



Communication on Strengthening Innovation in Europe's regions and Cohesion Policy update

**Energy and Managing Authorities Network
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Strengthening Innovation in Europe's Regions

**Strategies for resilient, inclusive
and sustainable growth**

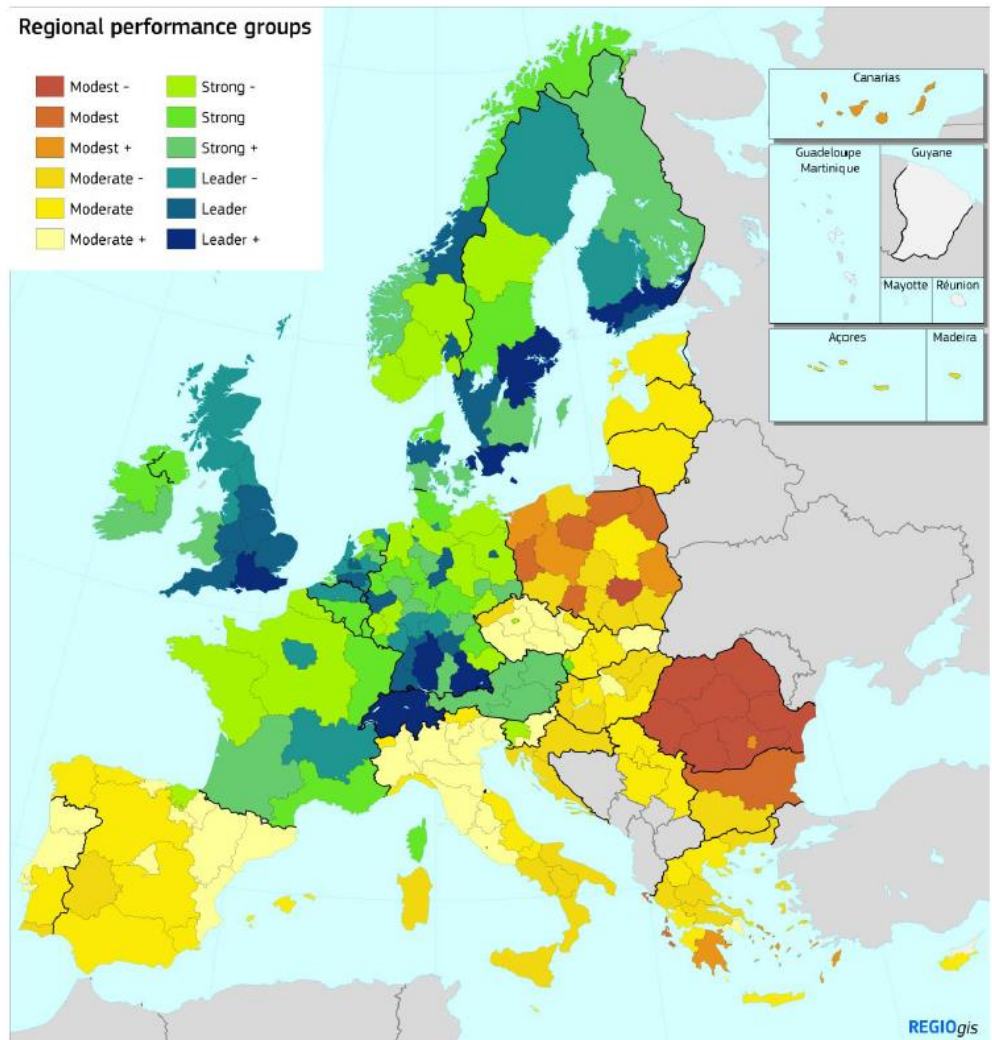
COM(2017)376 & SWD(2017)264

Adoption date: 18 July 2017

Regional Innovation Scoreboard 2017

*Significant
disparities both
between and within
Member States*

- *No "One-size-fits-all" approach possible*



For Cyprus, Estonia, Latvia, Lithuania, Luxembourg and Malta, performance group membership is identical to that in the European Innovation Scoreboard 2017 report. For these countries, the corresponding colour codes for middle one-third regions have been used.

Smart specialisation in reformed cohesion policy 2014-2020

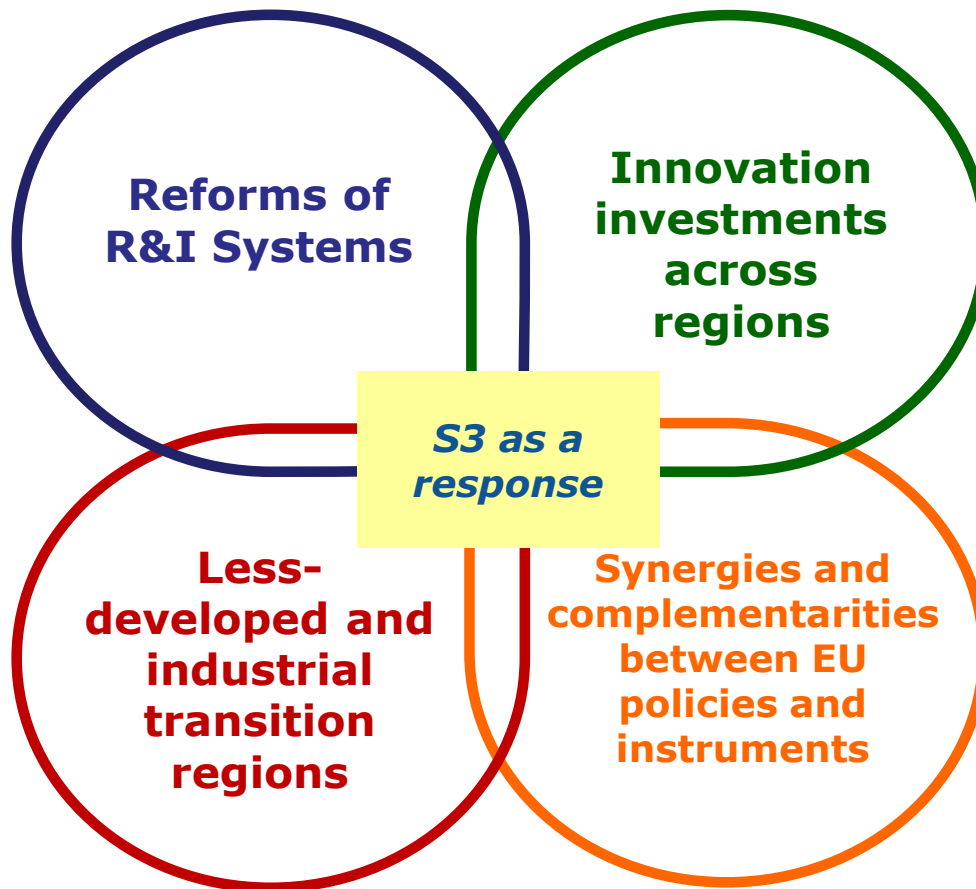
The **smart specialisation** approach was integrated to maximise the positive impact on growth and jobs. It also helped regions and MS in:

- developing a **strategic approach** to innovation (*ex ante conditionality*)
- **prioritising** public R&I **investments**
- building on **competitive advantages**
- facilitating new **market opportunities** and access to **new value chains**

KEY FIGURES over the period 2014-2020:

- **EUR 40 billion from ERDF** to finance R&I projects (EUR 65 billion including co-financing) + **EUR 1.8 billion from ESF**
- over **120 smart specialisation strategies** with implementation supported by **S3 Platform**
- more than **15 000 enterprises** will be able to introduce new products into the market
- **140 000 start-ups** will be offered financial support
- **350 000 new jobs** will be created

*The Communication identifies **four challenges** for boosting innovation-led growth*



In summary:

Smart specialisation represents a new way of working together, which ensures stronger local and regional participation in decision-making, and whose potential can be scaled-up for the **benefit of the EU as a whole.**

This approach may be replicated and used in a broader context as a useful tool to **implement the future EU budget.**

My Region, My Europe, Our Future

Seventh report on economic, social and territorial cohesion



COM(2017)583

SWD(2017)330

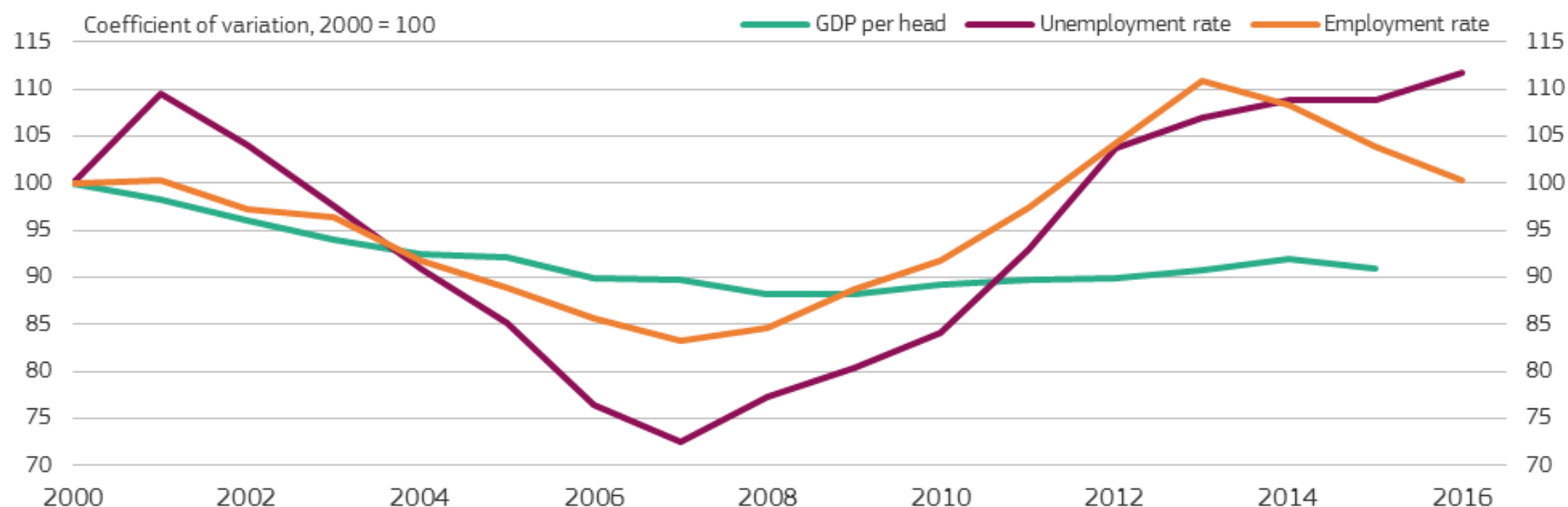
Adoption date: 9 October 2017

Why publish a cohesion report?

- *Every three years, this report answers three questions as required by the EU treaty:*
 - **How is cohesion changing – in other words the economic, social and territorial disparities?**
 - **What is the impact of national policy on cohesion?**
 - **What is the impact of EU policies – and cohesion policy in particular – on cohesion?**

Crisis led to divergence and recovery to convergence

Figure 1.1 Coefficient of variation of GDP per head, employment rate (20-64) and unemployment rate in EU-28 NUTS 2 regions, 2000-2016 (indices, 2000=100)

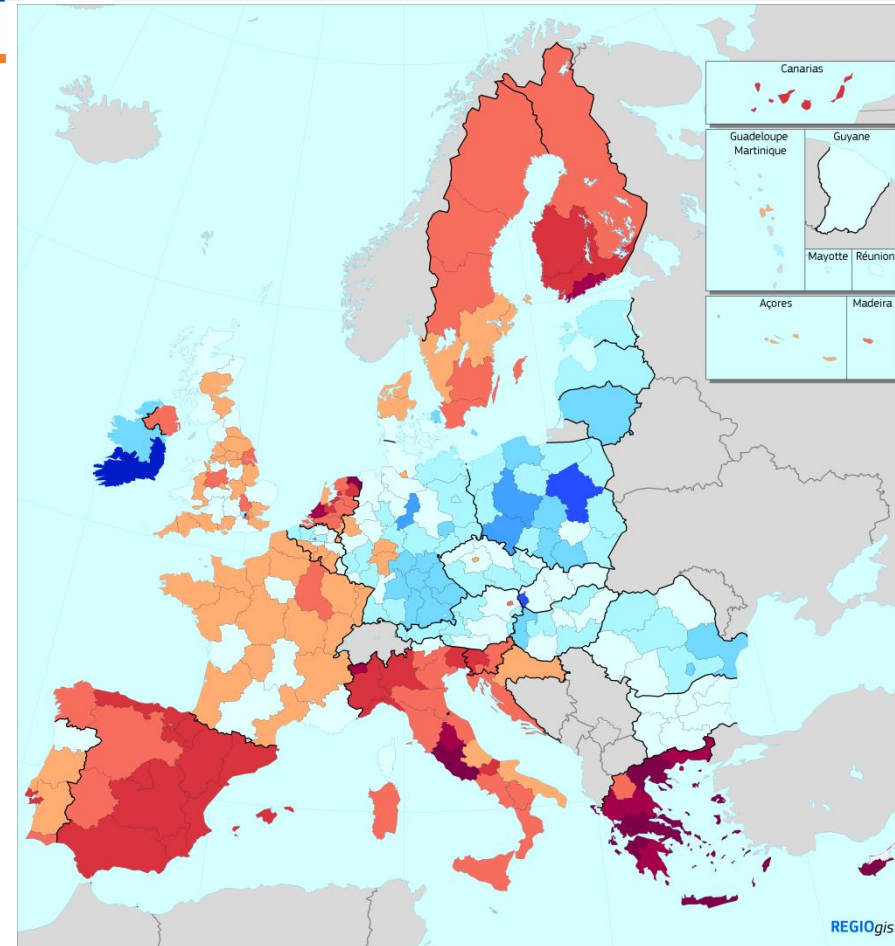


The coefficient of the variation is weighted by the population of each region

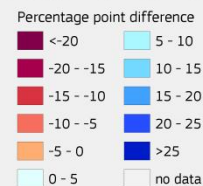
Source: Eurostat, DG REGIO calculations

Economic cohesion

*Regional disparities are narrowing again
Regions in eastern Member States have converged to the EU average, but Greek and Italian regions diverged substantially*



Change in GDP per head index, 2008 vs 2015



EU-28 = 0
Source: Eurostat, DG REGIO

Middle-income trap

Regions that do not move into the higher value added activities

Face growing competition from less developed regions

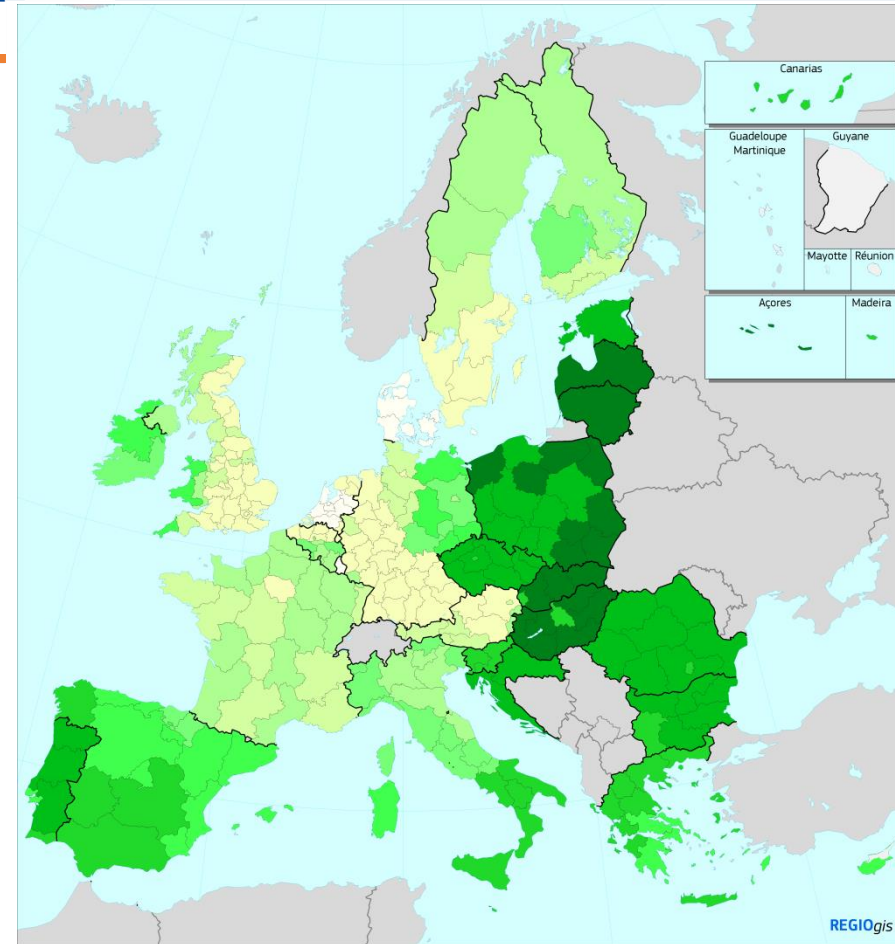
Innovation remains spatially concentrated

Competitive regions in the east generate few spillovers

Impact of cohesion policy

8.5% of public investment in the EU and 41% in the EU-13

Boosts GDP by 3% in each in EU-13



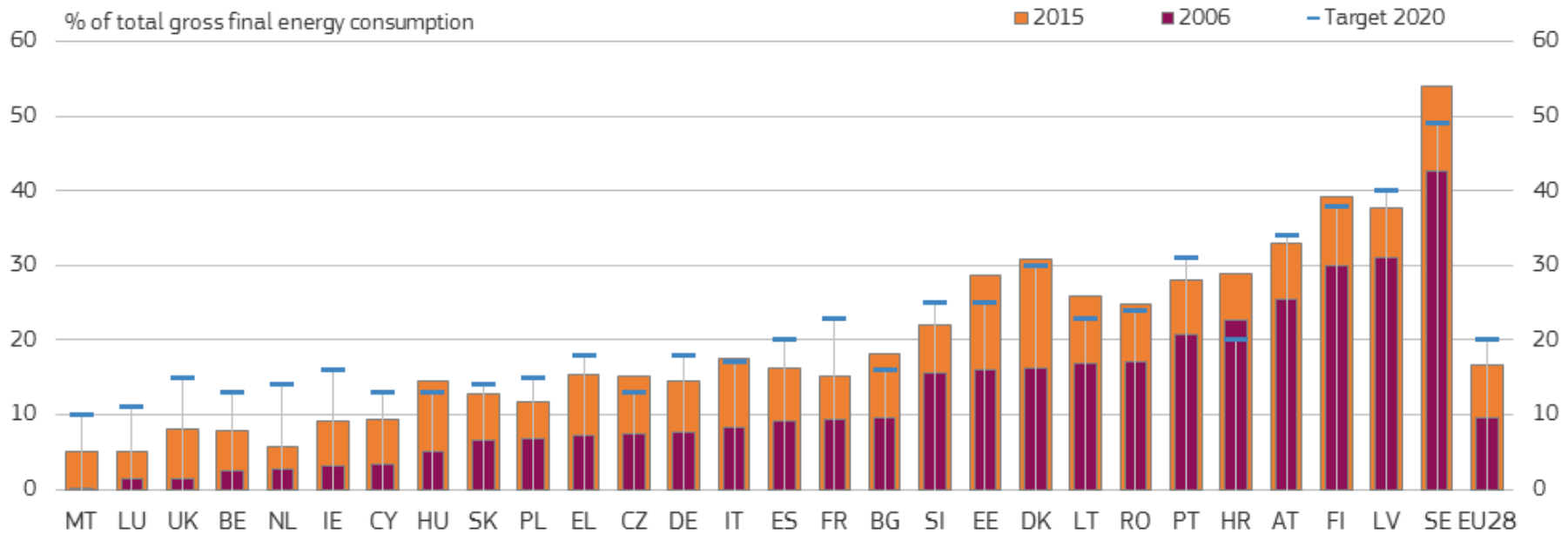
Impact of the 2014-2020 Cohesion Policy programmes, 2030



Source: RHOMOLO

More investments needed to reach 2030 climate targets

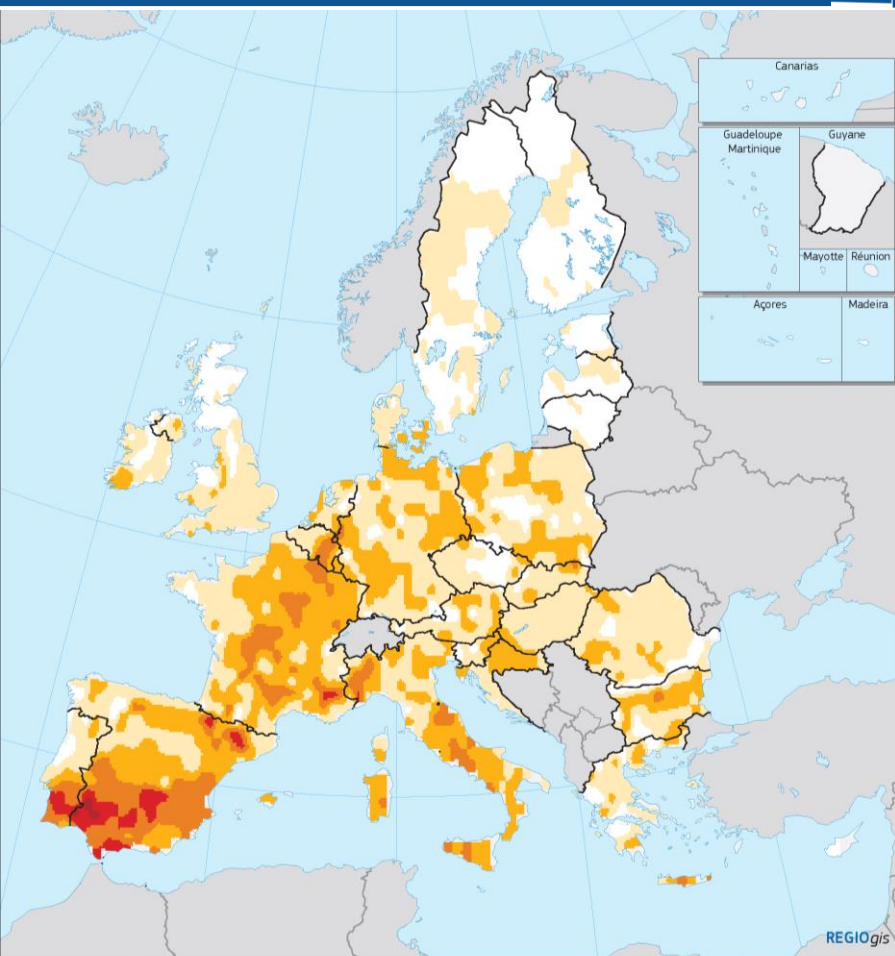
Figure 3.3 Share of renewable energy in gross final energy consumption, 2006 and 2015 and target in 2020



Source: EEA, Eurostat

Climate change

increases risks



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Map 3.3 Negative climate change impacts under a 2°C warming scenario

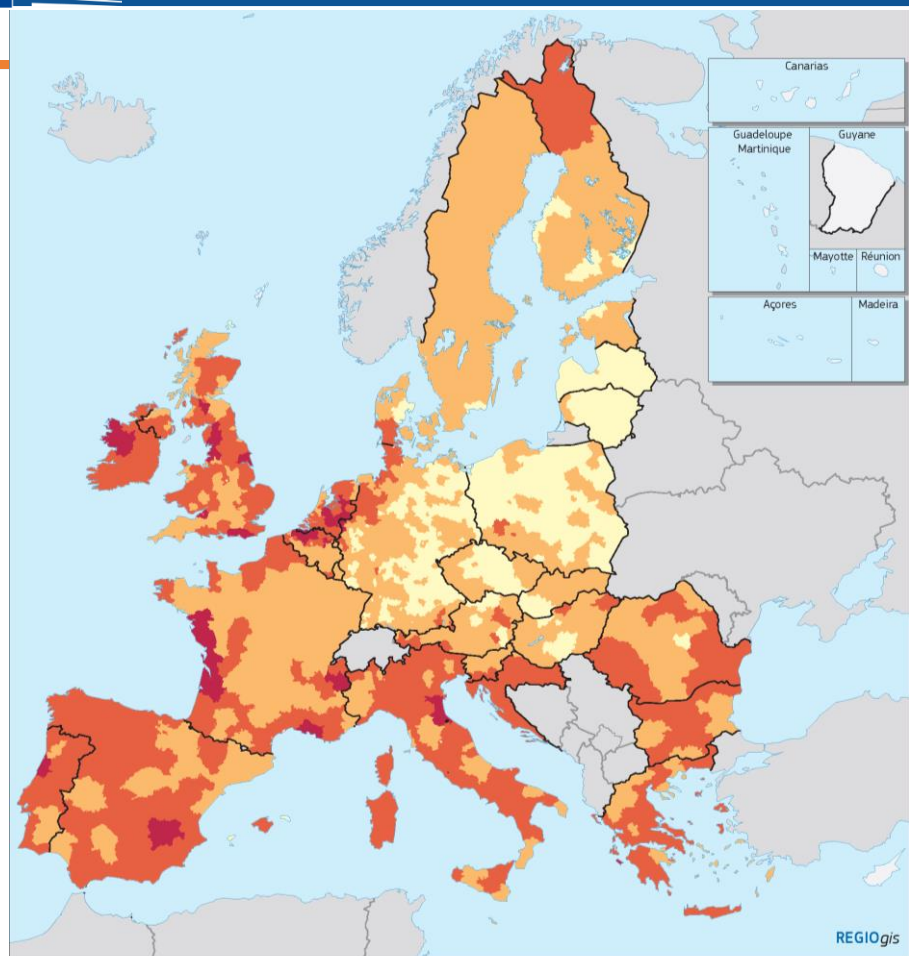
Number of sectors



Number of sectors negatively affected by climate change.
Source: EEA, adapted from IMPACT2C project, 2015

0 500 km

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Map 3.4 Projected increase in multi-hazard climate-related exposure, 2050

Number of hazards with moderate increase



Source: JRC, Forzieri et al., 2016

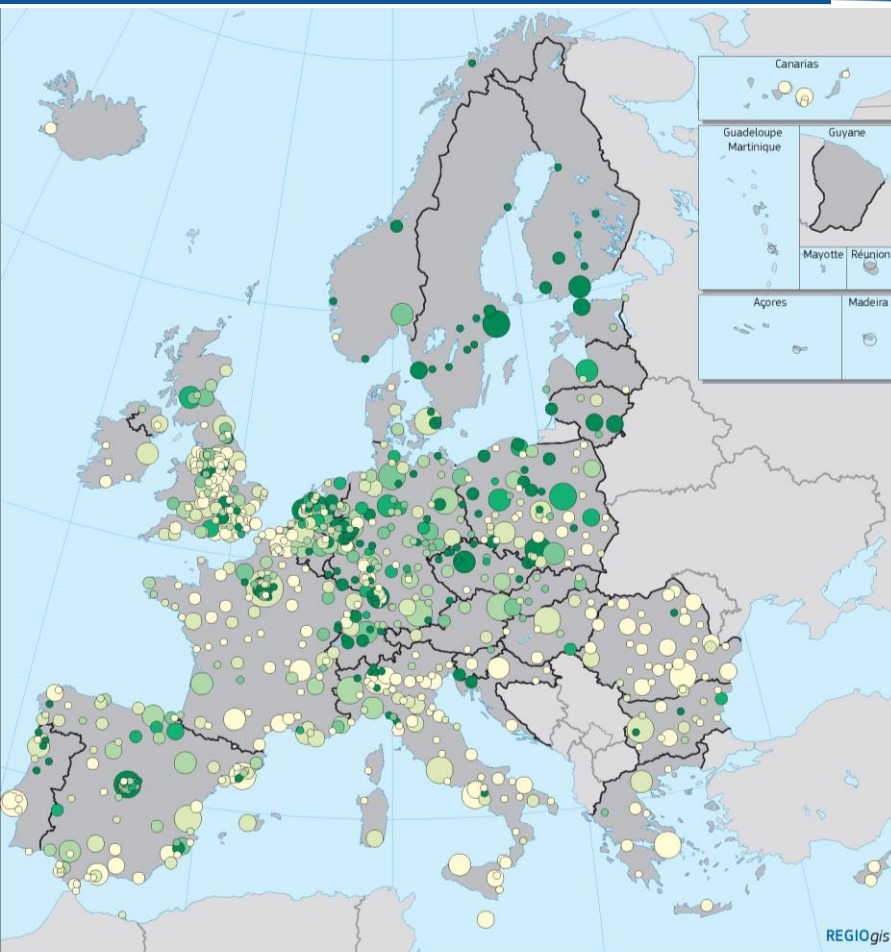
0 500 km

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Cities low emitters

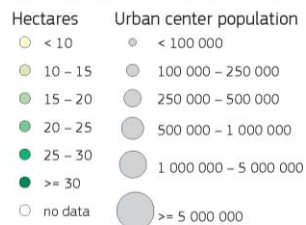
but high pollution

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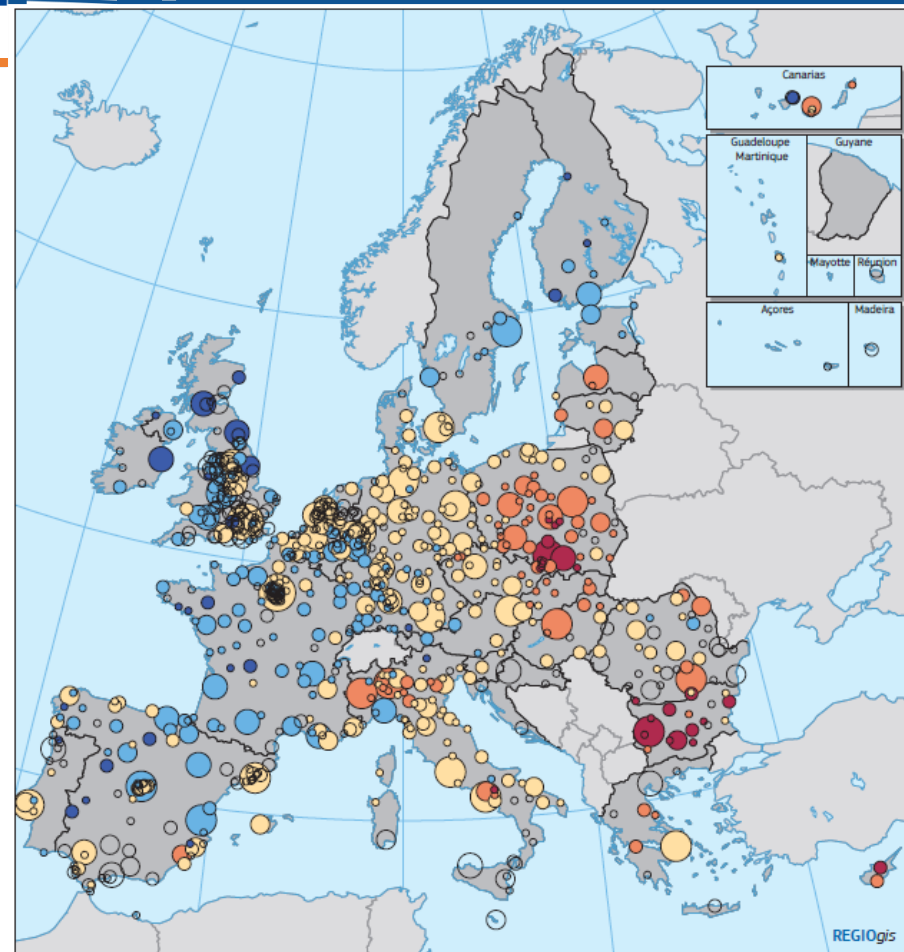
Map 3.10 Access to green urban areas in cities, 2012



Population-weighted median area of green urban areas and forests that can be reached within 10 minutes walking time.
Source: Poelman 2016

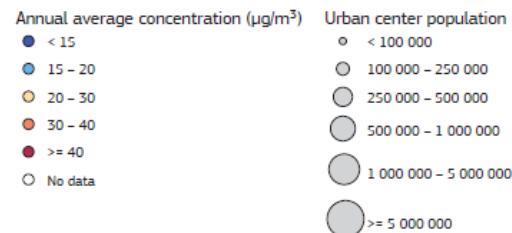
0 500 km

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Map 3.8 Concentration of airborne particulate matter (PM₁₀) in cities, 2014



Average recorded by measuring stations within city boundaries.
WHO guideline: < 20 µg/m³
EU limit value: 40 µg/m³
Source: EEA, DG REGIO

0 500 km

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Post 2020: Where to invest?

Main focus: Less developed & border regions

But also: areas undergoing industrial transition, rural areas, the outermost regions, areas of high unemployment and deprived urban areas

Full coverage in the last two periods

The impact of globalisation, migration, poverty, a lack of innovation, climate change, energy transition and pollution is not limited to less developed regions

Post 2020: Investment priorities?

Social inclusion, employment, skills, innovation, climate change, energy and environmental transition

Reflection paper mentions positive impact of cohesion policy on support for SMEs, healthcare and social infrastructure, transport and digital infrastructure.

Improving institutions

Positive incentives for structural reform

Cohesion policy should

continue to reduce regional disparities,

stimulate investment in EU priorities,

address new challenges and

improve institutions.

2014-2020 European Structural and Investment Funds – Implementation

- *Overall, 44% of total funding allocated to selected projects by October 2017*
- *For low-carbon (including clean energy and urban mobility), 34% of total funding allocated*
- *Similar to previous period which also had a concentration of projects in the last three years*
- *Demonstrates the need for further simplification and capacity building*
- *Strategic Report foreseen mid-December – will provide more details on implementation*