



**European Committee
of the Regions**

SEDEC-VI/047

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OPINION

A renewed European agenda for research and innovation – Europe's chance to shape its future

THE EUROPEAN COMMITTEE OF THE REGIONS

- stresses that local and regional authorities are key players in the creation of effective regional ecosystems and innovation hubs, for example in the development of regional smart specialisation strategies (RIS3s). It is important for the new agenda, as well as programmes supporting research and innovation, to highlight the public sector and its role not just as recipients of research and innovation but also as R&I stakeholders that themselves undertake such activities;
- points out that there is a direct correlation between less developed regions and low rates of investment in innovation and research;
- urges for the inclusion in the legislative texts that will finally be adopted of a precise definition of regional ecosystems and innovation hubs allowing these ecosystems to be effectively taken into account in the implementation of all strands of the future Framework Programme;
- believes that State aid rules need to be further simplified so as to make it easier to combine different EU programmes, which is essential in order to overcome regional disparities in participation and opportunities to undertake successful research and innovation work;
- urges, in the light of the conclusions of the Task Force on Subsidiarity, for the full participation of local and regional authorities in the strategic planning exercise and in other governance bodies that will guide the implementation of Horizon Europe, and for regional smart specialisation strategies to be taken into account in this context;
- takes the view that local and regional authorities must be involved in the European Innovation Council alongside representatives from academia and business;
- reminds the need to involve local and regional authorities in the definition and implementation of the missions; believes that the missions should be linked to the sustainable development goals set out in the UN's Agenda 2030 and stresses the essential role of cities and regions in implementing the UN Sustainable Development Goals (SDGs);

Rapporteur

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A renewed European Agenda for Research and Innovation – Europe's chance to shape its future
COM(2018) 306 final

Opinion of the European Committee of the Regions – A renewed European agenda for research and innovation – Europe's chance to shape its future

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. welcomes the fact that the Commission has made it clear that research and innovation will continue to be a priority for the EU, and is proposing to put more of an emphasis on this area in the 2021-2027 multiannual financial framework, but also points out that governments at all levels – EU, national, regional and local – need to work together to achieve the agenda's goals. The Committee agrees with the Commission's conclusion that the challenges Europe is facing mean that we need to develop a new approach to research and innovation, which in turn requires a joint approach between regions, Member States and the Commission;
2. stresses that local and regional authorities are key players in the creation of effective regional ecosystems and innovation hubs, for example in the development of regional smart specialisation strategies (RIS3s). It is important for the new agenda, as well as programmes supporting research and innovation, to highlight the public sector and its role not just as recipients of research and innovation but also as R&I stakeholders that themselves undertake such activities;
3. highlights the need for broader definitions and understandings of regional ecosystems and innovation hubs, including in establishing the network of European Digital Innovation hubs, that explicitly acknowledge and include national, local and regional authorities, business, the non-state public sector, universities and higher education institutions, civil society and the not-for-profit sector, the public and end-users of research and innovation, in order to gain a real understanding of these location-specific, integrated and embedded ecosystems;
4. points out that there is a direct correlation between less developed regions and low rates of investment in innovation and research. As R&I outcomes are inextricably linked to research infrastructure, this needs to be boosted, directing part of EU funds, such as the Structural Funds or Horizon Europe, towards EU regions with greater socioeconomic development needs owing to unemployment, the outermost regions, and regions with serious and permanent natural or demographic handicaps, such as island, cross-border and mountain regions;
5. urges for the inclusion in the legislative texts that will finally be adopted of a precise definition of regional ecosystems and innovation hubs allowing these ecosystems to be effectively taken into account in the implementation of all strands of the future Framework Programme;
6. believes that innovation is a key factor in growth and sustainable development, and that future EU research and innovation funding needs to cover the entire R&I process in a balanced way, from basic research to research, development and innovation that are driven by needs identified in advance by agreement between different players in the system, as well as dissemination and exploitation of the results;

7. believes that State aid rules need to be further simplified so as to make it easier to combine different EU programmes, which is essential in order to overcome regional disparities in participation and opportunities to undertake successful research and innovation work; considers in this context that programmes or actions co-financed by different funds, and based on the tools and modalities of the Framework Programme, must be able to be implemented under the legal framework of the Framework Programme;
8. considers that the Horizon Europe programme needs to focus on funding areas with a clear European added value such as sustainable development objectives, and that research and innovation projects based on cooperation between several complementary stakeholders should therefore be prioritised, as they are uniquely suited for this purpose;
9. emphasises that societal challenges, especially the attainment of the UN Sustainable Development Goals (SDGs), can only be resolved by setting higher ambition targets at overarching European level, and by mobilising coordinated efforts of all stakeholders, including cities and regions, on a larger scale than single research projects; also stresses that such work needs to take a longer-term perspective than was the case under the Horizon 2020 programme, which in turn will require the programme structure to be designed such that long-term financing can be obtained;

Europe's chance to invest in the future

10. agrees that Europe is in a strong position as regards high-quality research, but that more and stronger efforts are needed in order to turn the results into innovations and applications that can drive sustainable development and growth, and that research, innovation and development should be given great prominence in the Horizon Europe programme while ensuring that all stages of the innovation process are strengthened in a balanced way;
11. urges, in the light of the conclusions of the Task Force on Subsidiarity, for the full participation of local and regional authorities in the strategic planning exercise and in other governance bodies that will guide the implementation of Horizon Europe, and for regional smart specialisation strategies to be taken into account in this context. Considers by the same token that territorial impacts should be recognised as integral components of the impact concept when it comes to evaluating the programme and projects¹;
12. emphasises that research and innovation are carried out in the public sector, with local and regional funding, as well as by business. It is to be welcomed that the renewed agenda includes concrete actions to support the contribution made by the public sector;
13. agrees that one of the keys to achieving a robust research and innovation capacity within the EU is to improve and more effectively coordinate the use of existing instruments, as the Committee has previously pointed out, and that it is particularly important for cohesion policy to be coordinated with research and innovation policy, while giving the Member States the necessary

¹ COR 2017-00854-00-01 Opinion on Local and Regional Dimension of the Horizon 2020 Programme and the New Framework Programme or Research and Innovation.

flexibility to shape their priorities in keeping with their needs. To this effect, measures should be adopted to prevent and in any event mitigate the rise in inequality between cities and regions that benefit hugely from the framework programme for research and innovation, and whose budgets will increase, and the others, who will suffer the consequences of the fall in cohesion policy budgets²;

14. notes that the full benefits from investing in digital technologies and platforms need to be scaled up throughout Europe. In this the Digital Europe Programme has a crucial role as a robust investment and development programme to capitalise the opportunities needed and created to achieve a fully-functioning Digital Single Market. The CoR emphasises the importance of establishing the network of Digital Innovation Hubs with sufficient coverage for all regions³;
15. welcomes a wide-ranging discussion concerning the relationship between research and innovation and society, and all interactions between them, on the basis of empirical analysis and reasoning concerning global changes and what they mean both for the academic community and for society at large, and what new roles they entail for all stakeholders in the research and innovation ecosystem at all levels;
16. wishes to highlight the absolutely crucial importance of the role of Europe's regions for industry, and to draw attention to the CoR's position on industrial policy⁴;

A renewed agenda for a stronger European research and innovation ecosystem

17. agrees with the approach of viewing research and innovation as activities within an ecosystem in which different stakeholders come together and cooperate to create a vibrant and dynamic environment, but one in which it is also crucial to take account of local and regional diversity in order to formulate successful strategies. With this in mind, the involvement of local and regional authorities is of a clear added value;
18. stresses that it is essential throughout the EU policy to integrate digitalisation, research and innovation into all major EU programmes and into partnerships of regional ecosystems;
19. agrees that it is essential to make use of the specific features of European regional ecosystems and innovation hubs to optimise their functionality, but also feels that the importance of local and regional stakeholders, such as municipalities and regions both as producers, drivers and end-users of innovation, in these ecosystems needs to be acknowledged and taken into account when developing European research and innovation policy⁵;

² COR 2017-00854-00-01 Opinion on Local and Regional Dimension of the Horizon 2020 Programme and the New Framework Programme on Research and Innovation.

³ COR-2018-03951-00-01 Opinion on Digital Europe programme (2021-2027).

⁴ COR 2017-03214-00-00 Opinion on A European strategy for industry: the role and perspective of regional authorities.

⁵ COR 2017-04757-00-00 Opinion on Strengthening Innovation in Europe's Regions: strategies for resilient, inclusive and sustainable growth.

20. believes that local and regional authorities should be involved in designing and managing research and innovation programmes⁶. The importance of research and innovation in all policy areas and across different sectors of society can hardly be overstated, but it is important in all circumstances also to take account of the bottom-up drivers in these systems, not just the top-down ones, in order to fully achieve the goals of the renewed agenda and genuinely strengthen these ecosystems. This, in turn, will ensure that the agenda covers and promotes not just "open science" but also "open innovation";
21. takes the view that making more strategic use of local and regional innovation ecosystems, and putting more emphasis on and taking more advantage of the complex collaborative research and innovation processes developed through quadruple and quintuple helix structures within those ecosystems, is the key to success when it comes both to knowledge development in general and to knowledge transfer and the implementation of the results of research and innovation, as are strong synergies between the various funding instruments and the combination of different policy areas such as cohesion policy and research and innovation policy;

Safeguarding basic public investment and encouraging private investment

22. welcomes the increase in investment in research and innovation through the allocation of around EUR 100 billion to the Horizon Europe programme and other programmes in the multiannual financial framework, but stresses that, for this investment to produce good results, it is vital to review and simplify State aid rules in order to achieve innovation-friendly regulations that allow the combination of different types of financing;
23. strongly supports the European partnership approach mentioned in Horizon Europe as an important tool to support bottom-up projects set up by consortia of regional ecosystems and innovation hubs, and financed by combined funds from Horizon Europe, other EU programmes, as well as national, regional or local public and private funds;
24. points out that local and regional authorities finance research and innovation, and thus part of public investment, but agrees that it is a positive move to encourage Member States to be more ambitious in their efforts to reach the goal of investing 3% of GDP in research and innovation by 2020, and to improve the conditions for private investment and encourage further effort from business;
25. notes that the European Commission's Proposal for a Regulation of the European Parliament and of the Council establishing Horizon Europe – the Framework Programme for Research and Innovation states that specific measures for the EU's outermost regions are justifiable with regard to their access to EU horizontal programmes, taking into account their structural, social and economic situation. The CoR regrets that the proposed text does not do the same, which will make it hard for the programme to take into account the specific needs of these regions and their unique assets as test beds for research and innovation in areas such as bioeconomics, climate change, in accordance with their smart specialisation strategies;

⁶ COR 2017-00854-00-01 Opinion on Local and Regional Dimension of the Horizon 2020 Programme and the New Framework Programme or Research and Innovation.

26. particularly wishes to highlight that, by participating in European consortia, local and regional authorities have made significant investments in European research and innovation infrastructure. This is another example of the extent to which research and innovation are location-specific and embedded in a local and regional context, and shows that more needs to be done to ensure that more users from across the EU and the regions have access to these consortia;
27. stresses that it is a good thing that the European Structural and Social Funds are being used to help the regions to participate in innovation-driven economic and social development and sustainable growth, and considers it to be particularly important to develop synergies between the Horizon Europe programme, the InvestEU fund, the European Regional Development Fund, the European Social Fund, the Erasmus+ programme, the Digital Europe programme, the common agricultural policy and the space programme. Such synergies should foster coherence, complementarity and compatibility between funds, while favouring a co-construction-based approach and strengthening territorial connections;
28. welcomes the measures to secure access to venture capital for innovation by scaling up the VentureEU initiative to become a European fund, and also welcomes the revision of existing regulations by means of the Capital Markets Union initiative;
29. strongly opposes, however, that the option of transferring a share of cohesion policy funds to the Horizon Europe programme should be systematically decided by the Member States; strongly urges that this option should be exercised by the relevant managing authority and that the arrangements for harnessing these funds should be decided on by agreement between that authority and the Commission, ensuring that these funds are returned to the geographical area concerned⁷;
30. notes the growing importance of the role played by the European Investment Bank in supporting R&I via financial instruments. This development ensures that grants are increasingly complemented by other financial instruments;

Adapting regulatory frameworks to stimulate innovation

31. agrees that the rules and legislation at European and national level need to be analysed, based on an assessment of their impact on innovation. It is a very positive move to establish, as a concrete pro-innovation measure, a collection of examples specifically targeted at the public sector – specifically local and regional authorities – with the aim of facilitating innovative procurement and public-private partnerships, thus enhancing their ability to act as trailblazers;
32. welcomes the Commission's initiative to simplify State aid rules, along with other supporting measures, for example in the form of common qualitative assessment criteria for research and innovation projects;

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COR 2017-00854-00-01 Opinion on Local and Regional Dimension of the Horizon 2020 Programme and the New Framework Programme or Research and Innovation.

33. points out that consistent guidance concerning regulations on research ethics would be a particularly important factor in facilitating collaborative research and innovation as practised in healthcare, education and social work, and interdisciplinary research focusing on people and behaviour. This would facilitate cross-border clinical and practical research and innovation involving cooperation between multiple stakeholders in situations where national regulations and requirements currently vary, which for example makes it difficult to synchronise national, regional and local research ethics review for all participants;
34. welcomes the option of using the "Seal of Excellence" label for Horizon Europe projects to allow for funding through the Structural Funds, but stresses that it must always be a voluntary undertaking for Member States and regions to allocate Structural Funds resources to projects originating under Horizon Europe, and that it must be the relevant regional authorities that decide on such undertakings;

Making Europe a frontrunner in market-creating innovation

35. welcomes the initiative of creating a European Innovation Council;
36. stresses that the council's scope must also give emphasis or sufficient support to boosting early-stage innovation and to collaborative projects, as well as including social and societal innovations including service innovations, which to a large extent take place in municipalities and regions: it is there that new services, business opportunities and jobs are created that respond to the basic needs of society in a broad sense, and the digitalisation of public services in itself constitutes an opening for breakthrough innovations⁸;
37. points out that there is huge potential for breakthrough innovation not just in business but also, to at least the same degree, in regions, municipalities and the public sector⁹;
38. highlights, as an example, research and innovation conducted in municipalities and regions that act as "living labs" and testbeds for e.g. healthcare, town planning and general improvements in prosperity, and the way in which innovations with significant benefits for end-users/the public can be implemented directly in this kind of location-specific context;
39. in this regard, opportunities arising from demographic change should be highlighted, such as those created by the "silver economy" for businesses and bodies that design and market innovative products and services for older people. It is in regions affected by demographic change that the potential of this sphere of social innovation and innovation in relation to services could best be harnessed;
40. takes the view that local and regional authorities must be involved in the European Innovation Council alongside representatives from academia and business, including small and medium-

⁸ COR 2016-02882-00-01 Opinion on eGovernment Action Plan 2016-2020.

⁹ COR 2017-03529-00-00 Opinion on Local and regional perspective on promoting public sector innovation via digital solutions.

sized enterprises, in order to focus its work clearly on issues of relevance to society, and that local and regional stakeholders must be covered by its activities;

41. believes that the council should make it possible for regional authorities to be involved in the development of investment aid;

Setting EU-wide research and innovation missions

42. supports the idea of organising interdisciplinary and multidisciplinary research and innovation around well-defined missions with clearly established goals that are of concern to the whole EU and have clear European added value, and of creating synergies in this way with research and innovation strategies at national, regional and local level, especially smart specialisation strategies. One example of this is bioeconomy¹⁰;
43. stresses that these missions must have clear relevance to society, and aim to deliver tangible benefits for the public, who should also be involved in developing the mission; also stresses, however, that it would be a good idea for the programme structure to provide scope for bottom-up driven research and innovation selected via open calls for tender, and for exploratory research and innovation;
44. reminds the need to involve local and regional authorities in the definition and implementation of the missions; believes that the missions should be linked to the sustainable development goals set out in the UN's Agenda 2030 and stresses the essential role of cities and regions in implementing the UN SDGs;

Supporting rapid dissemination and uptake of innovation throughout the Union

45. welcomes the opening up of the European Structural and Investment Funds to include all regions more effectively in an innovation-driven economy by boosting smart specialisation strategies (S3s) and interregional innovation aid. At the same time, the form this should take in practice should be determined at local and regional level, where the best knowledge is available concerning needs;
46. draws attention to the analysis¹¹ undertaken into the different ways in which regions address the challenges they meet when developing interregional cooperation at various levels, and feels that this must be taken into account in the design of all financial instruments used to support research and innovation in local and regional research and innovation ecosystems;
47. considers that the European Commission and the Member States involved in macroregional strategies must continue to develop and deepen the scientific and academic cooperation between

¹⁰ COR 2017-00044-00-01 Opinion on The Local and regional dimension of bioeconomy and the role of regions and cities.

¹¹ COR 2017.04757-00-00 Opinion on Strengthening Innovation in Europe's Regions: strategies for resilient, inclusive and sustainable growth.

their universities, including with regard to the goal of establishing European universities by 2024¹²;

Investing in skills at all levels and making European universities more entrepreneurial and interdisciplinary

48. agrees that an innovative and learning society also requires changes in both higher education and basic education institutions, and that universities and higher education institutions need to cooperate more both with business and with society to create an education system that can respond quickly and flexibly to their changing skills needs and to the skills acquisition and training needs of individual citizens, regulated professions and trades;
49. takes the view that open science, as a guiding principle for universities, higher education institutions and research institutions, is a good way of increasing the dissemination of knowledge in society in general, but would also urge the Commission to do all it can to support a swift transition towards it, including access to the results of research and innovation, which in itself offers opportunities for open innovation and broader civic engagement with research and innovation;
50. agrees that the New Skills Agenda for Europe¹³ is of value in determining what links are needed between education and innovation ecosystems, as are the principles set out in the Digital Education Action Plan and the Digital Skills Strategy, and points out that it is vital, when it comes to lifelong learning, for universities and other higher education institutions to be able to develop support for open learning.

Brussels, 6 February 2019

The President
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Karl-Heinz Lambertz

The Secretary-General
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Jiří Buriánek

¹² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Strengthening European identity through education and culture – The European Commission's contribution to the Leaders' meeting in Gothenburg, 17 November 2017 (COM(2017) 673 final).

¹³ COR 2016-04094-00-01 Opinion on A New Skills Agenda for Europe.

II. PROCEDURE

Title	A renewed European agenda for research and innovation – Europe's chance to shape its future
Reference(s)	COM(2018) 306 final
Legal basis	Article 307 of the Treaty on the Functioning of the European Union
Procedural basis	Rule 41(b)(i) of the Rules of Procedure
Date of Council/EP referral/Date of Commission letter	N/A
Date of Bureau decision	3 July 2018
Commission responsible	Social Policy, Education, Employment, Research and Culture
Rapporteur	Birgitta Sacrédeus (SE/EPP), Member of Dalarna County Council
Analysis	25 July 2018
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Result of the vote in commission (majority, unanimity)	Majority
Date adopted in plenary	6 February 2019
Previous Committee opinions	<ul style="list-style-type: none"> • eGovernment Action Plan 2016-2020 • A New Skills Agenda for Europe • The local and regional dimension of bioeconomy and the role of regions and cities; • Local and Regional Dimension of the Horizon 2020 Programme and the New Framework Programme for Research and Innovation; • Local and regional perspective on promoting public sector innovation via digital solutions; • Strengthening Innovation in Europe's Regions: Strategies for resilient, inclusive and sustainable growth; • A European strategy for industry: the role and perspective of regional and local authorities
Date of subsidiarity monitoring consultation	