**Annex 2**

# Terms of Reference for the expert group on the evaluation of research intensive clusters as vehicles for smart specialisation in the European regions.

# Terms of Reference for the expert group on research intensive clusters as drivers for smart specialisation in the European regions

## 1. INTRODUCTION

These are the Terms of Reference (ToR) for a group of independent experts set up by DG Research and Innovation of the European Commission to explore the role of **research intensive clusters** in the process of smart specialisation in view of the conditionality on smart specialisation for the future Cohesion Policy Fund Regulation (European Regional Development Fund).

## 2. BACKGROUND, FRAMEWORK & DEFINITION OF CLUSTERS AND SMART SPECIALISATION

### 2.1 Background

In the current programming period (running from 2007 to 2013), there are various initiatives in support of clusters at EU level. If we understand a cluster as a geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities it is clear that there is a big variability of clusters in terms of size, economic sector and innovation capabilities. The latter will be determined by the degree of knowledge generation and valorisation within the cluster and the parent region. Presence and involvement of universities and other research players within the clusters or their neighbourhood is crucial for their research intensity and performance.

Under the 7th Framework Programme for Research, Technological Development and Demonstration, the action on **"Regions of Knowledge"** under the Capacities Specific programme has considered research within clusters as a driver for regional innovation and therefore has supported transnational co-operation of research-driven clusters on topics that have varied in focus on an annual basis. These co-ordination actions have led to the funding of approximately 60 projects from 2007 to 2012 which successfully up-scale initiatives at national or regional level to a European or even global dimension. The participating clusters are organised according to the **triple helix model** where research entities, business and public authorities join forces at their mutual benefits. In particular the role of the public bodies -typically regional development authorities or agencies - is seen as an important facilitator for boosting regional innovation. Each project has to deliver at least two core results notably a regional research agenda for each region involved and a joint action plan underpinned by a dedicated business plan.

Under the **Competitiveness and Innovation Framework Programme (CIP)** there is a dedicated activity line supporting clusters including a cluster observatory and projects aiming at the professionalization of cluster management and improvement of framework conditions for their development.

In addition, Cohesion policy provides opportunities to contribute to trans-national cooperation, notably through the **European Territorial Cooperation Objective** (previously known as

INTERREG), a specific part of the Structural Funds that supports the development of cross-border, inter-regional or trans-national cooperation, in particular through networking in including cluster development.

**Smart Specialisation** is a strategic approach to economic development through targeted support to Research and Innovation (R&I). It will be the basis for Structural Funds investments in R&I as part of future Cohesion Policy's contribution to the Europe 2020 jobs and growth agenda. The underlying rationale behind the Smart Specialisation concept is that by concentrating knowledge resources and linking them to a limited number of priority economic activities, countries and regions can become — and remain — competitive in the global economy.

This type of specialisation allows regions to take advantage of scale, scope and spill-overs in knowledge production and use, which are important drivers for productivity. Furthermore, strategies that combine innovation with specific strengths of the national/regional economy offer a much greater chance of success. Imitating other regions by trying to create 'miracle growth' in headline industries such as semiconductors or biotechnology not only lessens the chances for the imitating region to succeed, but also perpetuates patterns of market dominance with leaders and followers. In short, Smart Specialisation is about generating unique assets and capabilities based on the region's distinctive industry structures and knowledge bases.

### 2.2 The framework for the role of clusters in the process of smart specialisation

Due to their inherent capacity to support cooperation between different innovation actors in a region, clusters are powerful instruments for fostering **industrial competitiveness, innovation and regional growth**. Currently, they are used by policy makers worldwide as building blocks for implementing different policies such as research & innovation, industrial and regional policies.

Smart specialisation requires that regional governments have a clear vision and are committed, and at the same time, have people who will take up and realise such strategies on the ground.

Clusters offer a huge potential for implementing smart specialisation strategies by providing and mobilising the necessary resources for that purpose. Their knowledge, networks and dynamism are the right ingredients available at local level, allowing regions to create more value, reaching higher levels of excellence and thriving in the global economy.

Clusters can be used at both the **design** and implementation phase of smart specialisation strategies. In the design phase, they can be used to identify industrial strengths and assets in a region, contribute to set strategic priorities and make the right political decisions. In the **implementation phase**, clusters can be used as efficient platforms that can focus on and quickly contribute to smart specialisation's objectives. In particular, by fostering cross-sectorial cooperation, clusters can contribute to implementing thematic-based strategies addressing new society challenges, and creating new competitive advantages in a region.

**However there may also be drawbacks in this process: fragmentation and proliferation** of cluster initiatives may often lead to dispersion of forces and financial resources as well as to less cooperation and fewer synergies between them. This can be circumvented by positive action like

assessing regional specialisation patterns and comparing statistical indicators among regions. Furthermore, smart specialisation strategies should look at optimal cluster-specific framework conditions such as access to research and testing facilities, educational and skills development issues, cooperation with local incubators and efficient cluster management, which, all together, will allow them to fully exploit their potential in a context of smart specialisation.

In theory, the goal could be to develop **world class clusters** and provide arenas for related variety/cross-sector links internally in the region and externally, which drive specialised technological diversification. An assessment of existing regional assets implies looking 'inside' the region; however, this might be insufficient for a smart specialisation strategy. A major novelty of the smart specialisation approach is that a region has to make its strategic decisions taking into account its overall position in global value chains. In addition, interregional collaboration should be pursued whenever similarities or complementarities with other regions are detected.

## 3. MANDATE & SCOPE OF THE EXPERT GROUP

The current Work Programme for the Coherent Development of Research Policies (CDRP) for 2012-2013 (European Commission C(2012)6781 of 2 October 2012) state that an expert group will be set up to examine the portfolio of on-going Regions of Knowledge projects in order to explore the potential of the clusters involved to promote smart specialisation of their parent regions from a sectorial point of view. It will take into account different types of clusters in terms of maturity and innovation capability. However, considerations on the topic, going beyond the specific experience of "Regions of Knowledge" should be considered as well.

The expert group on "Research intensive clusters as drivers for smart specialisation in European regions" should first examine a sample of project reports and deliverables notably key output project documents such as regional research agendas and joint action plans and explore to what extent they can be used as a starting point for regional smart specialisation strategies or complement them.

In particular the role and influence of the different kinds of players in the triple helix should be investigated with particular attention to the role of regional public bodies as a facilitator for knowledge transfer from academia to business. The expert group should identify good practices and success stories where research intensive clusters have successfully promoted the approach of smart specialisation. In this context, the potential and limitations of the triple helix approach should be examined in view of a possible widening up towards more open regional innovation ecosystems where other players may step in.

Furthermore, experts will advise on how regional smart specialisation strategies can be up-scaled to a European dimension based on the experience of the transnational collaboration of clusters within Regions of Knowledge. Collaboration models such a Europe-wide collaboration alongside the value adding chains in dedicated economic sectors but also cross-border approaches like in the European Territorial Co-operation (ETC) and macro regions should be considered as well.

**Specific output expected**

- Overall positioning of clusters in smart specialisation
  The group should develop a general view on the potential and role of clusters in the smart specialisation process based on a literature review, study of documents and liaison with experts from the European cluster observatory and the S3 platform hosted by the JRC in Seville and elaborate the prerequisites of successful involvement of clusters in the smart specialisation process.
- Specific contribution of Regions of Knowledge (ROK) to the smart specialisation process
  The group will examine a sample of project results such as regional research agendas and joint actions plans already submitted by on-going or completed ROK projects and liaise if appropriate with the co-ordinators. The experts will assess the potential to use such outcome for feeding into the process of developing regional smart specialisation strategies. The group should elaborate guidelines for good practices on how to effectively involve the ROK projects funded under the 2012-2013 call into the smart specialisation strategy building of their parent regions.
- Triple helix and innovation eco-systems
  The experts should explore options to widen up the triple helix concept to a more comprehensive regional innovation ecosystem by inclusion of additional players notably from Higher Education, civil society and local business. Based on these options recommendations for an improved stakeholder involvement in the smart specialisation process should be drawn up.
- Developing cross-border clusters in the European Territorial Co-operation (ETC)
  The group should examine the importance of cross-border collaboration in a sample of existing ROK consortia and how relative geographical proximity strengthens the sustainability of partnerships beyond project funding and the success of the subsequent implementation of the joint action plans (JAPs). Furthermore, some recommendations should be developed on how to extend the core concept of ROK into a future ETC with particular emphasis on the relation between public and private actors.
- From regional clusters and European partnerships to global players
  The expert group should demonstrate that smart specialisation is not confined to the limits of the regions involved but also develops complementary specialisation alongside Europe-wide and global value adding chains. Success mechanisms for clusters to up-scale from a regional dimension to global markets should be identified.

## 4. Meetings, deliverables and work plan

### 4.1. Meetings

The group of independent experts will start its work in early January 2013 and will meet up to a maximum of 5 times between January 2013 and May 2013. Meetings of the group will be held in Brussels.

### 4.2. Deliverables

The group of independent experts is requested to provide the Commission with the following deliverables:

- By March 2013: **progress report**;
- Early May 2013: **draft of the final report**;
- End of May 2013: **final report**, which should be addressed to the Commission by 31st May 2013 at the latest. It should be of maximum 30 pages plus annexes, including an analysis of findings and a set of conclusions and concrete recommendations on the basis of evidence. The main section of the report should be prefaced by a largely self-contained executive summary, not exceeding 2 pages. The final report is to be made publicly available, notably on the CORDIS website.
- In June 2013: the Chairperson and/or the Rapporteur will present the report during the Irish Presidency Conference entitled 'Week of Innovative Regions in Europe IV' (5 to 7 June 2013).
- From April 2013: **Communication and dissemination:** Communication of the preliminary analysis, as contained in the progress report, and the conclusions of the expert group as contained in the final report to interested parties and stakeholders, notably by the "Chairperson" of the group of independent experts.

### 4.3 Work plan

The group of independent experts should define an estimated work plan following the example below, within the expected timetable.

| Activities | Jan 10 | Feb 13 | Mar 13 | Apr 13 | May 13 | June 13 |
|---|---|---|---|---|---|---|
| First (preliminary) meeting | x | | | | | |
| Five working meetings | x | x | x | x | x | |
| **Progress report** | | | x | | | |
| **Final draft report** | | | | | x | |
| **Final report** | | | | | x | |
| **Communication and Dissemination** | | | | x | x | x |

## 5. OPERATION OF THE GROUP OF INDEPENDENT EXPERTS

### 5.1. Number and selection of experts

The Commission will appoint a group of seven independent experts that includes a chairperson, a rapporteur and five members.

The group will include independent experts who have the relevant expertise to ensure informed analysis on all of the areas covered by the issue of synergies between FP7, the CIP & the Structural Funds.

The independent experts will be appointed in view of constituting a group satisfying the following criteria:

- high level of expertise in the fields of research and technological development, cluster development and management, innovation and regional policy with particular emphasis on smart specialisation;
- appropriate range of skills in the relevant fields covering the economic, technological and managerial aspects of the topic;
- gender balance and appropriate language skills.

Provided that the above three criteria are satisfied, other criteria are also taken into consideration:

- appropriate balance between scientific, innovation and regional policy expertise;
- a reasonable balance of geographic origins.

The nomination of experts will be in line with the Commission's rules for setting up experts groups.

### 5.2. Working method

The "Chairperson" of the group of independent experts decides on its working methods; he/she is however requested to ensure that the group members and the supporting expertise are best used to allow for the necessary in-depth analysis of role of research intensive clusters in the smart specialisation process.

The "Rapporteur" will prepare the deliverables and the final report of the group of independent experts, on the basis of all members' written contributions and of relevant material and events identified by the members of the group of independent experts and/or the Commission. He/She will highlight and exploit main points of reports presented by the independent experts, create PowerPoint presentations and draft summaries of the discussions held at meetings.

### 5.3. Credits and confidentiality

The physical and intellectual products generated by the expert's assignment will remain the property of the Commission. The members of the group of independent experts undertake not to use these products outside this assignment without the previous written agreement of the Directorate-General for Research and Innovation. The published report prepared will acknowledge the contributions of the members of the group of independent experts and not disclose confidential information.

Each member of the group shall sign a declaration of absence of conflict of interest and of confidentiality, which contain provisions concerning the disclosure of confidential information received in the course of his/her activities.

The Commission rules on experts groups (C(2010) 7649 will apply.

## 6. ADMINISTRATIVE AND FINANCIAL ASPECTS

The Commission will reimburse travel costs and give the appropriate allowances according to the standard Commission rules. The total budget for the group of independent experts plus that for any additional supporting expertise as requested by the group of independent experts shall not exceed € 110.970,00 including the travel costs.

Those members of the group who are not civil servants[1] will be offered an expert contract providing for the payment of fees of € 450 per day, for a number of days not exceeding 30 days each for the "Chairperson" and the "Rapporteur", and 25 days for the other group members. The preparation of such an appointment letter[2] will require the registration of the experts concerned in the Commission's relevant database.

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[1] Civil Servants wishing to participate in a private capacity can be reimbursed as other experts, when the rules applicable to such civil servants so allow. However, this does not apply to persons subject to the Staff regulation of Officials of the European Communities or to the Conditions of Employment of Other Servants of the European Communities that can not be members of the experts group.

[2] Appointment letters include standard annexes, including a declaration that the independent expert has no conflict of interest at the time of appointment and that he undertakes to inform the Commission if any conflict of interest should arise in the course of providing his opinion or carrying out his duties.