

PREPARATORY ACTION: "SUPPORT FOR GROWTH AND GOVERNANCE IN REGIONS WHOSE DEVELOPMENT IS LAGGING BEHIND"

1. INTRODUCTION

1.1. Budget line: 13 03 77 19

1.2. Legal basis

Under Article 54(2)(b) of Regulation (EU, Euratom) No 966/2012, appropriations for preparatory actions in the fields of application of the Treaty on the Functioning of the European Union and the Treaty establishing the European Atomic Energy Community (Euratom), designed to prepare proposals with a view to the adoption of future actions, may be implemented without a basic act.

1.3. Policy context

Sustainable growth is increasingly related to the capacity of regional economies to innovate and transform, adapting to an ever changing and more competitive environment. This means that a much greater effort needs to be put into creating the eco-systems that encourage innovation, research and development (R&D) and entrepreneurship, as stressed by the Europe 2020 strategy and its Innovation Union flagship initiative.

The promotion of smart specialisation strategies is therefore an important component of the DG REGIO's work programme as a contribution to the Union's regional policy.

Lagging regions still face obstacles linked to fragmentation and sustainability of research and innovation infrastructures. They often experience difficulties in building institutional and legal environments conducive to innovation. As such, they require specific attention with regard to human capital, skills development and a more inclusive innovation process.

1.4. General objectives of the Preparatory Action:

This preparatory action builds on the positive outcomes of a previous European Parliament initiative on refinement and implementation of a RIS3 strategy in the Greek region of Eastern Macedonia and Thrace (REMTh), which served as a test bed for the theory of smart specialisation. It provides appropriate and specific support for activities in selected regions that are lagging behind, together with a more horizontal approach to key issues regarding the growth and governance of these regions.

This preparatory action targets two types of regions that are lagging behind:

- low growth regions: regions that had a GDP per capita in purchasing power standards (PPS) below the Union average in 2012 and did not converge with the Union average between 2002 and 2012 — regions in Greece, Italy, Spain and Portugal;
- underdeveloped regions: regions with a GDP per capita in PPS below 50 % of the Union average in 2011 — several regions in Bulgaria, Hungary, Poland and Romania

This preparatory action, introduced in the 2016 budget, aims to support eight regions as well as Croatia: four low-growth regions and four underdeveloped regions, focusing on governance, transnational cooperation and refinement of the RIS3 model.

The specific activities under this preparatory action require back-to-back on-site events in each region, including stakeholder events and peer reviews, providing support for critical aspects for implementing the RIS3 in each region, as well as the deployment of cross-cutting activities such as evidence-based support for policy development and further development of practical support for regions across the Union whose development is lagging behind.

2. ACTIONS/ TYPE OF FINANCIAL INTERVENTION

In 2018 the Preparatory Action implementation will be entrusted to the Joint Research Centre of the European Commission through an Administrative Agreement between DG REGIO and the JRC. The duration of the administrative agreement will be of twenty four months.

The proposed activities will build not only on the outcomes of the work done from 2016 but also on the closely complementary and concurrent EP Preparatory Actions on Romania (The economic competitive advantages and potential for smart specialisation in Romania) and Stairways to Excellence (Cohesion policy and synergies with the research and development funds: the stairway to excellence – the way forward). The new phase of work will therefore build on the outcomes, coverage and approach of all three preparatory actions.

The JRC will need to identify critical aspects for effective design of the RIS3 in the regions lagging behind and identify drivers as well as obstacles for its efficient implementation while also recommend actions to:

- enhance quality and ensure a smoother implementation of smart specialisation strategies;
- build and improve the administrative capacity of administrations designing and implementing the smart specialisation strategies;
- provide and report evidence on the results of RIS3 implementation, their effectiveness and added value;
- enhance dissemination of good practices of RIS3 design and implementation;
- connect innovation actors to the wider research and innovation community and global value chains

Further building on the outcomes of stocktaking and assessment exercise which started in 2016, JRC will also provide further specific analysis of each selected region to address the challenges of industrial transition such as globalisation, automation, decarbonisation, emerging and digital technologies. This analysis will mainly focus on the following:

- detailed identification of specific regional obstacles and challenges hampering innovation uptake;
- identification of investment barriers in the region;
- overview of existing and emerging global value chains and analysis of their situation on the market;
- analysis of potential interregional collaboration;
- proposal of policy instruments to target identified obstacles and needs of the regions.

The JRC will also organise back-to-back on-site visits and events in the regions, including stakeholder meetings and peer reviews.

3. TOTAL INDICATIVE BUDGET AND CALENDAR FOR THE IMPLEMENTATION OF THE ACTION

The total budget for this Preparatory Action is EUR 2 000 000 (2018 commitment appropriations). The administrative agreement will be signed in Q3 2018.