

**VANGUARD INITIATIVE**  
New growth through smart specialisation

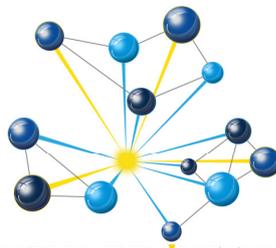
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# Conclusions of Annual Political Meeting

**Thursday 13 November 2014  
Milan**

## Vanguard Initiative Member Regions

**Asturias (Spain)**  
**Baden-Württemberg (Germany)**  
**Catalunya (Spain)**  
**Euskadi (Spain)**  
**Lombardia (Italy)**  
**Małopolska (Poland)**  
**Navarra (Spain)**  
**Nord-Pas de Calais (France)**  
**Nordrhein-Westfalen (Germany)**  
**Norte (Portugal)**  
**Oberösterreich (Austria)**  
**Region Dalarna (Sweden)**  
**Region Skåne (Sweden)**  
**Rhône-Alpes (France)**  
**Scotland (United Kingdom)**  
**Silesian Voivodeship (Poland)**  
**South-Netherlands (Netherlands)**  
**Tampere Region (Finland)**  
**Vlaanderen (Belgium)**  
**Wallonie (Belgium)**  
**Zuid-Holland (Netherlands)**



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## Introduction

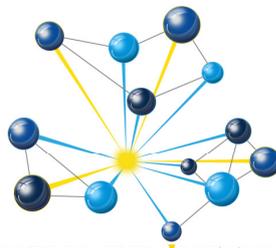
The 21 political leaders and representatives of the Vanguard Initiative met in Milan on 13th November 2014 to restate their political commitment to continue collaboration on multi-level support mechanisms that enable the development, discovery and co-investment of projects and pilots in key priority areas

As well as signing the Milan Declaration, discussion also focussed on the need to translate words into actions in the year ahead. There was broad agreement that remarkable progress has been made by the Vanguard Initiative in the first year both in influencing policy at EU level and with three pilot actions already underway in advanced manufacturing applications for harsh environments; 3D printing and efficient and sustainable manufacturing.

## Key Messages from Political Leaders

Having re-stated their political commitment to the Vanguard Initiative, the political leaders and representatives made a series of interventions that highlighted the following key points;

- Whilst the Vanguard Initiative is undoubtedly leading by example and can act as an accelerator of economic growth and a test bed for new approaches to collaboration, there is a need to **move from theory to action**. An **outcome focused approach** through the existing pilots and the establishment of the next set of proposals for specific action will support this.
- Linked to this, our approach has to be about developing **good projects** with a clear **commercial opportunity** that have the capacity to be **world leading**, not chasing projects to fit funding. Learning from our experience of leading by example and developing a robust methodology for setting-up such projects through **interregional and intercluster collaboration**, and support mechanisms that cover the whole process from the identification of new opportunities (Smart Specialisation), through to the market (the value chain: business).
- Ensuring that we take the **smartest approach to financing**, based on a **mix of public and private finance** and a clear understanding of how to best leverage European funds will be crucially important.
- We can do this by bringing our entrepreneurs, researchers and SMEs closer together and by building a deeper, more honest and transparent understanding of where our respective capabilities lie. This has to be a trusted collaborative space where genuine action can be developed and where there is rapidity and agility to understand quickly what will work and what won't. This is the **next level of Smart Specialisation**.
- There is a need to take a cross sectoral approach and look for opportunities in the spaces between such as the emerging industries, KETs and other cross cutting areas (e.g. Bioeconomy and Nanotechnology). This is aligned to the VI position on the developing **clusters policy** as part of the emerging **Industrial Policy Roadmap**. As Vanguard regions we are all committed to exploiting our interregional networks and **evolving our regional clusters into world class clusters**.
- Investment in **skills** and the development of human capital is critical in this.
- As Vanguard Regions we are doing this because we recognise it is the right thing to do for the future economic growth of our regions as well as for Europe as a whole. As



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Vanguard Regions we do not believe it is possible to separate regional and cohesion policy from smart specialisation, industry and innovation policy. It is essential that the Commission to continue to work with us towards this shared objective and use the experience and learning that flows from the Vanguard Initiative to in **shape innovation and industrial policy**.

## Meeting Summary

### Introduction

**Minister Mario Melazzini, Regional Councillor and Minister for Productive Activities, Research and Innovation, Lombardia Region**

During his introductory remarks, Minister Melazzini highlighted the significance of what has been accomplished in the first year of the initiative, re-stated the importance of the on-going political commitment to the initiative and made reference to the first three pilot's actions that have emerged from the work of the Vanguard Initiative to date. Minister Melazzini also highlighted the importance of investment in human capital in his opening remarks.

### Vanguard Initiative and Emerging Industries

**Mr Lennart Svensson, Policy Director, Region Skåne** made the connections between smart specialisation strategies and emerging industries, both of which are central to approaches in the Vanguard Initiative.

His remarks focussed on the need to develop new value chains and capabilities to address these opportunities. For Political leaders, Me Svensson suggested there are two key areas in which it was important to lead by example.

- 1) To enable international collaboration and take decisions in real time
- 2) To procure solutions that are created.

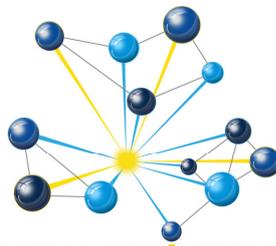
Smart innovation, skills development, entrepreneurial drive and the facilitation of learning and sharing amongst different skills sets to really strengthen areas of specialism and to allow a focus on opportunities that are genuinely niche is seen as being key to success. Ensuring that SMEs are fully integrated into regional innovation systems is also of critical importance.

In conclusion Mr Svensson highlighted that the Vanguard Initiative is in a strong position to lead on increasing the absorption of innovation into commercial organisations and to embed this within approaches to public procurement.

He also stressed the need to move from discussion to action in the coming year.

**Vanguard Initiative and Global Value Chains: Cooperation within European Innovative Clusters and other players in the world**





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**Paolo Bonaretti, Direttore Generale ASTER** focussed his remarks on the role of regions in mainstreaming communication on the renaissance of manufacturing and ensuring action to support the European industrial compact. With a focus on bottom-up activity that meets the top down policy approaches halfway being key to this. Creativity and investment in human capital were also highlighted as critical success factors.

Whilst developing a model that can start locally and branch out is the right way to start, it needs to be clear from the outset that what you are doing is important on an international level. Social cohesion is also an important element of the European model of industrial development alongside which, new financial mechanisms need to be developed. The financial sector has to be incentivised to support SMEs and other investments.

Europe has to be an attractive model for industrial development for the whole world. Mainstreaming cannot happen without the regions and the Vanguard Initiative can form the foundations of mainstreaming.

**Renaud Guillonet, Presidente Fondazione EU-LAC**, gave an insightful presentation on the initiative, created in 2010 to link political dialogue between Europe, Latin America and the Caribbean and to recognise the shared challenges of social issues like young people and women.

The work of the organisation is aligned across 4 programmes;

- Communication about what the foundation does;
- Connecting parts of civil society across regions;
- Exploration of opportunities for collaboration; and
- Venture, to bring economic activities of the regions closer.

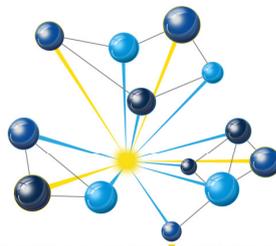
EULAC see the Vanguard Initiative as delivering excellence in cluster innovation and management and would be keen to explore how participation by Vanguard Regions in EULAC activities could help support growth and development in Latin American countries.

### **Intervention of the European Commission**

Representatives from the DG Enterprise & Industry (soon to be DG Grow), DG Research and Innovation, DG, Regional Policy provided some reflections on future priorities for the Commission and reflections on the work of the Vanguard Initiative to date.

#### **DG Enterprise & Industry**

Development of a solid industrial base and development and completion of a more integrated single market, including the digital single market, are of critical importance for the new Commission. The Commission will continue to align SME support networks and cluster policy to dovetail with regional initiatives. The role of regions is recognised as being critically important because the end product is not what drives competition, it is the ecosystem of skills, resources, research and entrepreneurship that enables it. All of this fits with the



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developing Industrial Policy Roadmap and clusters policy as a key part of that. To this end the Vanguard Initiative regions are seen as being key regional actors and the Commission will continue to follow our progress closely and provide whatever support they can. It is hoped that the Vanguard Initiative approach might provide an example for others to follow.

### **DG Regional Policy**

The Vanguard Initiative is key to proving that smart specialisation is not an academic concept but is a powerful organising principle for investment. By having these principles at its core, the Vanguard Initiative will be critical to demonstrating how the entrepreneurial discovery process works in practice and to genuinely build collaborative European value chains of international importance. The approach of the Vanguard Regions will take smart specialisation policy to the next level and will develop and test the mapping, matching and investment in commercial opportunities in priority areas. The dynamism with which the Vanguard Initiative has progressed is to be congratulated however the challenge is to deliver outcomes and to continue to develop new tests, pilots and demonstrators that will prove beyond doubt that this approach works. That will require the mobilisation of innovation stakeholders and investors across Europe and this is an area the Commission will happily continue to support.

### **DG Research & Innovation**

There is a key drive within the implementation of the new framework programme for Horizon 2020 to improve quality of investments in research and innovation. The thematic objective of the new structural funds programmes and the synergies between the funds is crucial to this. The Vanguard Initiative with its clear focus on interregional cooperation, collaboration and co-investment clearly supports this direction of travel and the pilot actions will be the first evidence that supports how this can work in practice. The Commission is very willing to continue the on-going dialogue in this space and to encourage engagement with the range of calls.

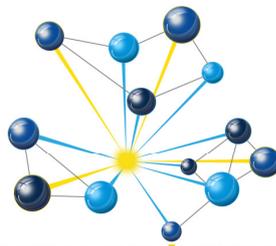
### **Conclusion**

The on-going commitment of the Commission to work with the Vanguard Initiative was welcomed by political leaders and their representatives. Commission services were encouraged not to lose sight of the positive contribution that the Vanguard Initiative will continue to make and to be clear about providing direct support where objectives are shared and it is possible to do so.

### **Summary**

#### **Richard Tuffs, Director of European Regions Research and Innovation Network (ERRIN)**

In his summary remarks Mr Tuffs praised the accomplishments of the Vanguard Initiative in its first year and indicated that it will be possible for the group to grow larger and to go further.



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The importance of regions and their place at the centre of policy in Europe was highlighted, coupled with the increased uptake of smart specialisation strategies. The differentiation that the Political leadership of the Vanguard Initiative brings will continue to be a critical success factor in moving faster and delivering more. Positioning the Vanguard Initiative to make a key contribution to delivering the industrial renaissance and a new boost for jobs and growth will be essential in the year ahead.

This year the focus must be on moving from words to actions. Tangible progress must be made on the pilots as well as the new proposals on the table on Bioeconomy and Nano being further developed. The target of having concrete delivery of projects – 6-10 by this time next year is welcome. This must be supported by quality spending decisions and an intelligent approach to funding.

The fact that there is support from 3 Directorate Generals across the Commission is welcome. A key challenge and opportunity in the coming year is for the Vanguard Initiative to mobilise effectively in order to influence future policy. There are opportunities with a new Commission President and Commission, a new Parliament and a new funding period to showcase the Vanguard Initiative as a vibrant, committed and grass roots mechanism for getting things done. While there needs to be a focus on action now, consideration of the landscape post 2020 should also be considered.

### **Intervention from Italian Presidency**

#### **Sandro Gozi, Undersecretary of State for European Affairs and Policies**

The Vanguard Initiative goes in exactly the direction that Italian Government and Presidency have identified as key objective for new political cycle. Digital and technology innovation must be at the heart of a new innovation policy at European level. There is a need to identify new instruments for digital innovation and for this to be one of the pillars around which new growth is constructed. The Vanguard Initiative has a key role to play in European innovation policy. The Vanguard Initiative approach fits with efforts on preparing the review of the Europe 2020 strategy. The Italian Presidency will work on the review in all formations of the Council in advance of the outcome being formally agreed in spring 2015.

Whatever the outcome, Europe 2020 needs to be more digital, greener and more regional and the Vanguard Initiative is fully consistent with this approach.

### **Closing Remarks**

#### **Minister Mario Melazzini, Regional Councillor and Minister for Productive Activities, Research and Innovation, Lombardia Region**

In his closing remarks Minister Melazzini re-stated the key points in the Milan Declaration and insisted that making progress on the pilot actions is critical in the year ahead. These projects can provide an example that will help achieve a cascade effect on our wider work. Progress in these areas will also help us to get more deeply in to the context of our work at the political level so that our objectives are discussed clearly and the action that is agreed here is taken forward in a very detailed operational way. The political leadership of this initiative is to deliver outcomes and that is where our efforts must be focussed.