

DISCUSSION MATERIAL FOR SESSION 3

The following is an abstract from the study “Participation in ERA and Baltic Sea RDI Initiatives and Activities: Analysis and Policy Implications for Widening Participation of Strong and Moderate Innovators,” a report by Kadri Ukrainski, Erkki Karo, Margit Kirs, Hanna Kanep. The study was ordered by Ministry of Education and Research of the Republic of Estonia and supported by INTERREG Baltic Sea Region programme “Baltic Science Network” in 2017. The whole report and the executive summary are accessible [here](#).

Empirical results show that the segregation of BSR countries in the H2020 programme has increased similarly to the total participation of EU13 countries. This growth of segregation has emerged while participation of EU13 members in FP has grown. Thus, one can conclude that while EU13 has managed to gain more funding from FP, this has not necessarily increased the integration of these countries within ERA. Integration is wider in the case of smaller and regionally/thematically focused programmes (BONUS, INTERREG).

The new EU initiatives assume greater functional and relational proximity in terms of governance and processes (joint planning and evaluation of procurement activities). This seems to remain out of the capability limits for EU13. Thus, fragmentation of innovation systems might be a key structural weakness for increasing the participation of moderate innovators in ERA activities. There is also limited willingness of funding agencies, industry and public sector to financially support and participate in transnational cooperation initiatives with research institutions.¹

One of the key preconditions for achieving active, systemic and wide participation in transnational RDI cooperation is stable funding. It is necessary for the moderate innovators to embrace the fact that the welfare of countries in the longer term depends on the investments into knowledge-based economy and R&D.

Analysts have brought out several key lessons, which can be suggested to all countries to improve their participation in H2020 (Commission Analysis of September 2011):

- participation should not be increased at any price;
- all research areas cannot be addressed simultaneously;
- a clear national strategic plan is needed, immediate results cannot be expected;
- a robust NCP system is needed to support the applicants;
- incentive systems for participants should be based on achievements;
- alignment of EU and national objectives and synergetic use of ESIF is needed.

¹ Participation in ERA and Baltic Sea RDI Initiatives and Activities: Analysis and Policy Implications for Widening Participation of Strong and Moderate Innovators Ukrainski et al., 2017. Abstract from the survey report, section 2.1.

The analytical framework of Verdung is used for describing the regulatory instruments (sticks), economic and financial instruments (carrots) and informative instruments (sermons).

Some of the instruments that are suggested to help to increased transnational cooperation are:

Sticks: better priority setting on the national level, policy-level and financial commitment, identifying intersections of FP, national and regional smart specialization aims and priorities.

Carrots: transferring the preparatory risks of transnational cooperation projects to the national level (more focus on *ex-ante* than *ex-post*) and incentives to promote participation at the institutional level.

Sermons: roadmaps connecting national support mechanisms, updated information that is kept in one place, success rates prognosis for H2020 instruments, guides for BSR cooperation opportunities, improvement of communication, advice and training services by funding NCP-s, mapping the strategic aims of regional actors towards transnational cooperation, networking and mobility schemes.

The individual instruments used jointly would “nudge” to increased transnational cooperation. In sum, policies at different levels should be developed towards a more systematised approach, including mapping and positioning the interconnected and/or additive aims of policies. Harmonised and simplified rules and regulations in addition to more flexibility within national legislations would further reduce barriers and enhance cooperation possibilities between actors from different countries. Timely and systemic support and communication of relevant information, tailored for different actors, is needed.²

Suggestions for the European Commission (EC):

- As “sticks”, EC needs to allow more bottom-up and innovative initiatives while supporting the harmonisation of the rules and conditions of research funding.
- Additional investments as “carrots” should serve to correct the low and varying success rates of different instruments and pay more attention to lagging thematic areas, which would reduce the “gaming” activities pursued currently by the applicants.
- As “sermons”, the mix of policy instruments needs to be supported by better and more systematic information-sharing and communication strategies targeted to the individual agents (researchers, universities, enterprises).

For the BSR:

- As “sticks”, joint research interests need to be identified and defined in order to adequately represent the region also at the level of EU strategy formulation.
- As “sermons”, common ground inside and common imago outside the BSR country group should be communicated through focus-area roadmaps containing timely and systematic information throughout the relevant (national, regional, supra-regional) instruments together with joint promotion and joint representation at the EU level.

² Section 5.1, same study.

- Novel instruments for speeding up bottom-up cooperation, such as BSN challenges, prizes; 2nd best funding (ERC, H2020); virtual service centres and shared service centres serve as “carrots” for this purpose. Better top-down steering of RDI cooperation could be based on novel instruments – a joint funding mechanism for funding BSR societal challenges; a joint BSR breakthrough accelerator; the development of common service areas (via IT-solutions), which would support the imago of BSR as an innovative region.

For individual countries:

- Priority setting as a key “stick”, making sure that national legislation, accounting and auditing practices, participation rules and regulations are harmonised to a degree that supports and widens research performers’ incentives to take on international projects.
- As “carrots”, countries could shift the risks of participating in and especially coordinating international projects with a wider range of partners from research performers to the national level.
- As “sermons”, countries could audit their support and communication systems and develop roadmaps connecting national support mechanisms to FP across specific fields and institution types, keep them easily accessible and updated. In addition, national NCP systems could be empowered to take on wider training and consultancy activities.³

It is extremely important to aim at achieving better synergies rather than creating additional (separate) instruments in moderate-innovator countries. Otherwise, these instruments will crowd out the international cooperation activities. It is especially relevant on the BSR (in areas with common interest), national, but also institutional (university) levels to promote joint PCP & PPI funding opportunities⁴.

To sum up, two types of transnational RDI cooperation policies are suggested:

1. The “speeding-up” policies could provide additional leverage to tackle common BSR challenges, especially as BSR already has several incentives/funding schemes for transnational research and innovation and cooperation, but also supporting the further utilisation of R&I infrastructure and mobility.
2. As top-down policies aimed at wider BSR challenges, the creation of BSR societal-challenges initiatives (e.g. in environment, energy, health) is required: either joint grants or coordinated policy initiatives with national and regional divisions of labour. The creation of the BSR breakthrough accelerator allowing RDI grants for cooperative exploratory and/or high-risk and high-return projects in new upcoming interdisciplinary fields in order to create critical mass in the region to compete globally is another way of overcoming the difficulties.⁵

³ Section 5.1, same study.

⁴ Section 3.1, same study.

⁵ Executive summary, same study.

