the Services Directive			1	0,074	37	10,93
2	Reduction of Administrative Burdens across the EU			5	0,474	29	3,75
3	Emergency Services Accessible to All -Total conversation			4	0,846	22	4,40
4	ICT for ageing well with cognitive problems, combining assistive and independent living technologies			1	0,303	42	6,92
5				1	0,016	21	0,41
6	Improving certification of eHealth products			2	0,165	29	0,79
7	ICT for energy efficiency in public building and spaces, including lighting			6	1,056	52	7,93
8	ICT for adaptive urban transport management infrastructure and services			6	0,652	42	4,29
9				3	0,064	42	0,96
10	A European concerted effort on RFID			3	0,213	29	0,74
11				3	0,048	26	0,48
12	ICT for health, ageing and inclusion: ICT for patient-centred health service				0,000	20	7,00
13	ICT for health, ageing and inclusion : ICT for ageing well / independent living			2	0,310	61	9,16
14	ICT for health, ageing and inclusion : e-Accessibility thematic network			1	0,024	25	0,74
15	Digital Libraries : European Digital Library - services			4	0,478	25	4,25
16	Digital Libraries : European Digital Library aggregating digital content in Europeana			3	0,322	63	10,35
17	Digital Libraries: European Digital Library Digitising content for Europeana			2	0,958	22	6,20
18	Digital Libraries : Open access to scientific information			6	0,427	28	3,40
19	Digital Libraries : Use of cultural heritage material for education				0,000	14	2,35
20	ICT for government and governance : Inclusive eGovernance: flexible, personalised and multi-channel based service delivery targeted at the socially disadvantaged.				0,000	35	7,52
21	ICT for government and governance : User Centricity for e-Governance			1	0,024	23	0,69
22	eParticipation, empower and involve citizens in transparent decision-making in the EU			1	0,087	52	7,49
23	ICT for energy efficiency, environment and smart mobility : ICT for energy efficiency in social housing			12	0,992	59	6,97
24	Multilingual Web: Machine translation for the multilingual web			3	1,086	35	8,74
25	Multilingual Web : Multilingual Web content management: standards and best practices			1		20	0,41
26	Multilingual Web : Multilingual Web content management: methods, tools and processes			2	0,718	22	4,62
27	Public Sector information: Legal aspects of Public Sector Information				0,000	20	0,52
28	Public Sector information : Geographic Information			1	0,210	60	8,05
29	Internet evolution and security (including RFID) : A European infrastructure for secure information management				0,000	9	2,02
30	Internet evolution and security (including RFID) : Strengthening SME competitive advantage through RFID implementation				0,000	32	4,00
31	Open innovation, user experience and living labs : Sharing of best practice across European Living Labs involving SMEs as key user- and provider-participants			4	0,419	30	4,00
32	ICT for energy and water efficiency in social housing	1	0,16	12	1,675	67	8,92
33	ICT for water efficiency			6	0,223	17	0,44
34	Energy efficient co-operative transport management systems			1	0,038	28	3,89
35	Support to eCall implementation based on 112				0,000	40	5,00
36	Coordinating Europeana			1	0,058	10	9,00
37	Enhancing/Aggregating content in Europeana			4	0,320	87	9,68
38	Digitising content for Europeana			2	0,495	37	4,67
39	Access to European Rights Information / Registry of Orphan Works			1	0,110	26	4,50
40	Open access to scientific information			1	0,349	7	1,80

41	Statistics on cultural heritage digitisation activities			1	0,024	10	0,32
42				4	0,049	61	1,00
43	e-Accessibility of Public Digital Terminals			1	0,044	12	3,41
44	Assistive technologies and accessibility portal			2	0,048	44	1,28
45	Open Innovation for future Internet-enabled Services in "smart" Cities			8	1,328	88	14,97
47	ICT for improved services for citizens and businesses			1	1,057	18	7,02
48	ICT for improved services for citizens and businesses			2	0,048	35	0,96
49	Open linguistic infrastructure				0,000	25	6,98
50	Multilingual online services			2	0,265	40	9,02
51	Innovative lighting systems based on Solid State Lighting (SSL)				0,000	14	1,93
65	Enabling EU-wide public eProcurement			1	0,998	20	15,40
66	Towards pan-European recognition of electronic IDs (eIDs)			3	0,760	41	13,07
67	Innovative solutions for inclusive and efficient eGovernment				0,000	37	3,50
68	Experience sharing and consensus building in the uptake of innovative eGovernment services"			1	0,019	47	0,99
69	Accessible digital Audiovisual (AV) systems				0,000	8	1,46
70	ICT for ageing well			1	0,263	67	13,00
71	Experience sharing and consensus building in ICT for inclusion			4	0,064	26	0,46
72	Experience sharing and consensus building in eHealth			5	1,300	79	18,50
73	Experience sharing on ICT initiatives for SMEs			1	0,019	57	1,38
74	Supporting sustainable growth			7	0,223	34	0,86
75	Intelligent cars			3	0,126	16	0,33
76	Privacy protection infrastructure			1	0,016	17	0,32
				15		21	304,
				4	19,99	41	1
			TOTAL	1	0,16		

1.4. Brittany in the ERDF Programme

Exhibit 20 general information

	ERDF allocated	ERDF committed
Total in euros :	301 693 854	164 126 600
Innovation and research axis only (n°1) :	103 950 000	46 755 480
Total projects co-funded :		356
Innovation and research axis only (n°1) :		133

Exhibit 21 Distribution of ERDF funding within areas related to research and innovation

Themes	FOI codes	Measures	EC contrib.	EC contrib.
RTDI and linked activities	1	R&TD activities in research centres :	6 435 000	13 564 835
	2	R&TD infrastructure and centres of competence in a specific technology :	61 915 000	22 526 865
	5	Advanced support services for firms and groups of firms	0	0
	7	Investment in firms directly linked to research and innovation (...):	0	0
	74	Developing human potential in the field of research and innovation, in particular through	0	0

		post-graduate studies (...) :		
Innovation support for SMEs	3	Technology transfer and improvement of cooperation networks (...) :	19 650 000	4 635 774
	4	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres) :	0	0
	6	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...) :	4 150 000	1 322 386
	9	Other measures to stimulate research and innovation and entrepreneurship in SMEs :	16 700 000	5 164 220
	14	Services and applications for SMEs (e-commerce, education and training, networking, etc.) :	5 666 000	700 000
	15	Other measures for improving access to and efficient use of ICT by SMEs :	0	0
ICT and related services	11	Information and communication technologies (...) :	6 866 000	12 250 000
	12	Information and communication technologies (TEN-ICT) :	0	0
	13	Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.) :	5 666 000	19 000
Other	8	Other investment in firms :	0	0

Annex 3 Policy Framework Analysis R&D and innovation in the Framework of the 2014-2020 European programming period

1. The Europe 2020 strategy and the Innovation Union Flagship Initiative

The European Council adopted the Europe 2020 strategy in June 2010. The strategy is meant to set out “a vision of Europe’s social market economy for the 21st century” by putting forward three mutually reinforcing priorities¹:

- **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 high-employment economy delivering social and territorial cohesion.

These priorities are accompanied by headline targets the UE and its Member States set out to reach by 2020. Among these ambitions, the EU will seek to dedicate **3% of its GDP in R&D investment**². In order to underpin these objectives as well as to set up the framework for the necessary actions to be taken to fulfil them, the Commission has put forward seven flagship initiatives under each priority theme. The following table summarises each of the seven approved flagship initiatives.

Table 1 Flagship initiatives for the Europe 2020 strategy

Flagship initiative	Description
Innovation Union	Improve framework conditions and access to finance for research and innovation so as to ensure that innovative ideas can be turned into products and services that create growth and jobs.
Youth on the move	Enhance the performance of education systems and to facilitate the entry of young people to the labour market.
A digital agenda for Europe	Speed up the roll-out of high-speed internet and reap the benefits of a digital single market for households and firms.
Ressource-efficient Europe	Help decouple economic growth from the use of resources, support the shift towards a low carbon economy, increase the use of renewable energy sources, modernise our transport sector and promote energy efficiency.
And industrial policy for the globalisation era	Improve the business environment, notably for SMEs, and to support the development of a strong and sustainable industrial base able to compete globally.
An agenda for new skills and jobs	Modernise labour markets and empower people by developing their of skills throughout the lifecycle with a view to increase labour participation and better match labour supply and demand, including through labour mobility.
European platform against poverty	Ensure social and territorial cohesion such that the benefits of growth and jobs are widely shared and people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society.

Source: European Commission (2010)

¹ European Commission (2010a)

² The remaining objectives include: 75 % of the population aged 20-64 should be employed; the "20/20/20" climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right); the share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree; 20 million less people should be at risk of poverty.

The Innovation Union flagship initiative was developed alongside the flagship initiative on a Industrial Policy for the Globalisation Era, the Digital Agenda, Youth on the Move and the Agenda for New Skills and Jobs. In conjunction, these initiatives seek to improve conditions for innovation, including by accelerating the roll-out of high speed internet and its applications, by securing a strong industrial base, and by promoting excellent education systems, modern labour markets, and the right skills mix for Europe's future labour force³.

The Innovation Union Flagship sets out to develop a more integrated and strategic approach to innovation, in order to overcome some of Europe's more pressing challenges in the field (e.g. under-investment in the knowledge foundation, unsatisfactory framework conditions, fragmentation). In essence, reaching the Union will require: continued investment in education, R&D, innovation and ICTs; reforms to get more value for money and tackle fragmentation; modernising education systems at all levels; opening borders to researchers and innovators; simplifying access to EU programmes and enhancing their leverage effect on private sector investment; increasing the levels of innovation obtained from research; removing barriers to bringing ideas to the market; increasing European Innovation Partnerships; and exploiting Europe's strengths in design and creativity⁴.

In addition to the seven Flagship Initiatives, the Europe 2020 strategy will rely on a set of Integrated guidelines aimed at helping Member States develop their own strategies for sustainable growth. Within the first 6 guidelines, which are mostly economic in nature, the Commission has included 'Optimising support for R&D and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy'⁵.

2 Horizon 2020 – The Framework Programme for Research and Innovation

Horizon 2020 is the successor of the Seventh Framework Programme for Research and Innovation. Alongside the Innovation Union Flagship Initiative, Horizon 2020 is expected to play a central role in achieving the objectives set forth by the Europe 2020 strategy in the field of research and innovation. The Programme brings together all EU research and innovation funding, including the Framework Programme for Research, the innovation-related activities of the Competitiveness and Innovation Framework Programme and the European Institute of Innovation and Technology (IET).

Some of the key novelties introduced by the programme include⁶:

- Major simplification through a simpler programme architecture, a single set of rules, less red tape through an easy to use cost reimbursement model, a single point of access for participants, less paperwork in preparing proposals, fewer controls and audits, with the overall aim to reduce the average time to grant by 100 days;

³ European Commission (2010b)

⁴ European Commission (2010b)

⁵ European Commission (2010a)

⁶ European Commission (2011b)

- An inclusive approach open to new participants, including those with ideas outside of the mainstream, ensuring that excellent researchers and innovators from across Europe and beyond can and do participate;
- The integration of research and innovation by providing seamless and coherent funding from idea to market;
- More support for innovation and activities close to the market, leading to a direct economic stimulus;
- A strong focus on creating business opportunities out of our response to the major concerns common to people in Europe and beyond, i.e. ‘societal challenges’;
- More possibilities for new entrants and young, promising scientists to put forward their ideas and obtain funding.

The programme focuses on three key priorities⁷, closely linked to those of the Europe 2020 Strategy and the Innovation Union Flagship Initiative:

1. **Excellent Science** aimed at raising the level of excellence in Europe's science base and ensuring a steady stream of world-class research to secure Europe's long-term competitiveness. This involves supporting the best ideas, developing talent within Europe, providing researchers with access to priority research infrastructure, and making Europe an attractive location for the world's best researchers.
2. **Industrial Leadership** aimed at making Europe a more attractive location to invest in research and innovation (including eco-innovation), by promoting activities where businesses set the agenda. This will involve providing major investment in key industrial technologies, maximising the growth potential of European companies by providing them with adequate levels of finance and help innovative SMEs to grow into world- leading companies.
3. **Societal Challenges** covering activities from research to market with a new focus on innovation-related activities, such as piloting, demonstration, test-beds, and support for public procurement and market uptake. It will include establishing links with the activities of the European Innovation Partnerships.

3 The Multi-annual Financial Framework and the draft legislative package framing the cohesion policy for the 2014-2020 period

3.1 The Multi-annual Financial Framework

The Commission presented its proposals on the Multi-annual Financial Framework (MFF) 2014-20 at the end of June 2011. It includes a total budget of €1,025 billion, representing a 3.2 percent increase compared to 2007-2013 or 5 % if the ‘outside MFF’ items are included. The main budget headings have been repackaged to emphasise Europe 2020 objectives (cf. 1), Cohesion policy and a new infrastructure fund (the ‘Connecting Europe facility’) being grouped into a sub-ceiling of the ‘Smart and inclusive growth’ heading⁸.

One of the main announced budgetary increases would take place in the field of R&D, innovation and education. According to the proposed budget, spending in these fields would increase by 48% to €115 billion compared to

⁷ European Commission (2011b)

⁸ Mendez C, Bachtler J & Wisdale F (2011)

the current period. Existing research and innovation instruments would be regrouped under a Common Strategic Framework - Horizon 2020 (cf. 2) -, concentrating on three priorities: i) excellence in the science base ii) tackling societal challenges iii) and creating industrial leadership and boosting competitiveness. Complementary investments would be received from the Structural Funds (at least €60 billion, as at present).

3.2 Cohesion policy and Structural Fund reform

The European Commission has also adopted a draft legislative package which will frame cohesion policy for 2014-2020. The first part of the proposal sets out common rules governing the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD), and the European Maritime and Fisheries Fund (EMFF). It will increase coherence amongst the instruments for better synergies and greater impact. The second part sets out common rules governing the three main funds delivering the objectives of cohesion policy: the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF)⁹.

The new proposals are meant to ensure that actions implemented under cohesion policy contribute to reaching the goals established by the Europe 2020 Strategy.

The following table summarises the main innovations introduced by the legislative proposal package in comparison to the currently existing legislative framework.

Innovation	Description
Linking allocation of funds to the Europe 2020 objectives	See 1.
Inviting member states to sign partnership contracts	These contracts would closely correspond to the National Reform Programmes that the member states have to develop and implement in the framework of the Europe 2020 Strategy. They would set out priorities for investment, allocation of resources and targets to be achieved.
Focusing resources on a small number of priorities.	The Commission is proposing that member states and regions should concentrate resources from the structural funds and national budgets on a small number of thematic priorities, linked to the Europe 2020 objectives. Those countries that receive a relatively small slice of the structural funds would be asked to focus their programmes on just 2 or 3 priorities (Cf 3.2.1).
Making payments depend on certain conditions.	The Commission proposes to agree a series of specific conditions with each member state. These could relate to the implementation of improvements to public administration or reforms to national legislation - for example regarding employment rules or environmental standards. Final payments would not be made until the pre-agreed conditions have been met.
Creating a 'performance reserve' to reward the best performers.	It has been suggested that relatively small part of the budget for cohesion policy (5%) could be kept in reserve and used for making bonus payments to those member states and regions that have been most successful in reaching and surpassing their pre-agreed targets.
Stronger monitoring and evaluation.	The Commission believes that improved monitoring and evaluation systems are necessary for supporting the move to a more results-oriented approach. It would like clear and measurable targets and indicators to be agreed in advance, which can be used to assess the outcomes of programmes in the various member states.
Combining grants with loans.	Using EU money to provide loans is seen as a way to maximise the impact of public money and encourage more financially sustainable investments. The Commission already has experience of utilising so-called 'financial engineering instruments' in the current programming period (2007-2013).
Reinforcing the	The Lisbon Treaty states that the European Union should promote not only

⁹ European Commission (2011c)

territorial dimension	economic and social cohesion but also territorial cohesion. This implies that the EU should aim to ensure a more balanced development of economic activity across all of its regions including urban and rural areas, islands and peripheral regions. In particular, the Commission intends to pay more attention to urban areas, and to increase the involvement of local and regional authorities in operational programmes.
Strengthening partnerships.	The Commission wants to increase the involvement of local and regional stakeholders, social partners and civil society organisations in the implementation of operational programmes. It also wishes to encourage the spread of local development approaches based on partnerships among the various relevant actors.

Source: <http://www.euractiv.com/regional-policy/eu-cohesion-policy-2014-2020-links dossier-501653>

3.2.1 Strengthening thematic concentration

Based on the conclusions of the Fifth Cohesion Report which point to the need to "achieve a critical mass and maximise the impact and the visibility of cohesion policy investments as well as help to reinforce European added value", the recently adopted legislative proposals seek to reinforce the thematic concentration of Structural Funds.

The main themes eligible for ERDF support are:

- Research & innovation
- Information and communication technologies (ICT)
- Competitiveness of Small and Medium-sized Enterprises (SMEs)
- Shift towards a low-carbon economy
- Climate change adaptation & risk prevention and management
- Environmental protection & resource efficiency
- Sustainable transport & removing bottlenecks in key network infrastructures
- Employment & supporting labour mobility
- Social inclusion & combating poverty
- Education, skills & lifelong learning
- Institutional capacity building & efficient public administrations

The proposed regulations set minimum allocations for a number of priority areas. In more developed and transition regions, at least 80 % of ERDF resources at national level should be allocated to energy efficiency and renewables, innovation and SME support, of which at least 20 % should be allocated to energy efficiency and renewables. Less developed regions will have a broader range of investment priorities to choose from, reflecting their wider development needs. Still, these will have to devote at least 50 % of ERDF resources to energy efficiency and renewable, innovation and SME support¹⁰.

3.2.2 Territorial dimension of cohesion policy and the policy's contribution to reaching Europe 2020 objectives

The Fifth Cohesion Report published in 2010 acknowledges the 'territorial' dimension of the cohesion Policy based on the principles set forth by the

¹⁰ European Commission (2011a)

Lisbon Treaty¹¹. Territorial dimension is thus one of the key elements found within the subsequent body of legislation and framing guidelines adopted by the European Union over the last two years.

Based on the Green Paper published by the European Commission on Territorial Cohesion¹², this concept could be understood by:

- Concentration and density i.e. better exploiting regional potential and territorial capital;
- Connecting territories: overcoming distance e.g. access to services of general economic interest or to energy in other words integrating the economy of places with the economy of flows;
- Cooperation: overcoming division i.e. promoting co-operation cross boundaries but also better consistency between various EU and national policies with a territorial impact, both horizontally and vertically;
- Regions with specific geographical features i.e. policy differentiation to accommodate the specific features of different territories, including regions with some geographic development challenges.

The notion of territorial cohesion appears in the 'Europe 2020' several times. However, the document does not introduce any concrete guidelines for the territorialisation of its priorities nor does it consider the territorial consequences of the actions proposed¹³.

The Territorial Agenda 2020 adopted in 2011 on the other hand is explicitly aimed at providing strategic orientations for territorial development, fostering integration of the territorial dimension within different policies across all governance levels while overseeing implementation of the 'Europe 2020' strategy in accordance with the principles of territorial cohesion¹⁴. The six main territorial priorities for the development of the EU set out in the Territorial Agenda are:

- Promoting polycentric and balanced territorial development as an important precondition of territorial cohesion and a strong factor in territorial competitiveness.
- Encouraging integrated development in cities, rural and specific regions to foster synergies and better exploit local territorial assets.

¹¹ Following the ratification of the Lisbon Treaty, Article 3, third indent, of the Treaty on European Union (TEU) now reads: « [the Union] shall promote economic, social and territorial cohesion, and solidarity among Member States. », whereas Article 2 (c) of the Treaty on the Functioning of the European Union (TFEU) provides that « Shared competence between the Union and the Member States applies in (...) economic, social and territorial cohesion ».

¹² European Commission (2008)

¹³ Böhme K et al (2011)

¹⁴ Böhme K et al (2011)

- Territorial integration in cross-border and transnational functional regions as a key factor in global competition facilitating better utilisation of development potentials and the protection of the natural environment
- Ensuring global competitiveness of the regions based on strong local economies as a key factor in global competition preventing the drain of human capital and reducing vulnerability to external development shocks
- Improving territorial connectivity for individuals, communities and enterprises as an important precondition of territorial cohesion (e.g. services of general interest); a strong factor for territorial competitiveness and an essential condition for sustainable development
- Managing and connecting ecological, landscape and cultural values of regions, including joint risk management as an essential condition for long term sustainable development

However, as highlighted by a report published under the Polish Presidency of the European Council on the Territorial Dimension the Cohesion Policy, the implementation of the Territorial Agenda “depends on the goodwill of different EU bodies and national actors. Its links to the Cohesion Policy and, indeed, to other policies remain very general while its contribution to the policy making mechanism outlined in the 5th Cohesion Report can be described as vague or at best insufficiently explicit”¹⁵.

The reinforcement of Territorial Cohesion is addressed by the recently adopted legislation proposals, mainly through the following actions¹⁶:

- Focusing on sustainable urban development by earmarking a minimum of 5 % of ERDF resources for activities in this field.
- Establishing an urban development platform to promote capacity building and exchanges of experience, and the adoption of a list of cities where integrated actions for sustainable urban development will be implemented.
- Supporting areas facing specific geographical or demographic problems through targeted provisions for outermost regions, northernmost regions, island and cross-border and mountain regions.

Following the adoption of 2011 legislative package framing the EU’s cohesion policy, DG REGIO issued two Communications on ‘smart growth’ and ‘sustainable growth’. Both communications highlight the contribution of regional policy to Europe 2020 objectives and flagship initiatives¹⁷. The following table provides a summary of the recommended actions set forth by DG REGIO, for both Member State and European Commission, in order to promote smart growth.

¹⁵ Böhme K et al (2011)

¹⁶ European Commission (2011a)

¹⁷ Mendez C, Bachtler J & Wishdale F (2011)

Table 2 Recommended actions to promote Smart Growth

Actor	Actions
Member States	<ul style="list-style-type: none"> • Developing smart specialisation strategies drawing on support for technical assistance and subjecting them to international peer review. • Make more extensive use of financial engineering instruments in support of innovation • Pursuing the possibility to finance interregional cooperation to promote research and innovation and better access to international research and innovation networks under FP7 and CIP. • Ensuring coherence between supply push and demand pull research and innovation policy, by making use of the opportunities offered by public procurement co-financed by the ERDF to increase the innovation content of products, processes and services. • Using international peer review by independent experts for research projects more systematically to enhance the effectiveness of support. • Considering the use of the ERDF for financing suitable shortlisted FP7 and CIP projects. • Exploiting the possibilities for improving regional innovation policy through peer learning: offered by FP7, CIP and INTERREG IV C platforms and networks.
European Commission	<ul style="list-style-type: none"> • Facilitate smart specialisation strategies by developing (a) a 'Smart Specialisation Platform' to help identify needs, strengths and opportunities (b) data, policy analysis and information on research and innovation performance and specialisation from an EU-wide perspective (c) platforms for mutual learning • Assist education, research and innovation projects through knowledge transfer and diffusion of good practice, with the help of the 'Regions for Economic Change' initiative and by providing technical support to innovation-based Fast Track regional networks and to interregional collaboration supported • Work with financial institutions to leverage funding and maximise the use of existing financial instruments, including by establishing a RSFF window/facility for Convergence regions, more intensive use of JEREMIE, as well as by examining ways of extending the scope of existing financial engineering instruments to new research and innovation activities. • Facilitate business opportunities for SMEs' through consolidating and reinforcing the Enterprise Europe Network (EEN), the partners of which should, in turn, help organisations to make better use of ERDF financing for innovation. • Improve the coherence and complementarity of EU policies for education, research and innovation, with the aim of: promoting the take-up of good practice; expanding and upgrading the 'Practical Guide on EU funding opportunities' and establishing a single web-based portal on Commission support for research and innovation linked to the FP7 Participant Portal.

The concept of 'Smart specialisation'¹⁸ was developed by the "Knowledge for Growth" expert group advising the European Commission. Smart specialisation is defined by the group as "an entrepreneurial process of discovery that can reveal what a country or region does best in terms of science and technology...a learning process to discover the research and innovation domains in which a region can hope to excel"¹⁹ This implies regions should seek to ensure a more effective use of public and private funds by concentrating resources on few key priorities rather than spreading investment thinly across areas and business sector²⁰.

¹⁸ Foray D, David P.A., Bronwyn H (2009)

¹⁹ Foray D, David P.A., Bronwyn H (2009)

²⁰ European Commission (2011c)

According to the “Knowledge for Growth” experts, the role for governmental S&T policies in setting up smart specialisation is²¹:

- To supply incentives to encourage entrepreneurs and other organizations (higher education, research laboratories) to become involved in the discovery of the regions’ respective specialisations.
- Evaluating and assessing effectiveness so that the support of a particular line of capability formation will not be discontinued too soon, nor continued so long that subsidies are wasted on otherwise non-viable enterprises.
- Identifying complementary investments associated with the emerging specialisations (educational and training institutions, for example) in the case of a region investing in the co-invention of applications of a General Purpose Technology (GPT).

In June 2011, the European Commission launched the “smart specialisation platform” in order to support regions and Members States to define their research and innovation strategies. The approach developed by the platform is mean to provide assistance for regions to assess their specific Research and Innovation strengths and weaknesses and build on their competitive advantage, based on the concept of ‘smart specialisation’. According to the platform, by using this instrument regions should be able to “identify its best assets and R&I potential in order to concentrate its efforts and resources on a limited number of priorities where it can really develop excellence and compete in the global economy”²². This will in turn allow regions to develop innovation strategies, or smart specialisation strategies, “defining a policy mix and budgetary framework focusing on a limited number of priorities to stimulate smart growth”. The strategies should be based on strong partnerships between regional authorities, the business community and stakeholders from research and academia. They should not only target science and technology-led innovation but also foster innovation that is non-science based (i.e stimulating entrepreneurship, innovation in the public sector and service innovation). They should also ensure a more effective and complementary use of EU investments in the regions and help leverage private investments towards the regions’ areas of specialisation²³.

²¹ Foray D, David P.A., Bronwyn H (2009)

²² <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/776&type=HTML>

²³ <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/776&type=HTML>

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