Strengthening innovation in Europe's regions

Europe has to become more competitive and resilient in the context of major changes brought by globalisation, decarbonisation, emerging and digital technologies, as highlighted in the Commission Reflection Paper on Harnessing Globalisation and the 7th Cohesion Report.

To take up the challenge of economic modernisation, Europe needs to empower its regions and help them create value.

In this endeavour, regions in industrial transition face specific challenges, such as a lack of appropriate skills, high labour costs and deindustrialisation, which makes it difficult for them to harness fully the benefits of globalisation and technological change. They also may be unable to attract sufficient investment or make full use of the opportunities offered by EU funds to develop new comparative advantages and move up the value chain.

Tailored support from the EU can address the specific needs of these regions and help them successfully revamp their innovation systems. In July 2017, the Commission announced two pilot actions: on industrial transition and interregional cooperation to better help regions invest in their competitive assets, address the challenge of industrial transition, create value, access new markets and join forces with other regions, all on the basis of their smart specialisation strategies.

The Smart specialisation pilot action for regions in industrial transition

The pilot action provides support from Commission experts as well as technical assistance supported by the European Regional Development Fund (ERDF). The experts will help the regions draw up economic transformation strategies, identify opportunities for interregional cooperation and exchange good practices.

This pilot action will feed into the reflection on Cohesion Policy support to economic modernisation and smart specialisation after 2020.

Tailored support offered by the European Commission and its partners under the pilot action includes:

- Support by "regional teams" of Commission experts from different Commission departments, to help boost the regions' innovation capacity, remove investment barriers, equip citizens with the right skills and prepare for industrial and societal change, on the basis of regional and national smart specialisation strategies. In addition, regions will be supported by external experts, such as business consultants or specialists in managing energy and climate change transition, for example.

- Peer-learning seminars by OECD experts on how to overcome specific obstacles to growth in regions in industrial transition (lack of appropriate skill-base, de-industrialisation, weaknesses in attracting extra-regional investment and exploiting funding opportunities.)
Each partnership will receive hands on support from the European Commission, and advisory services up to a value of €200,000, including peer learning and foresight activities organised in partnership with the OECD. An additional grant of up to €300,000 will be made to regions to implement the strategy, subject to sufficient progress.

**Timeline**

Each of the test regions and countries has defined a strategy to foster economic transformation.

**Budget**

Lessons learned from the pilot action and implementation of the strategy.

**Participating regions/countries**

- East North Finland
- Greater Manchester
- North Middle Sweden
- Lithuanian
- Hauts-de-France
- Grand-Est
- Slovenia
- Piedmont
- Wallonia
- Saxony
- Centre-Val de Loire
- Cantabria