



Europaforum Northern Sweden (EFNS) is a network for politicians at local and regional level from Norrbotten, Västerbotten, Jämtland Härjedalen and Västernorrland. EFNS is a meeting place and knowledge arena where EU policy is analysed and discussed in the areas where it affects northern Sweden. EFNS monitors European issues to influence EU legislation, EU strategies and action programmes and the EU budget. The purpose of EFNS is to safeguard northern Sweden's interests both in the European arena and in relation to the national level in matters with a clear European perspective.

Europaforum Northern Sweden's views on PRI, RIV and the future S3

EFNS has noted the renewed interest of the European Commission and the Committee of the Regions in place-based innovation through the efforts of the Partnership for Regional Innovation (PRI), Regional Innovation Valleys (RIV) and we welcome the commitment to the territorial perspective in innovation policy. With the PRI handbook and the RIV calls, the European Commission proposes a renewed approach with components such as enhanced interregional cooperation, regional missions and increased synergies. These are all important components of a future European innovation system and EFNS wish to present its views on PRI and RIV, which have been described as a further development of S3.

EFNS's comments in brief:

EFNS wishes to emphasise that all regions have different conditions and that many regions operate with limited capacity which might cause a challenge to work with proposed models. It is therefore important that the regions are strengthened with flexible methods that can meet the reality in the regions, and that the regions are given equal opportunities to utilize the EU-tools for innovation and regional development.

- EFNS considers that a further development of S3 should strive for a simple logic for implementation and that an emphasis should be put on building capacity and resources within the regional authorities and the actors of the regional innovation ecosystem.
- EFNS considers that any further development of S3 should include flexible instruments that allow for adaptation to the needs and conditions of the regional innovation systems.
- The EU's territorial innovation policy should be inclusive and strengthen the regions at different stages of the S3 processes based on the individual regions' conditions and opportunities, even in regions that are not classified as "less developed".
- The EU's pursuit of policy and fund synergies should focus on removing barriers and making it easier for regions and project owners to work with instruments and funds in line with regional needs and capacities.



Capacity in regional innovation ecosystems

EFNS perceives PRI and RIV as increased ambitions for the S3 approach that emphasize the need for interregional collaboration, multi-level governance, synergies between funds and a mission-based approach. These components could significantly strengthen Europe's innovation ecosystems but they also introduce an ambitious approach compared to the enabling conditions of the current S3 and may require increased administrative efforts from regions and the actors of the innovation system. The approach assumes an innovation ecosystem with strong institutions (such as universities, institutes, clusters) that have the capacity for deep engagement, not just in the innovative processes, but also in the administrative structures of the funds. This can be a disadvantage for regions with entrepreneurial innovation systems with many small and micro enterprises, where actors often lack the capacity to participate in administration-heavy projects. These companies are important actors in Europe's innovation system. Especially in Sweden's innovation system where 80% of innovation takes place outside the large academic institutions. It would therefore be unfortunate if they were excluded from the innovation system because of the methods that PRI and RIV might create. To succeed with the increased ambition for S3, it is important to continue funding capacity building within the regional administrations and innovation ecosystems.

EFNS believes that further development of S3 should aim for a simple logic of implementation and that an emphasis should be placed on building capacity and resources within regional administrations and within the regional innovation ecosystem.

Flexible instruments for smart specialisation

Even if the European Commission has the ambition to design instruments that can reduce the innovation gap between European regions, EFNS sees a risk that the detailed conditions introduced in the implementation will have the opposite effect. The New European Innovation Agenda from 2022 introduces the European Commission's ambitions for territorial innovation work and the PRI handbook provides guidance to Europe's regions that are meant as inclusive and adoptable. But the regulations for the funding that the European Commission has made available for further method development in the calls for RIV through European Innovation Ecosystems (EIE) and European Innovation Ecosystems (I3) introduce detailed conditions that can limit the regions' ability to participate. The calls specify conditions such as thematic areas for collaboration, consortium composition and technology readiness levels (TRL) for the projects. These specific conditions risk leading to projects and collaborations based on regional needs not being eligible to apply for funding if they do not fulfil all the preconditions, even if they could have contributed to the European Commission's ambitions for PRI and RIV.

EFNS considers that further development of S3 should include flexible instruments that allow regional adaptation to the needs and conditions of innovation systems. Public interventions at regional, local and European level should focus on building capacity within regions and offer opportunities for individual companies and actors to build networks in line with their business models. Internationalisation efforts should be strengthened through flexible regulatory frameworks that enable regions to work more effectively with EU funds and allow them to work on capacity, as well as on diversification and specialisation.



Equal access to innovation opportunities

Since PRI and RIV introduce new models for collaboration, it is important to strive to remove or reduce barriers of a technical nature in the methods for S3 and the adjoining calls for proposals. EFNS wishes to emphasise that EU innovation policy in the EU should ensure that all regions can participate.

The RIV call, for example, applies the Co-fund model, which poses challenges as it is a relatively untested method that requires 50% co-financing. Although the region's allocation of ERDF funds is a possible source of co-financing in European legislation, there is currently unclear whether such a solution is permitted in Sweden and whether Swedish actors can participate.

In I3 and RIV, the European Commission has chosen to distinguish "less developed" regions from other regions in order to make it easier for innovation-weak regions to participate - which is positive for reducing the innovation gap between European regions. However, the same division also risks excluding regions that do not meet the condition for "less developed" but whose interregional partnerships have not yet reached the high degree of maturity required for the RIV and I3 call. For example, RIV and I3 require "mature partnerships" and large-scale investment portfolios in related value chains with high "investment readiness", which is difficult to demonstrate even in regions with strong innovation systems, as these requirements assume that the region has chosen to prioritise investments in this particular model over a long period of time. The few European regions that have identified this as a suitable approach for their regions have long been preparing for the I3 methodology. However, all regions must deal with the local needs and conditions, so northern Sweden has in its S3 processes prioritised efforts to strengthen capacity within the regions rather than inter-regional partnerships. This is due to the lack of capacity resulting from a sparse population structure and a business sector dominated by micro enterprises.

All in all, EFNS sees a challenge in being able to contribute to the EU's ambitions with I3 and RIV under the conditions set in the call. Despite the fact that northern Sweden's regions have leading companies and R&I actors with the potential to contribute to the EU's overall innovation power and green transition.

EFNS believes that a further developed model for S3 must offer equal access to innovation opportunities and be inclusive and strengthen the regions wherever they are in their S3 processes.

Synergies

The PRI introduces a number of ambitious targets for increased synergies between EU funds, a clearer contribution to the goals of EU policies and more synergies between EU regions. These are all great objectives with the potential to strengthen regional innovation ecosystems while accelerating the green transition. However, there are currently challenges in the EU's funds, regulations and lack of coordination between calls for proposals that makes it difficult and its unlikely that the PRIs and pilot calls will solve these challenges. Rather that the lack of coordination will result in regions and project owners having to find solutions themselves. In order to really achieve these synergies, it is important to create coherence between all the European Commission's units and



harmonise with the Member States' innovation policy and implementation of EU instruments.

EFNS believes that the European Commission's pursuit of policy and fund synergies should focus on removing obstacles and making it easier for regions and project owners to work with instruments and funds according to regional needs.

Adopted by Europaforum Norra Sverige, Brussels 2023-11-09

Jonny Lundin (C)
Region
Västernorrland

Mats Hellhoff (SD)
Region
Västernorrland

Erik Lövgren (S)
Kommunförbundet
Västernorrland

Åsa Ågren Wikström (M)
Region
Västerbotten

Rickard Carstedt (S)
Region Västerbotten

Ann Åström (S)
Region Västerbotten

Anders Ögren (S)
Region Norrbotten

Isak Utsi (S)
Norrbottens Kommuner

Ulrika Hammarström (S)
Norrbottens
Kommuner

Jonas Andersson (S)
Region Jämtland
Härjedalen

Elise Ryder Wikén (M)
Region Jämtland
Härjedalen

Daniel Danielsson (C)
Kommunförbundet
Jämtland Härjedalen

Lars-Gunnar Nordlander (S)
Kommunförbundet
Jämtland Härjedalen