

A map of Europe with several regions highlighted in yellow. The highlighted regions include parts of the United Kingdom, Ireland, France, Germany, Poland, Czech Republic, Slovakia, Austria, Hungary, Italy, and Spain. The rest of the map is in a dark blue color.

# VANGUARD INITIATIVE NEW GROWTH THROUGH SMART SPECIALISATION

Joining Forces for Investment in the Future of Europe

MILAN, 13 NOVEMBER 2014

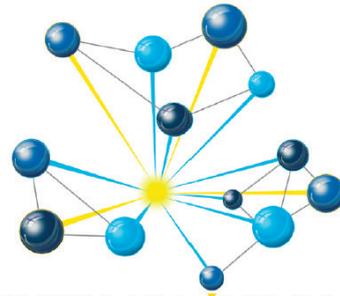
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**VANGUARD INITIATIVE**

New growth through smart specialisation



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# Introduction

Industry is a key element of resilient economies and has a central importance for creating jobs and growth. Committing for reindustrialisation of our economy is necessary if we want to contribute to the 20% target of industrial share in the European GDP by 2020.

In order to make industry more competitive in the globalised world, we need to mainstream industry-related competitiveness concerns across all policy areas. That is why the Vanguard Initiative chose to put industrial competitiveness at the heart of the political agenda using the potential of regional policies to bridge industrial and innovation policies.

Clusters, Smart Specialisation, entrepreneurial industrial innovation in high added value products and services, development of new European value chains are at the core of our strategy. In this perspective, regional interconnected geographical specialisations, progressive integration of EU firms and SMEs in global value chains, accompanied by a more friendly business environment can have an important impact on economic outcomes.

The Vanguard Initiative has the ambition to use industrial clusters and ecosystems - driven by smart specialisation - as tools to build world-class clusters, creating new competitive advantages for Europe, Member States and regions.

Entrepreneurial innovative bottom-up dynamics are key factors for the enhancement of knowledge. Innovative solutions to societal challenges are opportunities for sustainable growth, however, the right framework conditions need to be in place. Industrial modernisation must be pursued by investing in innovation, resource efficiency, enabling technologies, skills and access to finance, accelerated by the use of dedicated EU funds.

The public funding has the potential to leverage private sector investment while Public Private Partnerships allow the alignment of strategic priorities.

In this scenario regions can maximise investments and increase the efficiency of public spending. Furthermore, they can support demand side measures for innovation, using strategically the potential of public procurement.

However, a strong commitment at the EU, national and regional level to ensure funding synergies and coherence of all instruments is needed.

The Vanguard Initiative is ready to play an active role and all governance levels are called to cooperate.

Building on the political initiative launched by Flanders, I welcome all the political leaders willing to renew their political commitment and join forces for European innovation and industrial policy. The Vanguard Initiative can count on 21 committed regions. Others are in the process of joining. The first Annual Event will be an occasion to take stock of the work done so far and to discuss the way forward.

Working together, we can contribute to the new industrial renaissance of Europe, strengthening the resilience of our societies to the current and future challenges.



PRESIDENT OF THE LOMBARDY REGION

**Roberto Maroni**



# Milan Declaration

## Joining Forces for Investment in the Future of Europe

*We, the political leaders and representatives of the Vanguard Initiative for New Growth through Smart Specialisation, call upon the leaders of Europe to join forces to spur growth and job creation through innovation and a renaissance of industry. We renew our previous commitments of 30 January, in the context of persistent economic challenges, and wish to see regions play their full role in the forthcoming Industrial Policy Roadmap for Europe to be agreed in spring 2015.*

### **A NEW PATHWAY TO GROWTH THROUGH SMART SPECIALISATION**

The Vanguard Initiative offers a new approach to growth and job creation in Europe. The mobilisation of our regional resources and ecosystems, aligned to smart specialisation strategies, enables us to address European priority areas in research, innovation and industrial policies. The growing interdependence of economies calls for the full exploitation of the European single market, allowing regional economies and enterprises to specialise in the part of the value chain that they are, or can be best at. We are committed to collaborating with the European Commission and other EU Institutions to design new multi-level support mechanisms as part of a wider European agenda for growth and jobs.

### **Engaging for interregional collaboration**

The Vanguard Initiative brings together regions where there is a political will to play an active role in the renaissance of industry and to transform regional clusters into world-class clusters. Partner regions are committed to the development of interregional networks, based on bottom-up entrepreneurship and regional clusters that co-invest in new, interconnected European and global value chains. Our commitment to lead-by-example in interregional cooperation will lead to greater collaboration resulting in the co-development of mechanisms that stimulate the entrepreneurial discovery of our complementary smart specialisations, such as Smart Specialisation Platforms.

### **Stepping up co-investment**

Innovative solutions, which respond to societal challenges and the transition to a sustainable economy, can drive new growth. However, this requires a boost in innovation-driven investment. While industry must take a leading role in stepping up these investments, governments must create favourable framework conditions.

We welcome the European Commission Communication on 'Research and innovation as sources of renewed growth', which emphasises the need to improve the quality and efficiency of public spending through more effective strategies such as smart specialisation. The European Commission's €300 billion public-private investment programme in critical infrastructures and industry clusters is another important element in the European recovery strategy. The Vanguard Initiative is ready to join this coalition for growth to help revive Europe's economy, through common efforts enabling co-investment in European priority areas of innovation and industrial renaissance. However, this will require full recognition of the role of smart specialisation, regions and clusters in the EU Industrial Policy Roadmap and supporting EU programmes.

### **New instruments to support bottom-up entrepreneurship, co-creation and clusters**

To drive this agenda, more effective policy instruments and precise methodologies are needed. Smart specialisation is an effective approach for scaling up regional initiatives into European wide value chains, closing the gap with the markets and implementing EU priorities on the ground. The pilot actions set up by the Vanguard Initiative aim to exploit the network effects of regional investments in co-developing and demonstrating new business solutions. The support mechanisms at all policy levels and across policy domains must be directed to the needs of the cluster roadmaps for new interconnected value chains. We invite the European Commission to develop financing instruments to leverage cluster-based co-creation initiatives for networks of demonstrators and pilots in emerging and transforming industries. At the same time, we are committed to contributing to the creation of favourable framework conditions, in particular by investing in skills, strategic use of public procurement and better regulation, to stimulate innovation-driven growth and an industrial renaissance.

## ENGAGEMENT OF THE VANGUARD INITIATIVE

We are ready to **take action**, based on our commitment to lead-by-example and to work in partnership with the European Commission and other EU institutions.

We **commit** to:

- Supporting the **setting up of interregional networks** that will foster alignment between innovation roadmaps for co-investment in European priority areas, e.g. the pilot actions for the Smart Specialisation Platform Advanced Manufacturing.
- Facilitating **access to combined funding** for co-investment projects, taking advantage of better synergies between regional, national and European instruments to support this interregional collaboration.
- Exploring solutions to **leverage public-private investments** through European Investment Bank/European Investment Fund, in particular to support demonstration and piloting of new value chains in European industry clusters.
- Working on implementation of **smart specialisation strategies** to foster better alignment between the regions, bottom-up cluster platforms and top-down European partnering initiatives. We will continue to engage in pilots for policy learning in the framework of specific policy support actions and platforms.
- Contributing to the **European Cluster Strategy for New Growth**, with smart specialisation at its core. We will continue to engage in pilots for interregional and transnational cluster policy development.
- Developing the Vanguard Initiative as a valued, focussed partnership to stimulate and support **a strategic dialogue** among our members and with the European Commission to counter bottlenecks and create opportunities for new growth through smart specialisation.

### ASTURIAS

represented by **Javier Fernández**,  
President

### LOMBARDIA

represented by **Mario Melazzini**,  
Regional Minister for Productive  
Activities, Research and Innovation

### NORDRHEIN-WESTFALEN

represented by **Hannelore Kraft**,  
Minister-President of North Rhine-  
Westphalia

### BADEN - WÜRTTEMBERG

represented by **Dr. Nils Schmid**,  
Vice-Minister President and Minister  
of Finance and Economics

### MAŁOPOLSKA

represented by **Marek Sowa**,  
Marshal of the Małopolska Region

### NORTE

represented by **Emídio Gomes**,  
President of Norte Regional  
Coordination and Development  
Commission

### CATALUNYA

represented by **Artur Mas**, President  
of the government of Catalonia

### NAVARRA

represented by **Yolanda Barcina**,  
President of Navarra

### OBERÖSTERREICH

represented by **Dr. Michael Strugl**,  
Minister of Economic Affairs

### EUSKADI

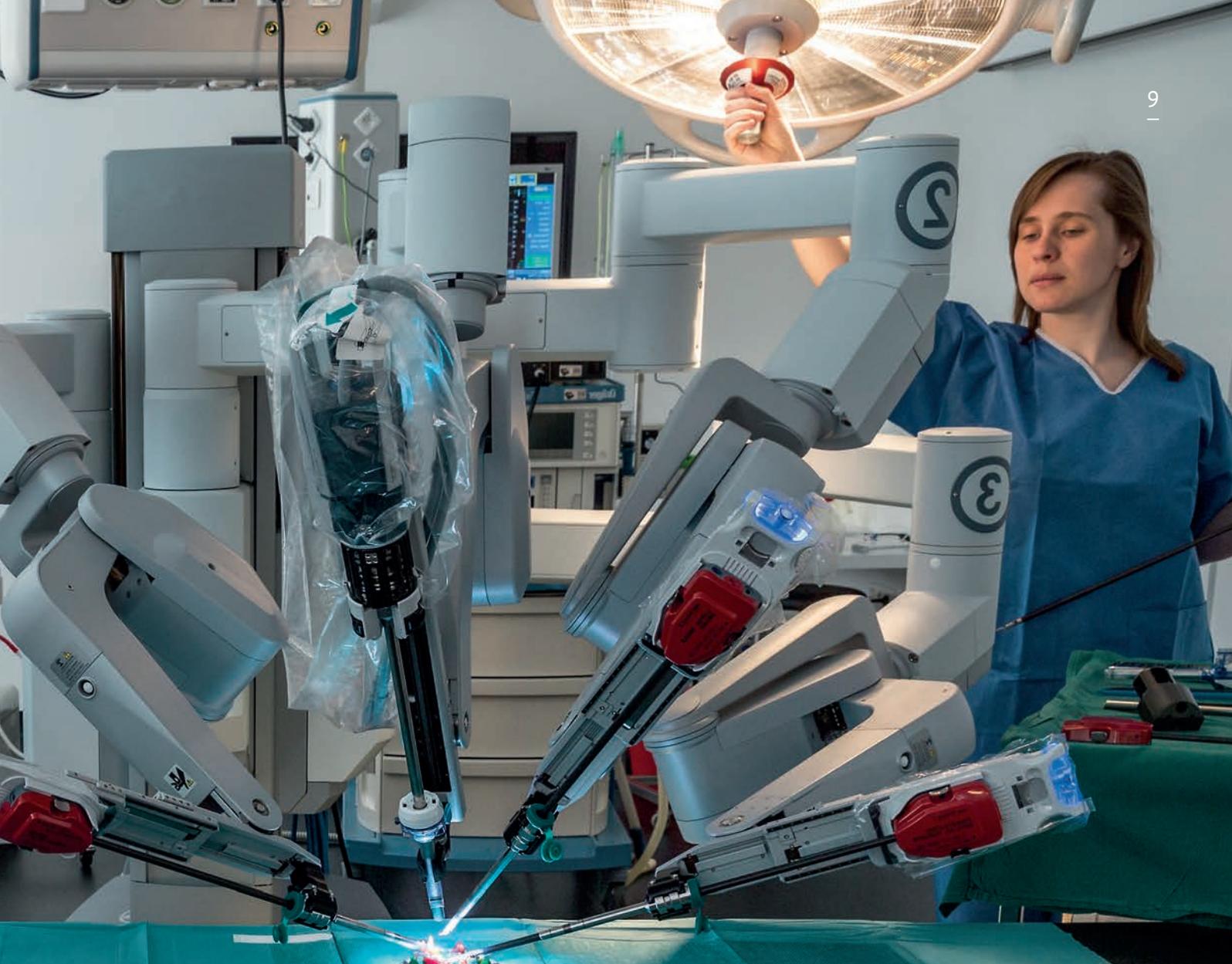
represented by **Iñigo Urkullu**,  
President of the Basque Country

### NORD-PAS DE CALAIS

represented by **Pierre de Saintignon**,  
First Vice-President for Economic  
development, New technologies and  
Continuing education

### REGION DALARNA

represented by **Leif Nilsson**,  
President Region Dalarna, Regional  
Development Council of Dalarna  
County



#### **REGION SKÅNE**

represented by **Christine Axelsson**,  
President of the Regional Council

#### **RHÔNE-ALPES**

represented by **Jean-Jack  
Queyranne**, President of the  
Rhône-Alpes Region

#### **SCOTLAND**

represented by **John Swinney**,  
Cabinet Secretary for Finance,  
Employment and Sustainable  
Growth

#### **SILESIA VOIVODESHIP**

represented by **Miroslaw Sekuła**,  
Marshal of the Silesian Voivodeship

#### **SOUTH-NETHERLANDS**

represented by **Theo Bovens**,  
King's Commissioner for the  
Province of Limburg,  
**Wim van de Donk**,  
King's Commissioner for the  
Province of Noord-Brabant and  
**Han Polman**,  
King's Commissioner for the  
Province of Zeeland

#### **TAMPERE REGION**

represented by **Harri Jaskari**,  
President of the Regional Board,  
Council of Tampere Region

#### **VLAANDEREN**

represented by **Philippe Muyters**,  
Minister for Work, Economy,  
Innovation and Sport of Flanders

#### **WALLONIE**

represented by **Jean-Claude  
Marcourt**, Vice-President

#### **ZUID-HOLLAND**

represented by **Govert Veldhuijzen**,  
Vice Governor Province of  
Zuid-Holland

# Pilot Initiatives on Advanced Manufacturing

## Advanced Manufacturing for Energy Related Applications in Harsh Environments

### Scotland & Basque Country

As recognised in the European Commission's Energy Security Strategy, the EU's prosperity and security hinges on a stable and abundant supply of energy. Recent geopolitical and market developments have acted as a call to action for Europe to address its vulnerability to external energy shocks. Scotland offers an important contribution to Europe's energy security with deep sea oil and gas reserves and access to some of the most concentrated potential in the world, including an estimated 25% of Europe's offshore wind and tidal and 10% of wave energy potential.

Scotland – through the Advanced Forming Research Centre (AFRC) – is seeking to collaborate with interested EU regional partners to develop, demonstrate and test components designed, and manufactured with advanced manufacturing processes, to meet the challenges of offshore oil & gas extraction and renewable markets.

The creation of new and improved EU value chains in this niche area offers a unique opportunity in an international marketplace which requires solutions in the medium and longer term.

In taking forward the Vanguard Initiative's pilot action in the above area, Scotland – as the lead region for this work – has commissioned a scoping / mapping study to generate a detailed snapshot across the EU in this niche area, with a particular emphasis on where Scotland's strengths can be complemented by similar / related strengths across the EU.

## Efficient and Sustainable Manufacturing (ESM)

### Catalonia & Lombardy

The pilot initiative intends to retain the concepts of clean production and high-efficient manufacturing. The two concepts, which have high priority in several regional roadmaps, are closely interrelated. The pilot plans to reach significant impacts and synergies, and aims at:

- reducing the consumption of energy, from the process to the entire factory level;
- increasing of renewable energy at factory level and industrial districts;
- efficiently using of materials in manufacturing processes;
- reaching near-to-zero emissions in manufacturing industries;
- minimising defects in manufacturing processes by introducing new control technologies and intelligent automatic correction processes;
- increase throughput and quality of production;
- reduce manufacturing costs.

Under the light of the global competitive situation, the pilot initiative aims at supporting companies in increasing their performance to keep manufacturing in Europe and, at the same time, at developing new environmentally-friendly models that can preserve European resources and that can constitute a reference for manufacturers all over the world.

## High Performance Production with 3D-printing

### Flanders, South-Netherlands & Norte

3D-printing has a huge potential for new growth and employment in Europe. It can induce more local production in Europe thanks to flexibility and customisation of manufacturing. 3D-printing is considered to be an important component of the new industrial revolution that will benefit to welfare and employment creation in Europe. This pilot initiative wants to contribute to the acceleration of the uptake of 3D-printing solutions by a combined effort of industry led clusters in a large number of European regions.

These clusters/platforms are organising localised ecosystems for 3D-applications in economic domains where regions develop their comparative strengths. This proposal aims to setup a European project to exploit network synergies for the co-creation of growth markets for 3D-printing applications.

The rationale of the project is to exploit network synergies and create sufficient critical mass as important conditions for the take-off of an emerging industry in Europe, based on smart specialisation and on the mutual learning from the experiences in demonstrators and pilots that will be a core instrument for combining private and public efforts.



## The Vanguard Initiative in 2014 and Beyond

The purpose of the Vanguard Initiative is not simply to generate new projects, but to demonstrate how its approach can be applied to develop new European or multi-level support mechanisms that can be used by all regions.

In the past year, the Vanguard Initiative is supporting DG Enterprise in their development of a smart specialisation platform for Advanced Manufacturing (ADMA). Our early work in this area has resulted in the development of three pilot initiatives. We are contributing to the development of a new EU clusters policy, and are helping to shape the forthcoming EU Industrial Policy Roadmap. The Vanguard Initiative has also worked with DG Regional Policy and DG Research and Innovation on opportunities to further refine the content and quality of Regional Smart Specialisation Strategies.

In addition there has been engagement with members of the European Parliament to explain the ambition of the Vanguard Initiative and to seek their support to work together to influence the future direction of innovation and industrial policy.

The Task Group on Smart Funding aims to maximise synergies between European, National and Regional programs, being crucial to lever innovation from the results of the pilots. For the Vanguard Initiative, this topic assumes particular importance for the operationalisation of the strategy and its practical translation to the ground. In other words, deploying the plan coming from the pilots will imply concrete actions in participating regions that are only feasible through Smart Funding.

Further detail of the work of the Vanguard Initiative in our first year can be found in our annual report. ([www.s3vanguardinitiative.eu/activities/Milan\\_event2014](http://www.s3vanguardinitiative.eu/activities/Milan_event2014)).



“Cooperation is an imperative that needs to become intelligent, exploiting the commonalities and complementarities between European regions, in order to improve the innovation output and economic growth. Thus, we strongly believe in the forging of European Alliances and are deeply committed to actively participate in the Vanguard Initiative.” President of Norte Regional Coordination and Development Commission, **EMÍDIO GOMES**

“Our innovative industry is a mixture of global players and a strong Mittelstand with a lot of “hidden champions”. We are concentrating our activities on dynamic future growth areas such as sustainable mobility or resource efficiency.”

Vice-Minister President and Minister of Finance and Economics of Baden-Württemberg, **DR. NILS SCHMID**



“Asturias is an industrial region open to cooperation.”

President, **JAVIER FERNÁNDEZ**

“Being a partner in the Vanguard Initiative is important for Dalarna as a region and the cluster Triple Steelix and other industrial partners as well. Our ambition with the initiative is to learn more, exchange knowledge and impact future policies in our region and on the European level.” President Region Dalarna, Regional Development Council of Dalarna County, **LEIF NILSSON**



“The “Innovative Upper Austria 2020” Strategic Economic and Research Programme forms both the basis for the future prosperity of our region and for an optimum response to the challenges of global competition. Growth, competitiveness and investments serve as a platform for the prosperity, security and quality of life of the Upper Austrian population.”

Minister of Economic Affairs, **DR. MICHAEL STRUGL**

“The Basque Country has been pursuing an innovation strategy for the last 30 years. Being nowadays considered a success story in industrial renewal, our RIS3 strategy responds to the productive and social transformations needed to generate employment and welfare.”

President of the Basque Country, **IÑIGO URKULLU**



“Tampere has been the cradle of industry and the capital of manufacturing in Finland. Through smart specialisation and renewing our manufacturing industry we will maintain our position among the most advanced regions in Europe.”

President of the Regional Board, Council of Tampere Region, **HARRI JASKARI**

“With one of the largest agro (horticulture), marine and bio-based clusters in Europe, we work together with businesses and knowledge institutes towards a cleaner, more sustainable and future-proof region.”

Vice Governor Province of Zuid-Holland, **GOVERT VELDHUIJZEN**



“North Rhine-Westphalia continues to be one of the industrial heartlands of Europe. Through our industrial policy, we assist industry with bringing innovative products successfully to the lead markets of the future.”

Minister-President of North Rhine-Westphalia, **HANNELORE KRAFT**

“Lombardy is ready for the challenges of the future. Willing to be a leading player, the region will keep betting on research and innovation, real engines of growth and development.”

Regional Minister for Productive Activities, Research and Innovation, **MARIO MELAZZINI**





“Małopolska is looking to foster economic growth, job creation and further development of the region through new technologies. The Vanguard Initiative will allow all participating regions to join forces and spread the benefits of innovative solutions across the European Union. Together these regions strive to transform industry through an entrepreneurial spirit and ‘smart’ attitude.”

Marshal of the Małopolska Region, **MAREK SOWA**

“There is a new entrepreneurial spirit emerging in Scotland that recognises the social as well as economic benefits of innovation and collaboration. The Vanguard Initiative provides an excellent platform from which we can work with our European partners to deliver our shared aspirations for smart, sustainable and inclusive growth.”

Cabinet Secretary for Finance, Employment and Sustainable Growth, **JOHN SWINNEY**



“Navarra has a long tradition in promoting industry, a sector that accounts for the 28% of our GDP. Industry plays a key role in regional growth and boosts job creation in other sectors; that is why regions should work together and foster cooperation to achieve a truly industrial renaissance in Europe.”

President of Navarra, **YOLANDA BARCINA**

“The third industrial revolution will be based on Europe and the regions of Europe. Wallonia will totally be part of this redeployment. This redeployment is supported by sectors with high level economic potential and innovative activities.”

Vice- President, **JEAN-CLAUDE MARCOURT**



“The vertical conception of industry is outdated. Regions are the right level to implement transversal and interconnected innovation ecosystems.”

President of the Rhône-Alpes Region, **JEAN-JACK QUEYRANNE**

“Our targeted cluster policy will focus on the strengths of our region and seek cooperation with other clusters, companies and research organisations to build European value chains in partnerships.”

Minister for Work, Economy, Innovation and Sport of Flanders, **PHILIPPE MUYTERS**



“Many European regions such as Nord-Pas de Calais are involved in a conversion and even a renaissance of their industrial base. The smart specialization strategy, as designed by the European Commission, represents today an excellent opportunity to make new value chains emerge. These new emerging sectors will be built on strong entrepreneurial initiatives. Clusters will amplify the momentum and increase its impact.” First Vice-President for Economic development, New technologies and Continuing education, **PIERRE DE SAINTIGNON**

“ We are committed to create an innovative and truly international mind-set throughout the region – cross-border cooperation is a top priority on our political agenda.”

President of the Regional Council, **CHRISTINE AXELSSON**



“Catalonia focus to Public Private Partnerships for Innovation.”

President of the Government of Catalonia, **ARTUR MAS**

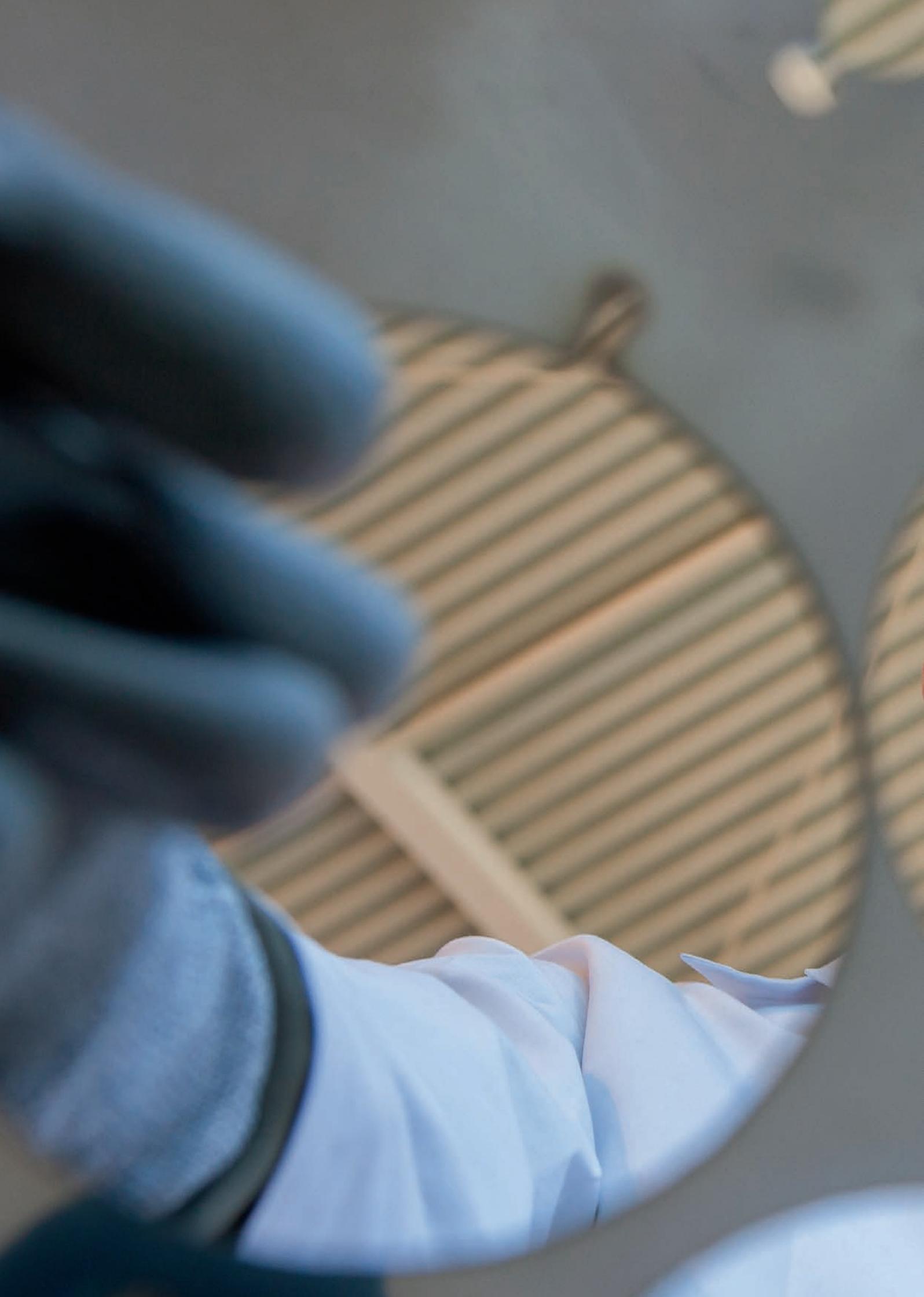
“No other region in the Netherlands has such a dynamic, innovative and knowledge based economy.”

Resp. King’s Commissioner for the Province of Limburg, **THEO BOVENS**,  
King’s Commissioner for the Province of Zeeland, **HAN POLMAN** and  
King’s Commissioner for the Province of Noord-Brabant, **WIM VAN DE DONK**











The Vanguard Initiative for New Growth through Smart Specialisation is open to all regions that want to make a political commitment (at the highest level) to engage their smart specialisation strategies for the future of industry and new growth in Europe.

Regions play an important role in the modernisation of European industry through their innovation eco-systems. The Vanguard Initiative is committed to seeking out new forms of interregional collaboration which encourages innovative partnerships and clusters to join forces and to internationalise through smart specialisation.

Smart specialisation is a policy concept explicitly aimed at boosting innovation in all European regions by focusing on their strengths. Smart specialisation strategies bring together governments, research institutions and companies at regional level to seek out competitive solutions to societal challenges that are at the same time sources of new growth and jobs.

The partners of the Vanguard Initiative aim to lead by example by encouraging specialised regional clusters to grow into European world-class clusters, in the framework of European strategic priorities for growth. Therefore they will act collaboratively on an interregional and multi-level scale. In this way, they also contribute to European ambitions to strengthen international competitiveness.

The High-Level Meeting of 13 November 2014 in Milan gathers political leaders of the 21 partners to sign a 'Milan Declaration' that restates the commitments made in the 'Letter of Engagement for a European Industrial Renaissance' to the President of the European Council of 30 January. The Vanguard Initiative will deliver on the principles and proposals developed in its Declaration to strengthen interregional cluster networks in European priority areas and cooperate with the European Commission to reinforce the multi-level governance of industrial and innovation policies for new growth.

ASTURIAS

NORD-PAS DE CALAIS

SCOTLAND

BADEN - WÜRTTEMBERG

NORDRHEIN-WESTFALEN

SILESIA VOIVODESHIP

CATALUNYA

NORTE

SOUTH-NETHERLANDS

EUSKADI

OBERÖSTERREICH

TAMPERE REGION

LOMBARDIA

REGION DALARNA

VLAANDEREN

MAŁOPOLSKA

REGION SKÅNE

WALLONIE

NAVARRA

RHÔNE-ALPES

ZUID-HOLLAND