

Scotland Europa
Scotland House
Rond-Point Schuman 6
1040 Brussels, Belgium
EU Transparency Register ID: 01312486176-25

Scotland Europa response to the European Commission's public consultation on Smart Specialisation

Scotland has welcomed the Smart Specialisation agenda, as the concept aligns closely with our existing economic development approach, expressed in Scotland's Economic Strategy¹ and delivered through government and other public sector partners and stakeholders across Scotland.

In Scotland, our approach has been not to draft a separate strategy document but to draw together the elements of our strategic framework which are linked to Smart Specialisation. The overall Smart Specialisation approach is integrated with our wider economic development agenda, and has been valuable in encouraging **stronger focus and prioritisation** in research and innovation expenditure.

In particular, Scotland's approach to sector development is strongly aligned with EU policy recommendations on **clusters** and Smart Specialisation, specifically through our focus on:

- Identifying Scotland's unique internationally competitive assets including our existing cluster base
- Actively pursuing high-value economic diversification opportunities – continually reviewing the dynamics of Scotland's cluster portfolio to identify emerging clusters from where developing 'adjacent' or existing complementary strengths overlap with new market opportunities
- Working in partnership with industry across our cluster communities
- Working to link and maximise our specialist strengths in a global context
- Managing all of this within an overall integrated 'framework' of strategic economic development activity aimed at creating a more competitive and distinctive position for Scotland, based on our particular circumstances (location, legacy, existing strengths and potential strengths)

Furthermore, Scotland's innovation direction has long encouraged an outward focus, seeking to understand and engage with global actors. Engagement in the Smart Specialisation agenda encourages greater learning and sharing of practice in relation to our innovation system and its role in supporting renewed economic growth in Scotland. Our experience has been that Smart Specialisation has generated the most added value as a mechanism for **inter-regional collaboration**, co-creation and co-investment.

For example, Scotland is a founder member of the **Vanguard Initiative** for New Growth Through Smart Specialisation, collaborating with other regions to support regional and European internationalisation and innovation ambitions.

¹ <https://beta.gov.scot/publications/scotlands-economic-strategy>

With the Basque Country, Scotland is co-leading a Vanguard Pilot Action on **Advanced Manufacturing for Energy Related Applications in Harsh Environments**². This initiative is designing the tools and services that will enable SMEs, big market players, R&D centres, testing facilities, certification bodies and other relevant stakeholders to overcome the barriers that hinder collaboration opportunities leading the way to new solutions, innovations, products for the development of a competitive cross-regional ADMA for energy value chain.

We are also active in Pilots on Innovative use of non-food Biomass and on Efficient and Sustainable Manufacturing. Our engagement in these reflects Scotland's desire to connect our innovative approaches to the **Circular Economy** with other European leaders in this area. Scotland's Circular Economy Strategy³ – one of the first of and most holistic of its kind – adopts a circular approach to all of our economic specialisms.

The work of the Vanguard Initiative Pilots is playing a significant role in understanding EU industrial strengths and how these offer international opportunities, demonstrating the role Smart Specialisation can play in the EU's overall **international competitiveness**, if inter-regional collaboration is further facilitated.

The implementation of the bottom-up cooperation projects generated by these partnerships, and through similar work undertaken through EU networks and EU-funded projects, requires a flexible approach to policy and funding. The policy and funding framework should adapt to meet the needs of these projects, where they are demonstrating results, rather than the projects meeting the needs of the policy.

More broadly, the European Commission could play a greater role in supporting collaboration between regions with similar Smart Specialisations. Scotland is committed to this inter-regional collaboration, including through our membership of the Vanguard Initiative, the European Association of Economic Development Agencies (EURADA), and the European Regions for Research and Innovation Network (ERRIN).

Scottish organisations have also been involved in several EU-funded projects which demonstrate the valuable role of Smart Specialisation as a means to support in-depth **learning and sharing between regions**. These include:

- The **CLUSTERS3** Interreg Europe project⁴ in which Highlands and Islands Enterprise is a partner. The project is working to improve the implementation of cluster policies and their coordination with other competitiveness related policies, boosting growth and job creation through the insertion of SMEs in Global Value Chains.
- The **NESSIE (North Sea Solutions for Innovation in Corrosion for Energy)** European Maritime and Fisheries Fund project⁵, in which Scottish Enterprise is a partner, which aims to develop market-led corrosion solutions for emerging markets in the 'blue growth' sectors (with a

² <http://www.s3vanguardinitiative.eu/cooperations/making-eu-global-leader-components-marine-renewables-and-offshore-energy-applications>

³ <http://www.gov.scot/Publications/2016/02/1761/downloads#res-1>

⁴ <http://www.interregeurope.eu/clusters3/>

⁵ <https://ec.europa.eu/easme/en/news/three-new-blue-technology-projects-be-launched> - grant agreement to be signed in April 2017

specific focus on wave and tidal energy, as well as offshore wind). The project aims to use the traditional marine supply chain to develop market opportunities for European industry and SMEs in the emerging and developing sectors, in line with smart specialisation approaches of the regions involved.

- The **Northern Connections** Interreg North Sea Region project⁶, in which Scottish Enterprise and Falkirk Council are partners. The project's objective is to get more enterprises in the energy sector to participate in transnational innovation collaboration via strengthening transnational cluster and city/region cooperation.
- The **OnlineS3** Horizon 2020 project⁷, in which Edinburgh Napier University and University of Edinburgh are partners, which is developing an e-policy platform to assist national and regional authorities in the EU to elaborate their smart specialisation agenda.
- The **S34Growth** Interreg Europe project⁸, in which Scottish Enterprise is a partner, which is supporting an inter-regional co-specialisation approach to Smart Specialisation, the methodology of which can be replicated in different sectors and parts of Europe.
- The **TR3S – Towards Regional specialisation for Smart growth spirit** Interreg IVC project⁹, in which Scottish Enterprise was a partner. This project built upon regional strengths of the partners and worked to combat barriers to the effectiveness of regional development policies through mutual learning and exchange of experiences.

[Scotland Europa](#) is a membership-based organisation that promotes Scotland's interests across the institutions of the European Union and to the representatives of Europe's regions and nations. We help Scottish organisations foster successful European relationships, providing guidance on European policies, funding and networks. We manage Scotland House in Brussels, which is also home to the EU offices of the Scottish Government and other Scottish and European partners. A full list of members is available on our website.

Scotland Europa is a subsidiary of the [Scottish Enterprise](#) and [Highlands and Islands Enterprise](#) is a member of Scotland Europa. Both agencies contributed to this consultation response.

For questions about this consultation response, please contact:

Eleanor McKeegan

Senior EU Policy Executive

Scotland Europa

E eleanor.mckeegan@scotent.co.uk

T +32 2 282 83 09

⁶ <http://northsearegion.eu/northern-connections/about/>

⁷ <http://www.onlines3.eu/>

⁸ <http://www.interregeurope.eu/s34growth>

⁹ <http://www.tr3s-project.eu/>