



Interregional Innovation Investments for European value chains

European Regions, Interregional Smart Specialisation partnerships and other innovation stakeholders jointly call upon the European Parliament and the Council of the EU to preserve the proposed 'Interregional Innovation Investments' component and its €970MLN budget in the EU Multiannual Financial Framework for 2021-2027. All EU institutions acknowledge the EU added value of this new component and in particular how it can harness existing potential across less and more developed EU regions to develop EU innovation value chains and to strengthen EU competitiveness. Therefore upcoming budget negotiations should not put this innovative component at risk.

On May 29, 2018, the European Commission proposed, as part of the European Territorial Cooperation INTERREG [regulation](#), a new INTERREG component 5 on Interregional Innovation Investments. This new component 5, financed at €970MLN, aims to develop European value chains across Europe through two strands: 1) support for investments in interregional innovation projects and 2) support for the development of value chains in less developed regions. This new component builds upon the work that is being carried out in the S3 Platforms with currently 180* regions registered. Even more clearly, the two strands proposed by the European Commission illustrate the added value of this instrument for the whole of Europe. Also the component enables synergies with other EU programs like Horizon Europe and Digital Europe.

The European Committee of the Regions is in favour of the component and several other regional and innovation stakeholders like EARTO and the Vanguard Initiative have immediately and continuously indicated their strong support. The European Parliament wishes to maintain the component and its €970MLN budget as 'new initiative' under the ETC regulation ([January 16, 2019](#)). In the Council, COREPER reached a compromise about the ERDF regulation, including placement of the component in ERDF (February 15, 2019).

Although the European Parliament and the Council support the new instrument for Interregional Innovation Investments, both institutions have different opinions on where to locate it: respectively in the European Territorial Cohesion regulation or in the European Regional Development Fund. Meanwhile European elections are coming and the decision making processes of the European Parliament and Council differ. Regardless of these complications, we hope that the European institutions will continue their engagement in supporting EU regions in joining their efforts for facing and leading worldwide competition.

Therefore, European regions, interregional S3 partnerships and other innovation actors, including clusters and research organisations, jointly call upon both institutions to ensure that the component for Interregional Innovation Investments with at least its €970MLN budget will be preserved in the new EU MFF. In order to enable the envisaged impact of the component, we jointly call to preserve the following key elements irrespectively of its final regulatory location:

- **Interregional nature:** The main European added value and the main characteristic of the component is to co-finance Smart Specialisation driven common projects of different EU regions.
- **Budget:** €970 million for seven years is a starting point and an absolute minimum, bearing in mind the ambition of the component and the fact that it will be split in two strands.
- **Central management:** The management of the new instrument should allow swift allocation addressing effectively fast developing technologies and value chains, while putting regional actors at the core of its governance. It should moreover enable coordination in practice, resolve issues with state aid, capitalise on regulatory attempts to bring synergies in the next Multiannual Financial Framework and provide room for bottom-up processes.
- **Openness to third countries:** Based on mutual benefit, cooperation should be open to third country partners that share the European Union's values.

*28 May 2019, source <http://s3platform.jrc.ec.europa.eu/>

This statement is supported by

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| ✓ Nutritional Ingredients | ✓ BioEconomy |
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| ✓ Social Economy | ✓ New Nanoenabled Products |
| ✓ Medical Technology | |
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- ✓ Artificial Intelligence and HMI
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- ✓ Textile Innovation

