

## I

(Resolutions, recommendations and opinions)

## OPINIONS

## COMMITTEE OF THE REGIONS

91ST PLENARY SESSION HELD ON 30 JUNE AND 1 JULY 2011

**Opinion of the Committee of the Regions on ‘Common Strategic Framework for EU Research and Innovation Funding’**

(2011/C 259/01)

THE COMMITTEE OF THE REGIONS

- considers it vital to, on the one hand increase the Community research budget and on the other, to better integrate national programmes and the European Research Framework Programme;
- states that industrial, social and environmental innovation, together with innovation in services, is crucial for leveraging European competitiveness which will help to strengthen territorial cohesion;
- recognises that starting points on innovation vary greatly across Europe, and that regional policies with their own specific characteristics could complement EU research policy in line with smart regional specialisation strategies;
- welcomes the efforts made to simplify procedures, such as the publication and update of a ‘Practical Guide’ setting out possibilities for accessing EU funding;
- calls for local and regional authorities to be closely involved in the preparation of legal frameworks and funding programmes related to public procurement;
- calls for local and regional players to be usefully involved in technology platforms;
- notes the potential role of the European grouping of territorial cooperation (EGTC);
- emphasises that cooperation between clusters in the EU is absolutely crucial, but that inter-cluster collaboration at international level should also be encouraged.

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| <b>Rapporteur</b>         | Claude GEWERC (FR/PES), President of Picardie Regional Council   |
| <b>Reference document</b> | Green paper: From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation Funding<br><br>COM(2011) 48 final |

## I. POLICY RECOMMENDATIONS

### THE COMMITTEE OF THE REGIONS

#### A. Key messages

1. welcomes the fact that this Green Paper launches a public debate on the key issues to be taken into account for future EU research and innovation funding programmes;

2. acknowledges that a common strategic framework to fund research and innovation in the EU must be based on joined-up strategic objectives which are clearly shared by all stakeholders;

3. recommends that this common framework should coordinate the relationship between the different functions of research, development and innovation, without blurring the specific role of each;

4. highlights the fact that an ambitious EU innovation strategy needs a strong science base as well as a robust industrial policy; therefore welcomes the Commission's flagship initiative on 'An industrial policy for the globalisation era' and 'An Innovation Union' and refers, in this context, to the relevant CoR opinions <sup>(1)</sup>;

5. underlines the fact that regional and local authorities are well-placed to create synergies between research and innovation policies and cohesion policy, which would have an impact on economic and industrial activity as well as on social policy action;

6. stresses that at present the results of European research efforts are not applied quickly enough or sufficiently widely. The Commission should change the guidelines and rules so that regions would make far more use than now of the Structural Funds and other financial instruments for the innovative application of the results of the Framework Programme, by adopting a decentralised approach that gives a greater role to the regions, allowing better promotion and marketing of the technologies generated under the Framework Programme, and other research activity;

7. repeats that social and environmental innovation is crucial for both the public and private sectors;

8. underlines the need to promote the concept of innovation as part of our daily lives – in education systems for example and in the workplace;

9. highlights the research and innovation programmes that operate across regions with different levels of innovation performance (RIS), which are beneficial for all stakeholders: there is a need to increase regional involvement in the European Research Area Network scheme for example;

10. stresses that the current Community research budget of only 4 % of that of publicly funded research in Europe is inadequate; considers it vital to, on the one hand increase the Community research budget and on the other, to better integrate national programmes and the European Research Framework Programme;

11. would in particular draw the Commission's attention to the situation faced by innovators and individual inventors not operating within the university system, large companies or public authorities, administrations or enterprises. Ongoing work in this field should include strategies that provide innovators and individual inventors with the support and scope they need to take advantage of joint EU funding on a level playing-field;

12. requests adequate consideration of the fact that 97 % of economic activity in the EU27 still is low and medium technology-intensive; believes therefore that the development of the knowledge-based society cannot be focused only on developing the most advanced technologies but that there must be a role for an innovation model enabling knowledge to be absorbed and circulated; highlights the opportunity opened up by the revision of the public procurement Directive <sup>(2)</sup>; underscores the opportunities and challenges associated with including R&D in public procurement <sup>(3)</sup>;

13. notes that the Green Paper as it stands does not appear to raise any issue regarding its compliance with the principle of subsidiarity; stresses, however, that a close follow-up of the developments leading to funding of and legislation on future EU research and innovation should be performed in order to ensure compliance with the subsidiarity principle;

14. notes, furthermore, that the requirement proposed in the Innovation Union for Member States and regions to set aside dedicated budgets for innovation-related public procurement could have far-reaching impacts on municipalities and regions; underscores that the upcoming follow-up should include a careful assessment of the possible financial and administrative burden on local and regional authorities as well as the social effects and other benefits;

<sup>(1)</sup> CdR 374/2010 fin and CdR 373/2010.

<sup>(2)</sup> CdR 70/2011 fin.

<sup>(3)</sup> CdR 58/2008 fin.

15. considers that support should be given to launching more two-stage procurement procedures, whereby in the first stage tenderers only have to submit a list of their associates and an outline of the application, which will be developed further only if the first assessment stage is passed. This would be of particular benefit to SMEs, which would consequently have a greater incentive to take part in these procedures, for which the initial work required would not be so considerable;

#### **B. Generating synergies between cohesion policy and innovation policy**

16. states that industrial, social and environmental innovation, together with innovation in services, is crucial for leveraging European competitiveness which will help to strengthen territorial cohesion;

17. agrees that funding for research and innovation needs to feature among the broadest of the EU's policy objectives: for example the implementation of an industrial policy, as requested in the Committee of the Regions' opinion on the industrial policy flagship initiative;

18. suggests that regional and local authorities should be recognised as the preferred level for linking up national and European strategies on research and innovation and also cohesion. A single document at regional level could bring these strategies together;

19. recognises that starting points on innovation vary greatly across Europe, and that regional policies with their own specific characteristics could complement EU research policy in line with smart regional specialisation strategies;

20. as in the previous research framework programmes, cooperative research, and in particular collaborative research projects, should be a priority for future European research support, with funding set at least at present levels. Collaborative research projects give universities, research institutions and businesses from all European regions an opportunity to participate. They enable the requisite transparency and simplification, thus benefiting users;

21. stresses that a true challenge for the Commission and the regions is to create synergies between different funding instruments to be able to implement the Europe 2020 strategy. The results of European research efforts are not applied quickly enough or sufficiently widely. The Commission should change the rules and criteria of cohesion funding instruments so that regions use the results of the Framework Programme and other research activities in implementing innovation applications regionally;

22. notes that the next framework programme should extend the programmes aimed at developing regional capacities and facilitating the involvement of regional and local authorities whose research and development activities go well together. This could be achieved, for example, by introducing a scheme enabling competent partners from regions which are lagging behind on research to be involved in projects and programmes

led by scientists who are better known and well-recognised, as stated in the CoR opinion on 'Simplifying the implementation of the research framework programmes' <sup>(4)</sup>;

23. welcomes the efforts made to simplify procedures, such as the publication and update of a 'Practical Guide' setting out possibilities for accessing EU funding;

#### **C. A regional dimension for clusters (centres of competitiveness etc.)**

24. states that the regional dimension is an intrinsic part of clusters;

25. repeats that although excellence is one of the characteristics of clusters, not all clusters can achieve the same level of excellence or attract the same level of international attention. Clusters require a very high level of scientific expertise, but this is not enough to attain excellence. Clusters attain excellence gradually over time, through specific financial resources, a good structure, good governance and a successful 'ecosystem' that brings together businesses, training, research and innovation;

26. notes that the desire of many clusters to develop activities in their own region is not incompatible with the exploitation of the considerable opportunities presented by the exchange of information and good practice with neighbouring clusters in other Member States. In fact a cluster which is firmly rooted in a region can quite easily have an international profile and reach;

27. stresses that, parallel to cluster-based innovation hubs, and in some respects even more important than these, is the need which has emerged in recent years to understand the complex workings of regional innovation ecosystems and create conditions conducive to development in the desired direction. Therefore the Commission should allocate economic and operational support particularly for the development of open innovation activity in the regions so that they can help to create the necessary conditions for a reform of public administration and for entrepreneurial activity aimed at generating growth and new jobs;

28. one concrete manifestation of regional ecosystems is the concept of edge markets and their development. Edge markets have been noted to be strongly related to local know-how and culture and their interactive independent regeneration. In previous opinions (CdR 11/2009 and CdR 83/2007), the Committee of the Regions drew attention to the need to strike a balance between competitive funding, which is what funding of the big EU flagship initiatives represents, and institutional funding for research communities. The Committee of the Regions stresses the importance of institutional funding, which enables research communities to set up studies on their own initiative and prompted by other communities, particularly in the interests of the grand societal challenges, as well as convergence and cohesion;

<sup>(4)</sup> CdR 230/2010 fin.

#### D. Reforming public procurement

29. reaffirms its belief that the European Research Area (ERA) could be strengthened if the procurement of research and development services were to be included in public procurement procedures; recalls the CoR opinion on the Green Paper on the procurement market<sup>(5)</sup> and the CoR opinion on pre-commercial procurement<sup>(6)</sup>, provided this does not result in these services being exposed to competition;

30. calls for local and regional authorities to be closely involved in the preparation of legal frameworks and funding programmes related to public procurement;

31. reiterates its support for the business world and governments to be actively involved in innovation funding plans, and has reservations about the potential impact on local and regional authorities of a system in which the public sector alone shoulders the risk of untested products and services;

32. points out that the public procurement market continues to be fragmented and only rarely operates across borders, and urges the Commission and Member States to develop a more transparent framework which could open up public procurement markets in the European Union;

33. repeats that the European Commission should provide a clear and detailed guide on procurement processes, as well as training opportunities, for contracting local and regional authorities;

#### E. The regional implications of funding measures

34. acknowledges that funding the entire innovation cycle, from research to the market, requires a wide range of instruments; therefore supports efforts to encourage private-sector funding, for example through plans to share risks, loans, or venture capital;

35. agrees that public-sector funding has a role in boosting private investment; and underlines the fact that robust and transparent risk management are essential when both public and private funds are involved;

36. welcomes the efforts to boost private sector funding for SMEs' innovation investments, and therefore calls for incentives (tax arrangements, reduction of administrative constraints) to be promoted and, if necessary, for regulatory frameworks to be revised to strengthen and broaden the range of measures to support and recognise the role of SMEs as frontline actors in promoting the culture of innovation; in this regard also emphasises the need to strengthen tools for mediation between SMEs and R&D stakeholders;

37. calls for local and regional players to be usefully involved in technology platforms (TPs), with a view to drawing up research and innovation strategies for creating new TPs and

ensuring that platforms which are already active are in line with the needs of regional stakeholders, taking account of the opportunities provided by global markets and the involvement of SMEs;

#### F. Cross-border cooperation

38. recognises that the Research Framework Programme makes a unique contribution to collaborative research involving players in Member States and local and regional authorities;

39. underlines the importance of EU legislation (on venture capital and research infrastructure for example); also notes the potential role of the European grouping of territorial cooperation (EGTC);

40. emphasises that cooperation between clusters in the EU is absolutely crucial, but that inter-cluster collaboration at international level should also be encouraged;

#### G. Background

41. The EU 2020 strategy, via the flagship initiatives 'Innovation Union' and 'Industrial Policy' in particular, recognises the key role of research and innovation in making the EU more competitive and highlights the need to ensure that innovation has a higher profile in policy. The document gives European regions and cities a key role in implementing the strategy. The Committee of the Regions therefore wishes to support this role and contribute to the development of the European Research Area in the regions, as the regions and cities fund research programmes, participate in European research projects, and actively support the involvement of regional players in European research projects;

42. The Committee of the Regions welcomes the increase in funding between the 6th (2000-2006) and the 7th (2007-2013) Framework Programmes for Research and Development and the establishment of the European Research Council. The Committee of the Regions also welcomes the European initiatives that foster exchanges and collaboration between regional authorities and academic, economic and scientific players, particularly under the budget heading 'Regions of knowledge', the COFUND section of the 'Capacities' programme, and measures such as the networks of excellence and the European Research Area Network Scheme;

43. The Committee of the Regions also looks forward to the forthcoming assessments of the impact of the 'Regions of Knowledge' and 'Research Potential' programmes. As these programmes mature and develop clearer objectives, the CoR calls for strengthening their role in providing support to highly competent regions with a potential to develop excellent features, for example through mentoring<sup>(7)</sup>, partnering or other schemes;

<sup>(5)</sup> CdR 70/2011 fin.

<sup>(6)</sup> CdR 58/2008 fin.

<sup>(7)</sup> CdR 230/2010 fin.

44. The Committee of the Regions values the fact that the Framework Programme for Competitiveness and Innovation gives a prominent role to regional clusters and initiatives that facilitate the development of information and communication technologies, energy efficiency, renewable energy and eco-innovation. The Committee of the Regions therefore recommends that these initiatives are continued and adapted in line with the challenges that the EU is facing, or will face in the future.

Brussels, 30 June 2011.

*The President  
of the Committee of the Regions*  
Mercedes BRESSO

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