



EU COHESION POLICY 2014-2020

Targeting Investments on Key Growth Priorities

The new Cohesion Policy means regions and Member States must target EU investments on four key areas for economic growth and job creation:

- Research and Innovation
- Information and Communication Technologies (ICT)
- Enhancing the competitiveness of small and medium-sized enterprises (SMEs)
- Supporting the shift towards a low-carbon economy

Priority: Strengthening research, technological development and innovation

Why invest in research and innovation?

- Decades of macro-economic research have shown that innovation drives up to 80% of economic growth in developed countries.
- Europe needs to innovate in order to exploit research results and convert them into marketable products and processes which drive economic growth.
- Europe is lagging behind its main global competitors. Research and development (R&D) spending accounted for just over 2% of Europe's GDP in 2011. This figure is well below that of the US, Japan and South Korea, with China's investment in R&D growing rapidly.

How has Cohesion Policy supported research and innovation in 2007-2013?

So far reporting by Member States has shown:

- Nearly 25% of the EU Structural Funds or about €86 billion has been invested in research and innovation.
- An additional €53.6 billion complements investments under Cohesion Policy and is provided through the EU's dedicated programmes for funding research and innovation projects "Seventh Framework Programme for Research" and "Framework Programme for Competitiveness and Innovation" which are the predecessors of "Horizon 2020".

Cohesion Policy 2014-2020 will go even further in terms of concentrating funding on research and innovation:

- Supporting innovation actors (especially research centres and SMEs) which are directly engaged in developing innovative solutions and the economic exploitation of new ideas through:
 - o advisory and support services;
 - o direct investments; and
 - o financial instruments that help access private sources of finance.
- Investing in infrastructure, equipment, pilot product lines, and advanced manufacturing necessary for applied research and innovation activities, including technologies that create capabilities for further innovation in a range of other sectors.
- Facilitating the cooperation, networking activities and partnerships among different innovation actors working in the same field – universities, research and technological centres, SMEs and large firms – to achieve synergies and technology transfers.
- Investing in innovation by SMEs in order to increase their competitiveness.
- Focussing on the training of researchers, development of post-graduate courses of study and entrepreneurial skills.

A new strategic approach

- Before European Regional Development Fund investments are allocated to research and innovation, Member States and regions will need to draw up so-called **smart specialisation strategies**.
- These smart specialisation strategies will help regions to tap into their innovation potential and build on particular assets and strengths. Each region will focus on a limited set of priority areas, in which it already has a competitive advantage.

How is a smart specialisation strategy different from your average innovation strategy?

- It uses local know-how to build on the existing strengths and assets of a region. This allows regions to differentiate themselves based on what they are good at, and position themselves in national and global markets.
- It does not only focus on new technologies, but also on new ways of exploiting current knowledge and new ways of doing business which can increase competitiveness.
- It is developed through a process of “entrepreneurial discovery”, actively involving the key stakeholders: researchers, businesses, the innovation community, and public authorities, so that it can identify the real needs of the local economy.
- It builds synergies between Cohesion Policy and other EU policies and funding instruments, such as Horizon 2020 (which will provide another €70.2 billion for research and innovation by 2020).