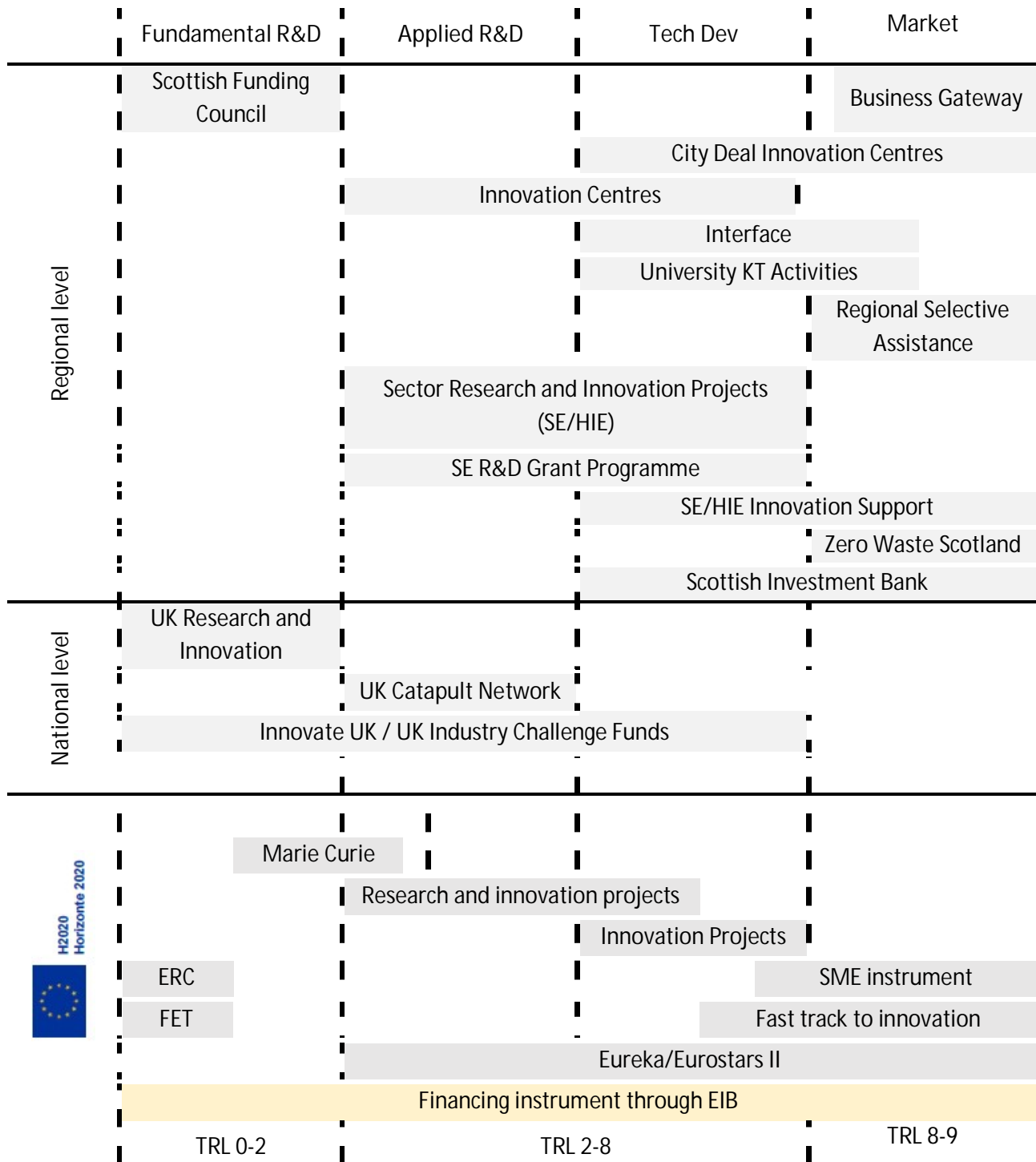


## Policy Brief – Scotland OSDD

### Scotland funding instrument scheme



The Scottish “On Site Deep Dive” (OSDD) took place in Glasgow, Scotland from Tuesday 21st to Thursday 23rd March 2017, all ten participating regions were in attendance. The focus of the event was to showcase the various elements of Scotland’s innovation approach and how they link together, exploring how Scotland addresses some of its major industry challenges, in key areas of Smart Specialisation, like Energy and Advanced Manufacturing, looking at how to stimulate new actions in the inter-regional arena, for instance through better use of Financial Instruments, through Scotland’s ERDF Programme, including the use of Article 70.

### **Advantages and opportunities of inter-regional cooperation deriving from the extension to other regions of the instruments/tools/practices presented**

- Scotland was an example of well-established innovation ecosystem with clear dedication to business approach. Regional priority areas are clearly identified and different government actors are efficiently engaged. In line with the framework of regional specialisations, different instruments have been designed on the basis of specific needs leveraging on dedicated resources. There is a structured process to collect industry priorities and to link university with industry; the success of funded projects is assessed after their completion (as in the Portugal case); etc. The implementation of a similar approach in the other regions could facilitate the identification of consortia addressing interregional cooperation opportunities (i.e. ERANETs, CSAs, H2020, Eurostars, Vouchers)
- Implement/ Learn from the best practices presented in term of support services offered by Scottish Enterprise to companies (i.e. Sottish Interface programme) to improve, also in other regions, the efficiency of the services delivered to local companies and to connect more effectively the regional actors. This can reinforce the clusters identity too, raising awareness on the regional specialisation and on existing competences and knowledge. Accordingly, interregional cooperation based on the connection of existing innovation infrastructure can be eased and exploited at interregional dimension with the support of proper funding instrument
- Connect existing demonstration infrastructures to exploit synergies and leverage on complementarities. This can support the implementation of Vanguard demo-cases increasing the commitment of the actors involved-
- Explore the idea of a Manunet-like instrument dedicated to Vanguard and design other instruments (i.e. vouchers or the application of Art.70) to support the access to pilot infrastructures as a complement (Art. 70 can not fund big infrastructures implementations, but could be useful in the operations phase). Art. 70 could be applied in a logic of European value chains where Regions are complementary and focused on unique specialization that can not be found elsewhere, thus avoiding the need to fund similar activities in all Regions.
- Formalise the regional commitment toward joint actions in Vanguard framework showing the intent of Regional authorities to mobilise funds for the implementation of demo-cases looking for the investment of EU commission

### **Barriers and difficulties to face for the introduction of new instruments/tools/practices in a coordinated and synergic way**

- Dedicating resources to specific priority areas could be complicated for Regions with a greater number of specialisation areas (compared to the Scottish example), where resources are usually not pre-assigned but competitively distributed among specialisation areas.
- Although the infrastructure is there, it is necessary to solve the political and financial challenges behind the extension of the pilot access to other Regions. This is a crucial point, since policy makers need to justify clear impacts for their Region. It is still difficult to estimate the ROI associated to investments in other regions and no best practices, to be included in regional action plans, are available considering the limited example of interregional cooperation within the project.
- Vanguard system understanding at the level of projects (demo-cases) is not sufficient among members: there is the need to increase awareness on specific on-going projects in the Pilots and related financial needs. To start working on the example of some advanced demo-cases could be suitable to achieve higher focus in S34Growth.
- Manunet-like instruments will not be enough for funding the creation of innovation infrastructure, since the size of the investment needed is considerably different from the resources mobilised by Manunet. But they could be a good tool if included in a mix of portfolio instruments.
- Misalignments between Regional budgets and priorities can make it difficult to define cooperation instruments to apply in different Regions, especially if we take into account different regulations and bureaucracy.
- The cooperation actions with Scotland could be hampered by the uncertain consequences of Brexit

### **Recommendations and suggestions proposed to overcome such barriers and difficulties**

- Start with some practical cases (i.e. Vanguard mature demo-cases) to analytically/quantitatively consider regional impacts of extra-regional investments and expenditures. Then spread the common understanding and best practices
- Take advantage of next OSDDs to define cooperation models to support managing authorities' decision (timelines, budgets, resources, type of calls...)
- Promote the signature of a memorandum of understanding between the regions interested in collaboration for the realisation of Vanguard pilot lines