Innovating Regions in Europe Steering Group

Contribution to the discussion on the future of the Cohesion policy in Europe

Executive summary

Through the Innovating Regions in Europe (IRE), a large community of regional innovation policy makers and practitioners are enhancing their development and implementation of regional innovation policies through mutual learning and knowledge exchange. With this paper, the IRE Steering Group gives their input in the consultation process of the future of the Cohesion policy and at the same time offers help for the promotion of the collaboration and experience sharing between the regions on the development of implementation of innovation policies.

The IRE Steering Group is convinced that there is a need to enhance the European regions’ ability for long-term planning and sustainable strategic management of regional innovation policies and the IRE Network has proven to be instrumental to this aim. Moreover the network has the potential to contribute significantly to the ‘pact’ of commitment from political, business and social leaders to drive the agenda for creating an innovative Europe and to become a valuable communication platform between European regions themselves and with the European Commission on policy measures needed to further strengthen regional innovation in Europe.

Being a true ‘community of practice’ the IRE Network has a potential to inspire and encourage new ideas in the European Regions for their efforts to increase region’s economic performance through innovation. It can also contribute to better collaboration between the regions providing a platform for the people working together, helping to solve each other’s problems.

The IRE Steering Group presents the opinion that the future Cohesion policy should continue to strengthen the focus on innovation policies for creating growth and jobs, strengthening abilities of SMEs to compete on global market at the same time being instrumental to cope with the new challenges as climate change and migration in the more and more globalised world. The whole of Europe needs to face these challenges, which call for stronger collaboration and commitment of all European regions, including mutual help in solving problems and making their potential (as knowledge, experience) available for others.

About the Innovating Regions in Europe (IRE) and the IRE Steering Group

The Innovating Regions in Europe (IRE) constitutes a large community of regional innovation policy makers and practitioners involved in development and implementation of their regions’ innovation policies through mutual learning and knowledge exchange. The community thus constitutes a strong platform for increasing innovation policy governance and execution capacities.

The Innovating Regions in Europe’s main mission is to contribute to the development of European regions’ capacity for strategic innovation policy making, governance and implementation. Its aim is to function as:

- A knowledge and information hub about regional innovation policies, providing a good overview of what has been accomplished in this field in Europe
- A real mutual learning forum, based on the spirit of sharing and collaboration established between members
• **A ‘virtual workshop’ for the development of regional innovation policies**, helping regions to incorporate and capitalise on practical experiences, maintain the momentum and constantly move forward
• **A communication channel** between the European Commission, regional policy makers and other regional stakeholder to jointly further innovation policy in Europe

The [IRE Steering Group](#) consists of IRE members who, on a voluntary basis, provide a professional perspective and feedback regarding the activities of the IRE network.

### Practical issues: the answers to the consultation questions

The IRE Steering Group has chosen to provide its opinion as regards to the consultation questions closes to their expertise and experiences:

#### 2. How can cohesion policy further develop an integrated and more flexible approach to development/growth and jobs in this new context?

Europe could not face the globalization challenges from environment to unemployment without an integrated approach at regional level. Regional cohesion policy has the twofold objective to reduce the economic distance between more advanced and less favoured regions and to boost the overall European competition. According to the OECD a pro-business environment, efficient public administration and stable macroeconomic policies are key elements of competitiveness, agreeing on this assumption the contribution of EU regional policy to competitiveness is apparent.

The IRE community fits into the philosophy of the key words: flexibility and integration. Integrated means combining possibilities coming from different sides (content/themes, partners, locations, policy lines etc.). Flexible means combining these elements with possibility to adapt in time change according to needs and situations, start and stop etc.

This new approach can include services for business from intermediaries, from a community already formed like the IRE Network.

#### 2.1. How can cohesion policy better promote harmonious, balanced and sustainable development taking into account the diversity of EU territories, such as least favored areas, islands, rural and coastal areas but also cities, declining industrial regions, other areas with particular geographic characteristics?

Every region has specific characteristics, it would be beneficial for all to involve all the regions and avoid barriers in the collaboration that in division into pre-defined groups can bring. The IRE good practice data base could be an example of exchanging experiences without any categories of regions. There should be a focus on the opportunities of collaboration, as for example the development of the functional regions and development of true European clusters and services or products.

In the same time, the IRE experience shows that the empowerment of local and regional authorities and global connections is the key for the regional development and collaboration.

Enlargement has a positive influence on discussion of Cohesion Policy forcing to review, adapt and improve its objectives and instruments.

The specific needs of the less favoured regions needs to be taken into account. The possibility for involvement and collaborations with all the regions should enhance the cohesion objectives of Europe. As in the present period, all regions should benefit from
Cohesion Policy as this will ensure involvement and contribution to the Policy, both in shaping its content as in the implementation.

2.4. What are the critical competencies that should be developed at the regional level to make regions globally competitive?

There is a need to develop competences of the public institutions responsible for the policy making, but the same of SMEs to improve their ability to act on the global market.

Openness and eagerness to learn, create and innovate should be the adagio. Competences in this direction should be developed and supported. Risk behaviour should be examined and more risk-taking/entrepreneurial behaviour should be allowed and promoted. International orientation as an expression of a broader mind. Think and cooperate outside the regional box is essential. A more strategic approach to growth should be developed through a better understanding of the efficient Regional economic system, its potential and weaknesses. The approach should be based on the development of a more structured, data-based decision making able to identifying key variables influencing (either hampering or enhancing) the regional competitive potential and the policy to address them. This result cannot be reached without the appropriate training of administrative staff (e.g. in project management) and the good cooperation with the private bodies to identify entrepreneurship support services needs and define a good business environment. Further, mutual learning with partners from other regions, with different practices is a key element to help improve the quality of public administrations’ work. The EU regional policy could play a key role in the process by:

1. Innovating the regional public administration methods and tools, making regional public authorities work more effective and efficient, making them acquire key tools such as strategy planning, evaluation culture, reporting methods, etc.
2. Promoting excellence in the Regions through the exchange of best practices
3. Providing the necessary financial leverage for large infrastructure projects such as trans-European networks, EU regional policy helps to improve the competitive advantages of all Regions on a European and global scale
4. Enhancing a better coordination between regional and national and European policies

3. Following the appraisal of the previous questions, what is the assessment of the policy management system for the period 2007-2013?

Current regulation allows for flexibility in responding to new challenges, collaboration between the regions and policy levels as well as wide involvement of local and regional communities in the programme preparations and implementation. It is already possible to pursue with innovative measures and pro-active approach to demographic and migration challenges. The member states however do not receive enough incentives to make a full use of it. Help is needed in development of policy solutions and competences as well as good practices sharing.

There also a need for decreasing the administrative burdens and improve of flexibility of programmes. Focus on output and impact rather than on administrative rules and procedures and giving more decision power at the regional/local level.

3.1. Given the need for efficient management of cohesion policy programmes, what is the optimum allocation of responsibility between the Community, national and regional levels within a multi-level governance system?

The IRE experience shows that is a need for the regional/local level decision for strategy and implementation and consensus between regional/national/EU level the policy-making. Effectiveness is implemented on regional level therefore the regional level plays the most prominent role when you calculate in effectiveness. In terms of mezzo and macro efficiency,
the national level plays an important role.

3.2 How can cohesion policy become more effective in supporting make the policy more performance-based and more user-friendly?

Effectiveness comes from the reduced bureaucracy to allow regions to make their own rules and cooperation procedures within the broader scope. The bottom-up approach is suitable, simple and as close to the citizen as possible (choose organizations that are as close as possible in territorial terms to the beneficiaries. The key word is probably Simplification: reducing the number of objectives and regulations; introducing single-fund programmes; streamlining eligibility rules for expenses; more flexible financial management; more proportionality and subsidiarity regarding control, evaluation and monitoring;

3.3. How can we further strengthen the relationship between cohesion policy and other national and Community policies to achieve more and better synergies and complementarities?

Formal provisions allow for the synergies between the different policies and policy levels. However more commitment and incentives are necessary to make it full implementation.

The good examples of the collaboration of the policies of the European Commission, the synergies, transparency and cooperation will help spreading it across all levels.

Decentralization and ownership of policies is key to the stronger involvement of regions and local players in the preparation of programmes adopting a more bottom up approach. Cohesion policy will not succeed without the commitment of regional authorities.

3.4. What are the new opportunities for co-operation between regions, both within and outside the EU?

Using the already existing systems like the IRE community, that is having enough experience to look in the past and think for the futures in order to focus on the EU's need to address its global competitiveness by a real exchange with new economies (Asia e.g.), and to work more aggressively towards attractions of investments, RTDI, environment challenges.

New opportunities should be deployed as for example:

- Setting up links with worldwide clusters,
- Promotion of worldwide technology transfer,
- Support worldwide market entry to European SMEs, through for example improving skills of SMEs or support of regional trade offices in the outside markets,
- Creation of new products for external markets.

on behalf of the IRE Steering Group

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