



S34Growth

Interreg Europe



S34Growth addresses regional policy instruments facilitating industrial innovation-related interregional collaboration which can help the renewal of Europe's industry and boost competitiveness.

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Regional Action Plan: South Netherlands



S34Growth Regional Action Plan – Brainport Development N.V.

Part I – General information

Project: S34Growth

Partner organisation: Brainport Development N.V.

Country: The Netherlands

NUTS2 region: South Netherlands

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Part II – Policy context

The Action Plan aims to impact:

<input checked="" type="checkbox"/>	Investment for Growth and Jobs programme
<input type="checkbox"/>	European Territorial Cooperation programme
<input type="checkbox"/>	Other regional development policy instrument

Name of the policy instrument addressed: Operational Programme South Netherlands 2014-2020

Part III – General information on the Policy Instrument addressed

Operational Programme South Netherlands – OP ZUID

Through OP ZUID, the South Netherlands region, consisting of the Provinces of Zeeland, Noord-Brabant, and Limburg, had been allocated € 113,627,056.00 ERDF for the period 2014-2020. With this allocation, and in combination with additional public and private co-financing, the region aims to strengthen its potential for Research and Innovation, whilst at the same time supporting the shift to a Resource-Efficient, Low-Carbon Economy. With these clear and focused objectives, the region contributes to the overarching EU2020 strategy for smart, sustainable and inclusive growth, as well as to national targets in this regard.

The region recognizes the need for targeted investments and takes into account its socio-economic profile, as well as the European Council's country specific recommendations. As mentioned before, the OP takes into account overarching strategies, in particular the Regional Innovation Strategy of the South Netherlands.

Therefore, the OP will;

- promote business investment in Research and Innovation, develop links and synergies between enterprises, research and development centres, knowledge institutions and higher education sector and open innovation through smart specialisation.
- promote the adoption of innovative low-carbon technologies in the region through demonstration and pilot projects.

The programme focusses on two main Priority Axes (PAs);

1. Increase research and innovation intensity in SMEs and improve their uptake of innovation, and;
2. Support the development and first application of the innovative low-carbon technologies to enable larger-scale roll-outs.

Within the Interreg Europe S34Growth project, the focus was placed on two of the investment priorities within PA1, namely;

1B1 – Strengthening and broadening of the South Netherlands open innovation system in cross-overs between international top-clusters and between national and international top-clusters with large SME participation therein.

1B2 – Strengthening the valorisation abilities of SMEs within the international and national top-clusters in order to contribute to the solutions of identified social challenges and strengthening top-clusters.

Part IV – Details of the actions envisaged

ACTION 1 – Interregional collaboration through NUCLIS implementation

The background (please describe the lessons learnt from the project that constitute the basis for the development of the present Action Plan)

Article 70.2 of the Common Provisions Regulation (CPR) has been addressed multiple times since the project commenced in April of 2016 and has been a reoccurring theme and area of discussion across the On Site Deep Dives (OSDD's). The regulations within the CPR apply to all ESIF Programmes, and subsequently apply to all European Regional Development Funds.

Article 70 of the CPR states the following;

“Eligibility of operations depending on location

1. (...)
2. *The managing authority may accept that an operation is implemented outside the programme area but within the Union, provided that all the following conditions are satisfied:*
 - (a) the operation is for the benefit of the programme area;*
 - (b) the total amount allocated under the programme to operations located outside the programme area does not exceed 15% of the support from the ERDF, Cohesion Fund and EMFF at the level of the priority, or 5% of the support from the EAFRD at the level of the programme;*
 - (c) the monitoring committee has given its agreement to the operation or types of operations concerned;*
 - (d) the obligations of the authorities for the programme in relation to management, control and audit concerning the operation are fulfilled by the authorities responsible for the programme under which that operation is supported or they enter into agreements with authorities in the area in which the operation is implemented.”*

Within the programme regulations of OP Zuid, under section 4.4 – “*Coordination with other European and national funds on an interregional level*”, Article 70.2 of the CPR finds its place, stating the following (translated);

“4.4 Coordination with other European and national funds on an interregional level

The regulation creates room to dedicate a maximum of 15% of the OP-funds to interregional activities and projects. For the South Netherlands, the interregional collaboration with Flanders, Wallonia and Germany and – to a lesser extent – the United Kingdom, is of at least the same importance as interregional collaboration within the Netherlands.

South Netherlands makes use of this possibility and dedicates a maximum of 10% of the funds to beneficiaries outside of the region or Member State.

Potential beneficiaries have not yet been identified but are categorized in the same target groups as defined in the specific investment priorities. Under this we understand businesses (SMEs and large corporations) in the 7 top-clusters as well as knowledge institutions (if relevant for the South Netherlands region).

Terms and conditions:

- *Demonstrable added value with regard to the collaboration between actors within the region. For example the application of specific technologies or knowledge which are not (yet) available in the region.*
- *Avoiding overlap and maximising the synergies with other programme’s (especially Interreg A and to a lesser extent Interreg B).*

Within S34Growth we have identified three potential scenario’s for interregional collaboration within an OP project, namely;

- 1.) Funding of activities outside the programme area, carried out by regional players;
- 2.) Funding of activities within the programme area, with the involvement of external players, and;
- 3.) Funding of activities from partners outside the region, executed outside the region.

Relating these three scenario’s to the frameworks of the Operational Programme, both scenario’s one and two do not present a problem and costs are eligible within an OP funded project. Execution of a project pertaining to scenario three will required approval of the Monitoring Committee.

From a pragmatic perspective, there are no hinderances in conducting interregional activities within OP funded projects. Despite this, there is limited to no use of this possibility to engage in such activities. In part this is due to a lack of knowledge regarding this possibility.

Having concluded that the two most likely scenarios for which regional OP ERDF funds would be allocated to activities taking place outside of the region, it is crucial to seek a framework under which such activities can take place. The S34Growth Good Practice NUCLIS from ACCIO provides this framework.

NUCLIS is an international grants programme which offers financial support to enterprises from Catalonia in international cooperation projects with a technological focus (TRL 3-7). It provides local/regional companies support to interact and cooperate with international companies and technological centres in high-impact R&D projects through ERDF co-financing. All projects which are funded under this programme should be able to relate back to the RIS3CAT strategy sectors to ensure that they are relevant and contribute to the regional strategy (no more than 70% of the R&D activities can take place in one of the two regions).

NUCLIS offers support to Catalan enterprises ranging from €150.000 – €200.000 EUR with a maximum budget allocation to these interregional projects of €800.000 per call.

The NUCLIS programme makes a distinction between ‘Unilateral’ and ‘Bilateral’ cooperation tracks. The Unilateral projects consist of engagement between a Catalonian company and any of the following; a EU-27 Member State, China, Hong Kong, South Korea, Singapore, Israel, Massachusetts (USA), Canada, Chile, and Cuba. On the other hand, the Bilateral cooperation possibilities consist of a Catalan based operation and a (unrelated) entity in Chile, Israel or Germany.

It is important to mention that the NUCLIS programme provides funding for the Catalan entity within the cooperation project. It does not take into account the manner in which the international counterpart is funding their share of the collaborative engagement.

ACCIO, as Business Competitiveness Agency offers support towards these NUCLIS projects through;

- Identification of which NUCLIS framework (unilateral/bilateral) best suits the project.
- Identification of the suitable partner(s).
- Contact with institutions in each country to discover the financing possibilities.
- Coordination of the bilateral frameworks and sectorial projects.
- Structuring of the partnership.
- Performing the initial evaluation of the project's viability abroad in collaboration with ACCIO's network of international offices and contacts.

Action (please list and describe the actions to be implemented)

In order to achieve the overall goal of activation of Article 70 through the NUCLIS framework, the following activities will take place over the course of Phase 2 of the S34Growth project:

1. Clarification of terms & conditions

As previously mentioned, the programme regulations of OP Zuid outline the possibility to fund activities outside the region provided that applicants are able to demonstrate added value with regard to the collaboration between actors within the region, and should avoid overlap and maximise synergies with other programme's. These descriptions however, leave room for interpretation and it is not clear how to demonstrate such added value. On top of this, it not only requires applicants to demonstrate how a project will contribute to the regional ecosystem which is the case for any applicant, it places the burden on demonstrating how overlap with other programmes is avoided and how synergies can be maximized on the applicant, requiring more specific and in-depth knowledge on strategies and programmes which may be outside of the scope of the applicant or which are not suitable alternatives due to any 'X' number of reasons as each programme carries its own specific requirements.

The recommendation is made to the Managing Authority to further clarify these terms and conditions (output) directly related to the funding of activities outside of the region in order to facilitate future applicants.

Parties involved:

- Managing Authority/Stimulus: tasked with further detailing of the terms and conditions which applicants need to comply with / fulfil.

Costs:

For the implementation of this sub-action no specific external funding sources are required. As such, an estimation of the time required to fulfil the activity has been presented in order to quantify the costs involved.

- Managing Authority / Stimulus
Staff costs: 50 hours through regular organisation funding.

Timeframe:

The clarified terms and conditions should be finalized by the end of Q3 2019.

2. Blueprint of NUCLIS framework

In order to fully demonstrate the intricacies and details of the NUCLIS programme, a blueprint of the framework will be developed. This blueprint will take into account the regulatory, financial and legislative components which all together form the NUCLIS programme. On top of the aforementioned components, the blueprint will include success stories which have resulted from previous NUCLIS projects.

The blueprint will be developed in collaboration with ACCIÓ. ACCIÓ has multiple foreign offices which work to scout potential interregional opportunities for regional actors from Catalonia (also related to the NUCLIS programme). One of these foreign offices is based in Amsterdam, the Netherlands and contact has already been made with the local ACCIÓ delegation.

Parties involved:

- Brainport Development: tasked with the development of the blueprint.
- ACCIO: will provide support and expertise to Brainport Development while the blueprint is being conducted. ACCIO will also fulfil a validator role in ensuring that the blueprint takes all relevant components into account.

Costs:

For the implementation of this sub-action, no specific external funding sources are required. As such, an estimation of the time required to fulfil the activity has been presented in order to quantify the costs involved.

- Brainport Development
Staff costs; 100 hours through regular organisational funding.
Travel and accommodation costs; €500,- for face to face meetings through regular organisational funding.
- ACCIO
Staff costs; 30 hours through regular organisational funding.

Timeframe:

The blueprint will be finalized and delivered to the Managing Authority of OP Zuid by the end of Q2 2019.

3. Implementation of NUCLIS framework in local setting

The blueprint which will be the output of sub-activity, will be presented to the Managing Authority of OP Zuid. This blueprint will be accompanied with several recommendations on how to implement the framework. As can be currently envisaged (future work may highlight other recommendations which will be included), these recommendations will cover the thematic priority which is best suited for such a call, the geographical scope of the call, etc. These recommendations will be made based on the interaction with ACCIO under sub-action 2 and on the needs/requirements from local industrial parties. In order to give insight in some of the recommendations which can be envisaged, the recommendation regarding the geographical scope has been included in this Regional Action Plan.

The recommendation to the Managing Authority is to organise the implementation of the framework through a (future) dedicated call for applications which bear an interregional character. This recommendation is made bearing in mind the programme regulations of OP Zuid, which states that interregional activities in Flanders, Wallonia, Germany – and to a lesser extent – the United Kingdom are of at least the same importance as interregional collaboration between the regions of the Netherlands. As the current NUCLIS programme goes beyond the European landscape, it is too complex to implement similar geographic scope to a future OP Zuid NUCLIS framework. In order to apply focus on geographic scope for a call, the recommendation is made to restrict applications which bring together parties from the South Netherlands with parties originating from the S34Growth partner regions. This recommendation is made because;

- The regions collaborating within S34Growth have the shared ambition to increase interregional activities for the improvement of the local/regional – and EU – industrial landscape.
- The regions collaborating within S34Growth are members of the Vanguard Initiative which is also backed politically by the Managing Authority.

Parties involved:

- Brainport Development: tasked with the formulation of the specific recommendations which will relate to the call. This includes the additional interaction with specific stakeholders to ensure that the recommendations which will be made are in line with the needs of local industry.
- Stimulus: Tasked with the organisation of the specific call.

Costs:

As previously mentioned, €800.000 is allocated to NUCLIS projects in the Catalan setting. It is recommended that OP Zuid allocates the same amount (€800.000) in ERDF to fund the call. Such a call should be launched under Priority Axis 1. 'Increasing research and innovation intensity in SMEs and improve their uptake of innovation', specifically under Investment Priority 1B1 'Strengthening

and broadening of the South Netherlands open innovation system in cross-overs between international top-clusters and between national and international top-clusters with large SME participation therein’.

Timeframe:

Following the delivery of the blueprint by the end of Q2 2019, the specific call should be finalized by the end of Q4 2019.

Date: _____

Signature: _____