

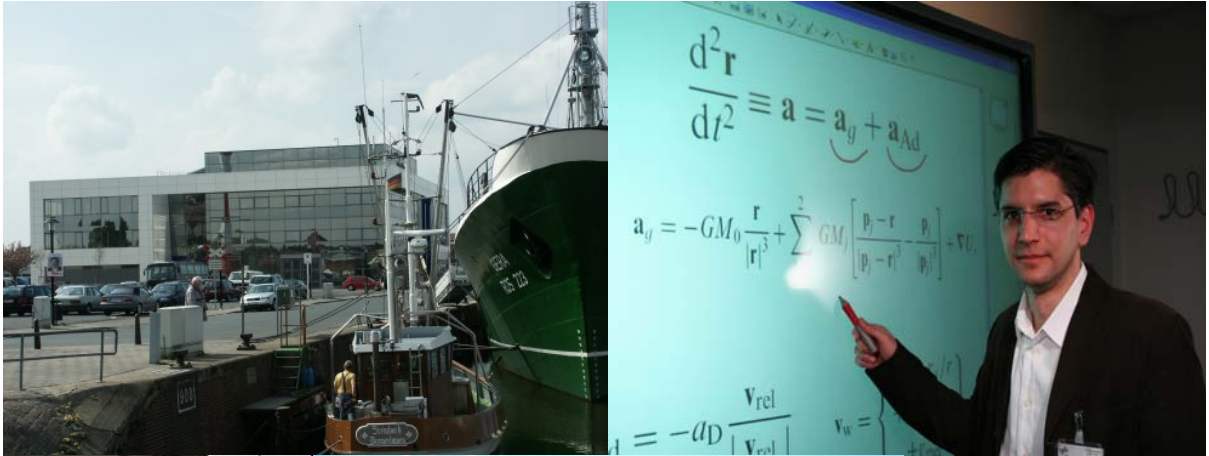
Analysis of the impact of ERDF assistance on the regional system of innovation in the State of Bremen and conclusions about potential options for the continuation of the Regional Competitiveness and Employment Objective after 2013

Summary of main findings



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European Structural Policy in the State of Bremen

Since the 1990s, the State of Bremen has been facilitating the structural change in its economy by orienting its economic policy more to promoting innovation and to developing Bremen's system of innovation. This is therefore also a priority in Bremen's ERDF programme for the 2007-2013 period.

The State of Bremen is receiving a total of € 142 million from the European Union's European Regional Development Fund (ERDF) for the 2007-2013 period. The EU's structural policy is closely tied to the objectives of the Lisbon Strategy¹. Bremen's 2007-2013 ERDF programme is intended to boost growth, competitiveness and employment in the cities of Bremen and Bremerhaven. Under the Regional Competitiveness and Employment Objective, two priorities are being pursued in the State of Bremen:

- Priority Axis 1: Promoting growth – developing innovations and knowledge
- Priority Axis 2: Activating urban areas for living and doing business in

The impact of the 2007-2013 ERDF programme is being analysed, e.g. in thematic evaluations. An initial thematic evaluation was undertaken in 2009. In view of the close links between the ERDF programme and the Lisbon Strategy, this analysis considered the effects of ERDF support on the regional innovation system. The study is entitled: "Analysis of the impact of ERDF assistance on the regional system of innovation in the State of Bremen and conclusions about potential options for the continuation of the Regional Competitiveness and Employment Objective after 2013". The study was produced by prognos AG.

It arrives at a positive assessment of the implementation of the ERDF programme. The study starts from a qualitative analysis of the effectiveness of the programmes in the current and, to some extent, the previous programming period. The contribution made by the assistance to Bremen's economic development, and the contribution towards the attainment of European objectives and the tackling of fresh challenges, were considered on the basis of thematic case studies. The final report has been available since the beginning of 2010.

¹ The Lisbon Strategy is intended to make the EU the world's most competitive knowledge-based economic area. The strict orientation of EU structural policy to the Lisbon objectives makes a significant contribution towards this. In the 2007-2013 programming period, the targeted use of ERDF funding is to provide incentives for additional investment in R&D and to stimulate projects of structural relevance which form the basis of the "3 percent target". This means that 3 percent of GDP is to be spent on research and development in all member states.

Impact and factors for success of the ERDF in terms of the establishment and expansion of fields of excellence in the regional innovation system

The impact and factors governing the success of the ERDF programme were considered, taking three thematic case studies as examples. The following fields of excellence in Bremen each provided one case study:

- “Environmental and Energy Industry, especially Wind Energy”,
- “Innovative Materials, especially Aerospace”,
- “Blue Biotechnology in the Maritime Economy Field of Excellence”.

The main questions assessed in the case study for each field of excellence are: how does Bremen’s ERDF assistance impact on the development of the field of excellence, and what added value is generated for the development of the field of excellence as a result of the ERDF’s system of assistance? Discussions were held in each field of excellence between the authors of the study and the players in the regional innovation system. Here, representatives of all categories of player (academic system, human resources, government and government agencies, transfer systems and market forces) were surveyed, in order to obtain a balanced picture of the players and their networking and to be able to carry out an in-depth network analysis.

The study defines the contributions made by Bremen’s ERDF assistance for the fields of excellence in terms of the Community objectives. By comprehensively addressing the various groups of players and by providing gradually evolving support for key players, Bremen’s ERDF assistance has supported the establishment and development of the regional innovation system at key interfaces. The integrated overall strategy has ensured a broad-based activation of the players, has stimulated their R&D activities and networking, and has thus lastingly strengthened the performance of the regional innovation system. Thanks to this positive impact on the regional innovation system, Bremen’s ERDF assistance for fields of excellence has enhanced the region’s competitiveness and has thus preserved existing and created new jobs.

In brief, the following **factors driving the success of Bremen’s ERDF assistance** can be cited:

1. The ERDF assistance in Bremen is an **integrated policy** approach. The formulation of an interdepartmental strategy to plan the use of ERDF funding has made a key contribution towards the better co-ordination of sectoral policies with the

overarching policy objectives of the State of Bremen. Right from the programming phase, the ERDF offers and utilises the possibility to develop an integrated overall strategy covering various policy fields and departments. The approach taken by the ERDF helps to focus the orientation of Bremen's regional and economic policy on strategic objectives and priorities.

2. The State of Bremen's ERDF strategy displays a **clear focus of the assistance on two mutually supportive priority axes**. The orientation of Priority Axis 1 works from the ERDF approach to strengthen the regional innovation system and to strategically develop the fields of excellence. Priority Axis 2 offers the possibility to support the development of fields of excellence indirectly via urban planning measures.
3. The **ERDF support has been gradually built up following a field-of-excellence strategy**. The ERDF assistance has made a major contribution towards sustainably strengthening the regional innovation system by supporting all the groups of players and has intervened at the relevant interfaces of the innovation system **at the time of need**. In this way, it has been possible to gradually implement and complete the strategy.
4. The ERDF's **multiannual programming approach** is a major reason why it has been possible to implement a targeted and gradually evolving policy of assistance to develop the fields of excellence. It fosters a strategic support policy oriented to objectives with a long-term approach which enables lasting changes to be made to structures.
5. The **available range of ERDF assistance** has been used to develop the fields of excellence in line with the specific regional needs. The areas in which support can be given under the ERDF offer the necessary basis to orient the policy of assistance flexibly and in a tailored manner to the development of fields of excellence. Significant ways in which the ERDF has permitted support to be given to the fields of excellence are primarily the R&D project support and the development of research infrastructure and hard infrastructure.
6. Bremen's ERDF strategy aims to sustainably strengthen the state's **endogenous development potential and growth**. Thus, the ERDF does not provide assistance across a broad range, but rather concentrates chiefly on projects which positively influence the factors for growth. The ERDF is a significant structural instrument of Bremen's economic and regional policy.

7. In order to develop these fields of excellence, it is important to make use of the skills of the players in the relevant cluster area reaching beyond the borders of the State of Bremen. **Here, the ERDF assistance has created a basis for supra-regional co-operation.** The networking of players across a wide area in the field of excellence entitled “Environmental and Energy Industry, especially Wind Energy” highlights the positive mutual effects which can be generated by a supra-regional developmental approach.
8. In the case of the “Environmental and Energy Industry, especially Wind Energy” field of excellence, the ERDF has played a **pioneering role in the development of a sustainable cluster** of supra-regional significance which is capable of surviving unaided. This strengthens the region’s competitiveness in the international comparison.
9. The gradually evolving and targeted ERDF assistance for the fields of excellence supports the sustainable **creation of capacities in the transfer system** which make a significant contribution towards an increasingly self-sustaining development of the fields of excellence.
10. The ERDF assistance **embraces a broad spectrum of players in the regional innovation system**, without whose support the structural development of the region cannot be shaped. The ERDF approach can motivate and activate them, thereby enabling or accelerating the initiation of major projects.
11. The **geographical proximity** to the target groups and institutions covered by the ERDF assistance and extremely close and long-term involvement of the various players in the programme makes the **assistance policy more effective** and creates trust and a reliable basis for planning. This is a major precondition for successful implementation of long-term projects.
12. The State of Bremen’s ERDF assistance policy offers the players in the regional innovation system **predictability, reliability and certainty for their planning in terms of the implementation of the ERDF strategy.** This is an essential foundation for the initiation of complex innovative and risky (R&D) projects which are crucial to advancing technological progress via innovation.
13. The State of Bremen’s ERDF assistance has provided the **central thrust** for the development of the “Environmental and Energy Industry, especially Wind Energy” field of excellence. In many cases, companies will not invest during the early de-

developmental phase of a field of excellence without government assistance due to the high risk and lack of profitability. In particular by assisting projects to cooperate and collaborate on R&D, the State of Bremen's ERDF assistance has supported key projects with a potential to activate the development of a field of excellence. In the fields of Innovative Materials and Blue Biotechnology, the ERDF assistance has **fostered the ongoing development of the fields of excellence** by initiating new topics. The development of new sectors and technologies is having a decisive impact on the progress of structural change in the State of Bremen.

14. The ERDF assistance makes it possible to focus on **establishing and developing research institutes**. As key players, renowned research institutes provide the experience and expertise to join with regional industrial partners in participating in competition-based national and European assistance programmes (e.g. the Research Framework Programme) and to attract further research funding into the region.
15. The ERDF assistance for the fields of excellence enables **SMEs** in particular **to focus on and participate in the regional innovation process**. It is difficult for SMEs to participate in centrally organised European and national assistance programmes. The companies cannot generally cope with the bureaucracy, the requirements and the nature of the invitations to bid. The ERDF's main aim is to support SMEs and, via the decentralised regional approach, can target its funding more precisely and steer its use in the interest of the overall strategy.
16. The **financial contribution from the EU** has had a strong effect in the State of Bremen in terms of the implementation of an innovation-oriented economic policy and thus makes a major contribution to supporting the objective of strengthening regional competitiveness and employment.

Summary and outlook

The study highlights the positive effect of the ERDF programme on the development of fields of excellence and the attainment of European objectives. For example, at 81.6% of expenditure, the State of Bremen's ERDF programme is making a vital contribution towards the attainment of the Lisbon objectives. This figure is relatively high in comparison with the other German regional competitiveness and employment regions.

A look at the current debate on the future of the EU's structural policy from 2014 shows that enhancing competitiveness under the Lisbon and post-Lisbon objectives is and will continue to be a significant priority at European level. The support for the regional innovation system, as provided by the ERDF assistance for fields of excellence in the State of Bremen, has already made an important contribution towards these objectives and in this way has created added European value. The authors of the study believe that assistance for fields of excellence from the ERDF along the lines pursued in Bremen will continue to be an appropriate instrument for the attainment of future European objectives and for the tackling of future challenges. For this reason, the following aspects are crucial in the debate about the continuation of the Regional Competitiveness and Employment Objective:

- retention of the regional competitiveness and employment objective and continuation of European regional policy in a multi-layered system,
- support for innovation taking advantage of geographical proximity and support for regional strengths on the basis of decentralised responsibility (in order to support European policy goals),
- further development of the field-of-excellence approach to pursue the Lisbon objectives and to tackle future challenges,
- flexibility in the use of different support instruments for the integrated realisation of European objectives,
- further development of the target steering system via enhanced quality.

The study was produced on behalf of:

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<http://www.efre-bremen.de/sixcms/detail.php?gsid=bremen59.c.3108.de>