



# Smart Specialisation Platform Industrial Modernisation: Co-investment in new value chains

Working Group Digital Innovation Hubs

20 October 2016, Brussels

**Jan Larosse**  
**Marco Pino**

Competence Centre  
Smart and Sustainable Growth  
DG Regional and Urban Policy



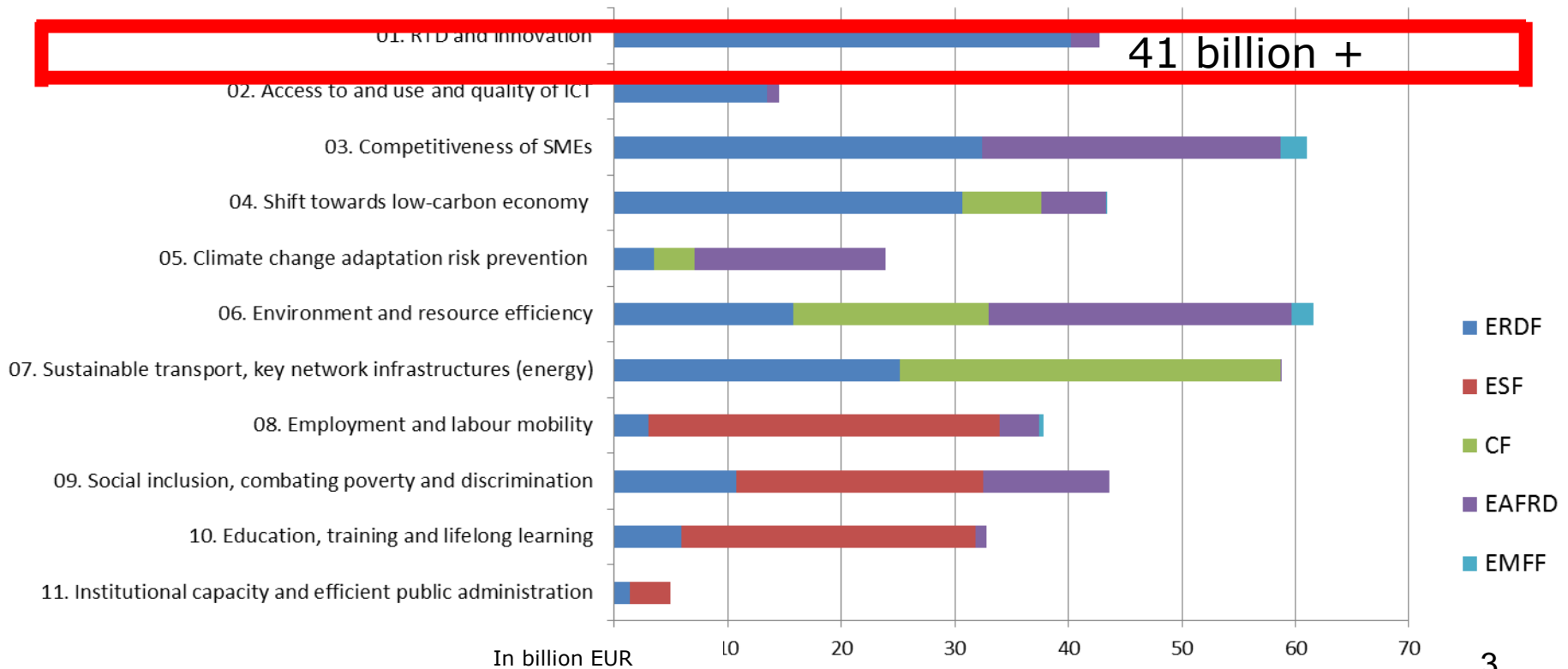
## Overview

1. SSP Industrial Modernisation
  1. **Implementation RIS3 (41 billion) - Investments for (digital) transformation**
  2. **Smart Specialisation = targeted innovation and industrial policy, based on bottom-up 'entrepreneurial discovery'**
  3. **Prioritising innovation expenditure for diversification, using strengths of regional innovation eco-systems (role of innovation hubs)**
2. Investment pipeline for Smart Specialisation
  1. **Value chain as policy framework for cooperation on complementarities**
  2. **Vanguard Initiative inspiration: focus on 'joint demonstration'**
  3. **Support for co-investment partnerships through S3 Platform and through synergies between EC instruments to promote smart specialisation investments (incl. EFSI Investment Platforms).**
3. Investments in a European network of digital innovation hubs
  1. **Investment in hard and soft infrastructure; investment in projects: need for a financing mix (multi-level, multi-instrument)**
  2. **The experience in ESIF with investments in science parks**
  3. **The S3 partnerships: user requirements for innovation hubs and for networked demonstration; mobilisation of funding mixes**

# European Structural Investment Funds 2014-20



- **EUR 454 billion of ESIF + EUR 183 billion of national co-financing**
- **Concentration on 11 Thematic Objectives**
- **Ex ante conditionality for RTD&I = 'smart specialisation strategies' !**
- **More than 120 regional and national R&I smart specialisation strategies**



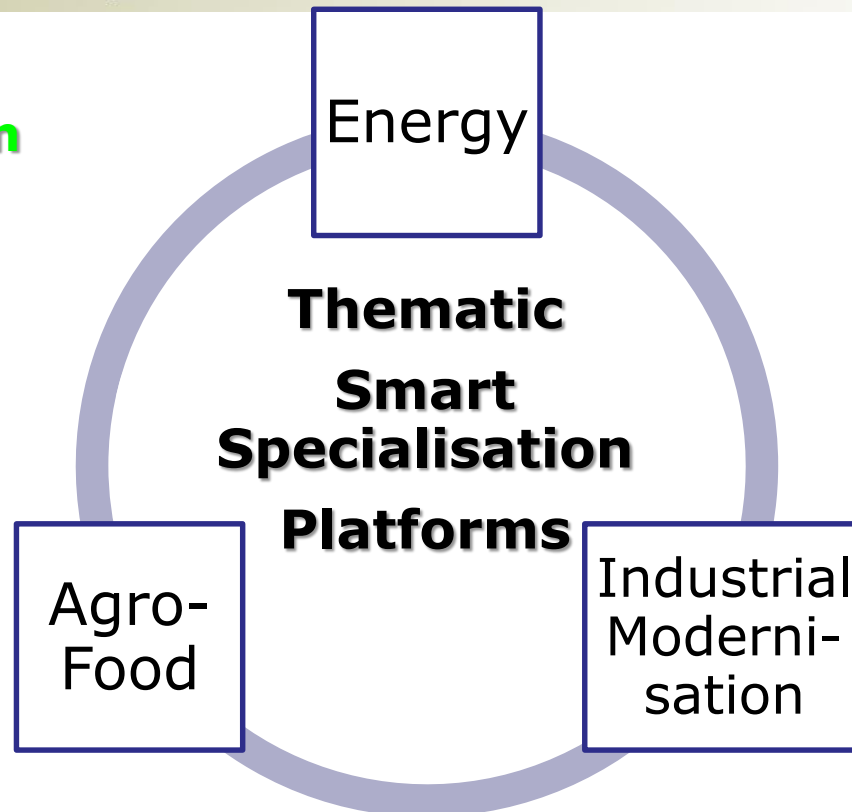
# Thematic Smart Specialisation Platforms: support targeted innovation

<http://s3platform.jrc.ec.europa.eu/s3-themes>



**Implementation  
of RIS3 in  
priority areas**

**Smart  
Specialisation  
Investments**



**Interregional  
cooperation for  
critical mass;  
avoiding  
duplication**

**European  
strategic  
growth  
areas**

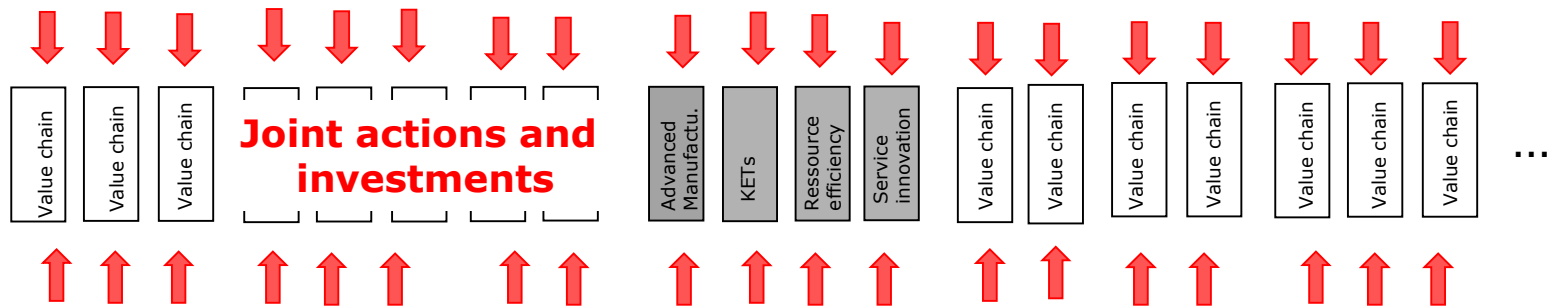


Regional  
authorities

## Thematic Smart Specialisation Platforms

Energy      Agro-Food      Industrial Modernisation      (Health)      (Circular Economy)

Business



Cluster  
organisations

## European Strategic Cluster Partnerships for Smart Specialisation Investment

# VANGUARD INITIATIVE

NEW GROWTH THROUGH SMART SPECIALISATION

Ambitions

Partners

Pilot Initiatives

Activities

**Thematic Smart Specialisation  
Platforms inspired by  
Vanguard Initiative**

**5 Pilot actions:  
Efficient and Sustainable  
Manufacturing  
Energy applications**

**3D-Printing**

**Bioeconomy**

**Nano-enabled products**

VI focus is on catalysing **joint investments in product-driven demonstration pilots** (specific applications, products or processes) with 5 pilot-cases

upscale

learn

- developing a scoping paper
- mapping questionnaire
- Identify lead regions and actors

connect

- matching events for complementary partners
- developing demonstration cases

demonstrate

- networked demonstration
- pilot lines and first-of-a-kind factories (TRL6-8)
- Generation 'n', 'n+1' and 'n+2'

commercialise

- launch of new ventures and start-ups
- new value chains (TRL 9)

# Value chain approach: policy framework for integration



= facilitate (pro-active) combination of intermediary inputs to co-create **solutions** (value propositions) / **co-investment**

## ***Mending Fragmentation***

- **Technology push** has limited impact; demand articulation through **societal challenges** is too broad
- Actors are **disconnected** in efforts to build new solutions
- **Horizontal** policies address mainly similar actors (competitors); policy learning insufficient for co-investment
- **Orchestration of VCs** mainly through (foreign) multinationals

## ***Facilitating Connections***

- **Integration** of technology development (**supply conditions**) with societal challenges (**demand pull**)
- **Business** perspective!
- Connecting **complementary actors** (co-specialisations)
- **Vertical** policies give **direction** (open innovation)
- **Co-creation** of success-conditions
- **Role** of regional ecosystem/clusters as 'anchors' of local value-added



**Thematic Smart Specialisation Platform Industrial Modernisation = joint initiative of DG REGIO, DG GROW, DG RTD, DG CNECT, DG JRC + committed regions**

## **Kick-Off Event**

**Barcelona, 16-17 November** (co-org Accio-Catalunia)

**Based on Eye@RIS3 priority analysis** & matching with Commission priorities, funding (H2020, COSME ...) and initiatives (JTIs, EIT-KICs ...)

**'Expression of interest' of (lead) regions** to form a **partnership** along a value chain with regions that have related RIS3 priorities

**'Scoping Note'** to identify **focus area** for further 'entrepreneurial discovery':

**1.**  
**Mapping  
competences  
& matching of  
business  
opportunities**

**2.**  
**Industry  
cooperation  
and design of  
projects**

**3.**  
**Business  
plan and  
funding mix**

**4.**  
**Investment  
projects  
(demo/pilot)**



# Thematic Platforms Commission support?

European  
Commission

## Analytical support & data:

- [S3Platform Online tools](#) (Eye@RIS3, trade data, benchmarking ...)
- KETs Observatory, European Cluster Observatory, S3 ONLINE, Regional Innovation Monitor, Interreg Policy Learning Platform, ...

## Experts and hands-on support:

- experts from REGIO database ; Policy Learning Platform
- COSME-projects; EFSI advisory hub, JASPERS

## Process: meetings & matchmaking

- S3Platform seminars, Open Days, Interreg Europe .... ; COSME: Reconfirm-Wattify2 etc
- European Strategic Cluster Partnerships ; EEN

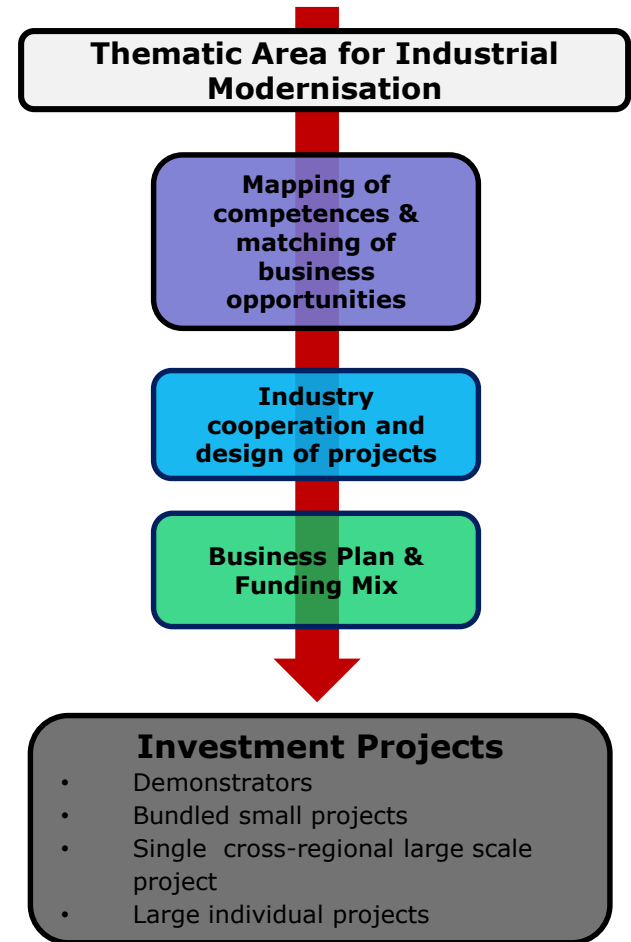
## Funding instruments

- H2020: [INNOSUP-1](#) cluster projects for new industrial value chains: Calls for demonstrators; i4MS - Digital Innovation Hubs...)
- ERDF and EAFRD programmes ; INTERREG

## Political support

- Involvement of relevant DGs (REGIO, GROW, RTD, AGRI, ENER, CNECT ...)
- Promote **investment pipelines** towards EIB/EIF (Thematic Investment Platform)

Further synergies are under development!



# SSP Industrial Modernisation

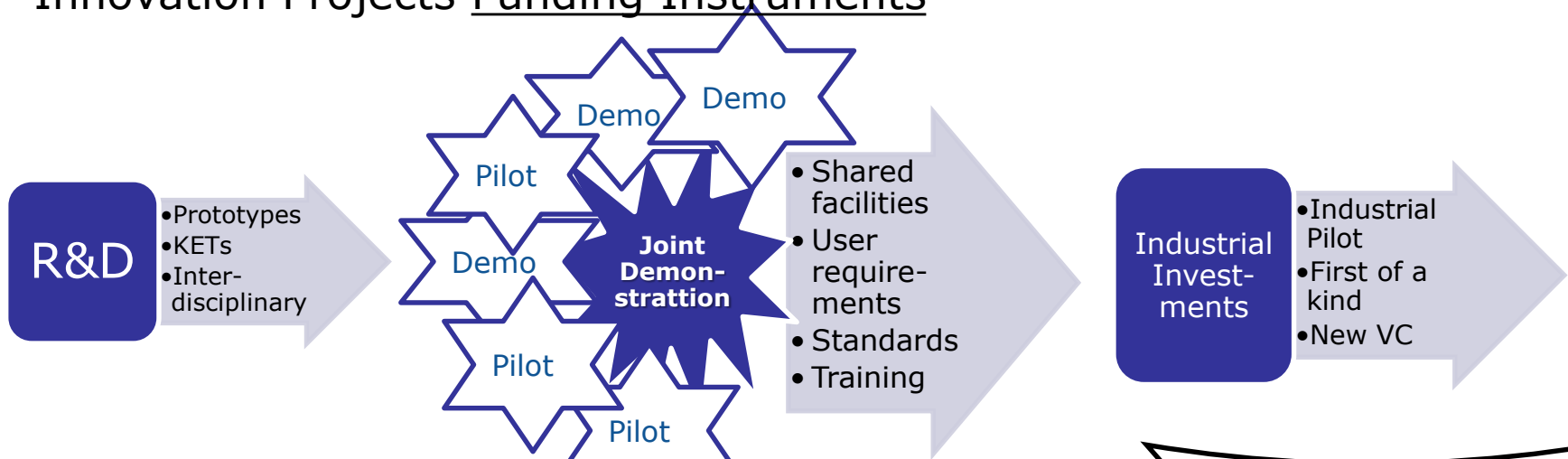


Smart Specialisation as method for positioning, aligning & integrating

## Investment Project Pipeline



Innovation Projects Funding Instruments



Innovation Projects Support Infrastructure

## European DIH Network





## Setting up, managing and evaluating EU Science And Technology Parks - An advice and guidance report on good practice (May 2014)

*EU STPs are increasingly being portrayed as:*

- **Part of the economic development programmes of cities and regions**
- **An increasingly important part of local innovation ecosystems**
- **Working extensively with knowledge-based SMEs and start-ups**
- **Making valuable contributions to foreign direct investment by high tech companies**

<http://s3platform.jrc.ec.europa.eu/science-parks>



# Public Sector Support of STPs

- In the period from 2000 – 2012 total capital investment into EU's STPs has been circa €11.7 billion (central estimate). The central estimate of total capital investment on buildings for those EU STPs that secured ERDF was €5.6 billion, of which approximately €1.6 billion was ERDF giving a 3.6 leverage ratio. Approximately 70% of all STP investment made in areas where STPs believed ERDF was accessible to them were assisted by ERDF finance.
- *In addition, during the same period, STPs have expended circa €3 billion on the professional business support and innovation services they either deliver or finance to assist both their tenants and other similar knowledge based businesses in their locality.*



## STPs: Landlords or complex organisations

- *The evidence base shows that better STPs are not simply the landlords of attractive and well specified office style buildings.*
- *Rather, they are complex organisations, often with multiple owners having objectives aligned with important elements of economic development public policy as well as an imperative to be financially self-sustaining in the longer term.*

# SSP and DIH: leveraging investment for industrial modernisation



*Private investment in new economic opportunities*



*Demonstration and pilot projects*

- De-risking private investments
- Co-creating new value chains
- Mutual access in specialised centres

**S3**  
Partnerships  
shape need for  
pilots and  
demonstration  
(entrepreneurial  
discovery)



*Innovation Infrastructures*

- Connecting existing support infrastructures for networked piloting and demonstration
- Upgrading existing infrastructures for piloting and demonstration purposes
- Investing in new infrastructures (if there are gaps; if there is demand & capacity)

## Questions and Answers

