COMMISSION OF THE EUROPEAN COMMUNITIES



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COMMISSION STAFF WORKING DOCUMENT

Accompanying the

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

concerning the

European Union Strategy for the Baltic Sea Region

ACTION PLAN

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UPDATED VERSION May 2010

European Union Strategy for the Baltic Sea Region

An integrated framework that allows the European Union and Member States to identify needs and match them to the available resources through co-ordination of appropriate policies, thus enabling the Baltic Sea Region to enjoy a sustainable environment and optimal economic and social development.

ACTION PLAN

7.To exploit the full potential of the region in research and innovation

Coordinated by Sweden and Poland

Presentation of the issue:

If the Baltic Sea Region is to create a vibrant innovation environment, being composed of relatively small countries and innovation milieus of different levels of maturity, it is crucial to strengthen transnational co-operation. This has to happen both at the policy and business level, thus achieving better mobility, higher regional coherence and sustainable economic growth. Regions must attract innovative companies and establish efficient innovation support services to increase their innovation capacity in the long term.

The process of globalisation results in an increased competition between countries and regions regarding investments in production, knowledge, and innovation. At business level, the development of knowledge-intensive products and services is a crucial factor if companies are to be competitive in the global market. At policy level, countries, and particularly regions, must develop efficient innovation systems that offer entrepreneurial dynamism and intensive linkages between top-level knowledge institutions, private investors, incubators and related business services. To do this at Baltic Sea level presents certain special challenges but is needed if the region is to prosper.

Hotspot (main problems):

The division between more established R&D institutions in the northern and western shores vs. newly established or reformed institutions at the eastern and south eastern shores in the Baltic Sea is still very present, despite recent high growth in the eastern parts. This is also reflected in the latest European Innovation Scoreboard (EIS 2007). The Baltic Sea region includes some of the innovation top-performers in Europe, and others that are lagging behind. To draw the full benefits from the regions innovation potential, a more coherent approach is needed based on cooperation and trust.

Baltic Sea Region Added Value:

The greatest added value will be achieved if priority is put on sectors where the region is particularly strong. To further explore such regional strengths, the cluster approach could be appropriate. This approach would build on existing cluster mapping studies recently conducted in different Baltic Sea Region countries at regional or national level, as well as on the cluster mapping results of the European Cluster Observatory¹, and the BSR INNO-Net project that is funded under the EU initiative PRO INNO Europe². It is also important to fully utilise the opportunities to cooperate within the framework of the European Research Area (ERA).

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¹ http://www.clusterobservatory.eu/

² Further information can be found on http://www.proinno-europe.eu.

Actions:

Strategic actions:

"Establish a common Baltic Sea Region innovation strategy" which will address the following four challenges: (a) reduce existing innovation barriers, including the harmonisation of different legal and regulatory environments for Foreign Direct Investment (FDI), particularly for further developing the Lead Market initiative; (b) facilitate transnational cooperation for the development and commercial exploitation of joint research projects; (c) utilise together the high level human capital in the region and promote the mobility of researchers; and (d) jointly develop new and better innovation support instruments, including Intellectual Property Rights (IPR) support. This work will liaise with similar efforts undertaken under the PRO-INNO Europe initiative for the period 2009-2012.

Cooperative actions:

• "Improve the exploitation of research through patents" by fostering increased cooperation between national patent authorities in the Baltic Sea Region in providing innovation support facilities. "Sector specialization among the different authorities" in the Baltic Sea Region and the ability to assist application to other Baltic Sea Region countries and to the European Patent Office (EPO) are ideas that could be part of such cooperation. Support should be provided to SMEs, individual inventors and public research organisations to integrate IPR into their business strategies.

Flagship Projects (as examples):

- > 7.1. "Develop a Baltic Sea Region Programme for Innovation, Clusters and SME-Networks". The concrete objective is to foster R&D and business-related transnational collaboration covering innovation systems, clusters and SME networks, in order to strengthen economic growth in the whole Baltic Sea Region. The Programme will establish "a new Baltic Sea Region brand", building on "smartness", research, innovation and cooperation, leading to capacity building, stronger international competitiveness, increase in foreign investments and world-class actors in some strategic areas. The Programme can be built upon the results and recommendations of the BSR-Network INNO-Net project, funded under the PRO INNO Europe initiative. The objective is to improve Baltic Sea Region competitiveness and innovation through trans-national cluster cooperation both at policy and business level by mobilising cluster organizations, national or regional programmes and funds. Activities under this Baltic Sea Region programme will also include the development of a "Baltic Sea Region" method for better exploiting small business networks. Due to the importance of maritime economy for the region, maritime clusters will be promoted in order to link them to knowledge networks and to exchange best practices on the establishment of cluster organisations. In addition, an objective is to "develop a regional foresight programme", which will help identifying desirable directions of cooperation in R&D and innovation. (Lead: Sweden and Lithuania; Deadline for progress review: to be determined) FAST TRACK
- > 7.2. "Create a Baltic SeaFund for Innovation and Research". A common pot for R&D financing of common interest should be developed, using tested and successful models for

the practical set-up with national public and private funding³. The aim is to promote research infrastructure tailored to the specific strengths of the regions and of particular individual institutions, linked to specific clusters of excellence for product innovation and marketing. (Lead: Swedish Region SkâneDeadline for finalisation: to be determined)

- 7.3. "Develop a common Baltic Sea Region strategy to promote services innovation". This will have three main objectives: (a) to collect better statistical data from Baltic Sea Region countries to analyse the current status and potential of innovation in the sector of knowledge-intensive services; (b) to identify the scope and objectives for trans-national cooperation between clusters operating in the service sub-sectors such as ICT, creative industries and the cultural sector in general, eco/green-innovation and energy; (c) to improve the framework conditions that are needed to support such cluster cooperation in the domain of services in a sustainable way, as well as to facilitate the internationalisation of high growth service businesses. This work will liaise with relevant EU INNO-Net policy project funded under the PRO INNO Europe initiative for the period 2009-2012. (Lead: Lithuania and Finland; Deadline for progress review: to be determined)
- > 7.4. "Set up cross-sectoral reference projects for innovation in health and life sciences": The promotion of public health on a high level and the exploitation of modern life sciences can be regarded as prerequisites for the Baltic Sea Region to become a globally leading and prosperous "Health Region". Furthermore the demographic challenges can only be met with innovations in science, technology and social science. The ScanBalt BioRegion, today one of Europe's leading cluster collaborations, introduced the basic principles of sustainability in 2004 within all fields of life sciences whether it is health, energy, nutrition, or environmental life sciences. The Baltic Sea Region can in this sense be regarded as a model for providing the basis for a knowledge-based economy and for implementing a shared strategy together in a sustainable way in a broad spectrum of activities. (Lead: Lithuanian Biotechnology Association and BioCon Valley® GmbH, Greifswald (Germany); Deadline for progress review: to be determined)
- > 7.5. "Setting up a Baltic Science Link" Research infrastructure is important for a region to be at the forefront of research and innovation. The Baltic Sea Region has several important existing infrastructure installations (the high-energy PETRA-III storage ring at the German Synchrotron Research Centre in Hamburg; The European X-Ray Laser project XFEL in Schleswig-Holstein; the MAXIV, Synchrotron Radiation Research, Nuclear Physics and Accelerator Physics lab in Lund) and is hoping for support for further ones like the European Spallation Source (ESS) in Lund⁴. This infrastructure should be used optimally to strengthen the scientific capability and competitiveness as well as the attractiveness of the region. This could be accomplished by building a strong network between universities. research institutes and industries in the region, i.e. the Baltic Science Link. Already strong research fields in the region; life sciences, material technologies; would form the core of these scientific clusters. (Lead: Sweden: Swedish Research Council; Deadline for progress review: to be determined)

³ Models to be used could be the BONUS 169, ERIC (European Research Infrastructures Council) and/or the Nordic Top-level Research Initiative

⁴ A joint project for the European research area. ESS Scandinavia is a consortium working to ensure ESS will be built in Lund. The consortium consists of all the universities and colleges in the Öresund region, a number of other leading universities and research institutes in Scandinavia as well as Region Skåne, Lund Municipality, Copenhagen Capacity and the Öresund Committee.