



# **ERDF-NNL PROGRAMME**

## **2021-2027**

**A SMARTER, GREENER AND MORE**

**INNOVATIVE NORTHERN NETHERLANDS**

**PUBLIC VERSION**

# ERDF-NNL Programme 2021-2027: A smarter, greener and more innovative Northern Netherlands

A smarter, greener, more social and more inclusive Europe. That is what the European Regional Development Fund (ERDF) wants to contribute to. The ERDF aims to strengthen cohesion within the EU and reduce differences between European regions. For the Netherlands, the focus is on innovation, for the Northern Netherlands on strengthening the entrepreneurial and innovation climate. And that is important for all entrepreneurs in the North.

The ERDF programme for the Northern Netherlands (ERDF-NNL) builds on the Research and Innovation Strategy for Smart Specialization, abbreviated RIS3, for the Northern Netherlands 2021-2027. RIS3 is the coherent, overarching strategy. The dot on the horizon is a circular, happy and inclusive Northern Netherlands. This requires a continuous search for innovative ideas for sustainable development and for new opportunities and possibilities to strengthen the innovation climate.

The Northern Netherlands faces the challenge of developing new, possibly surprising innovations on the basis of existing strengths and competences, and to let these develop into new specializations. Companies, knowledge institutes and partnerships that want to get started with this can apply for subsidies through the Northern Netherlands Alliance, which is Samenwerkingsverband Noord-Nederland, abbreviated SNN, in Dutch. There are 108 million euros of ERDF subsidy available. In addition, there are subsidies from the national government and the provinces. If the various subsidies reinforce each other, a real difference can be made in the coming years.

This document describes the opportunities and challenges for the Northern Netherlands from an ERDF perspective. It ends with an appeal to all entrepreneurs, knowledge institutions and involved citizens in the Northern Netherlands: 'Think along, participate in the ERDF-NNL. The region is looking for innovative ideas'.

## 1. OPPORTUNITIES FOR THE NORTHERN NETHERLANDS

The ERDF-NNL programme has two priorities, each with its own specific objectives. These objectives are elaborated on the basis of the three pillars of RIS3: seizing opportunities, improving the innovation ecosystem and strengthening preconditions.

- Exploiting opportunities goes hand in hand with valorising knowledge from the transitions that are of great importance to the Northern Netherlands.
- Improving the innovation ecosystem means: working on a climate in which entrepreneurs and other parties are continuously triggered to recognize and exploit opportunities. A better innovation ecosystem is smart, green and has impact.
- Strengthening preconditions is about human capital, innovative entrepreneurship, cross-border cooperation and digital skills. Good preconditions are the basis for creating a creative innovation ecosystem and seizing opportunities.

ERDF-NNL wants to use the transitions to achieve innovations in which economic and social objectives reinforce each other. The transitions are not an end in themselves, but offer opportunities for sustainable, broad-based prosperity. The current strengths of the Northern Netherlands need not be the future strengths, but they are the basis on which the Northern Netherlands can develop and capitalise on new opportunities. This requires entrepreneurship from individual entrepreneurs and the region as a whole. Everyone can contribute: entrepreneurs, educational and knowledge institutions and citizens.

The opportunities for the North lie in four major transitions:

### **From a linear to a circular economy**

In a circular economy, materials are used as long as possible, of as high quality as possible and as safely as possible. The circular economy offers great economic opportunities, including in areas such as recycling, water technology, renewable energy, health, agriculture and green chemistry. The circular economy contributes to a greener and cleaner ('zero pollution') Northern Netherlands. To achieve the goal of 100% circularity by 2050, new innovations and thus investments are needed.

## From fossil to renewable energy

The energy transition is one of the greatest challenges of this century. There is no area in which the energy transition will not have an impact. This requires significant investments, in the physical energy infrastructure, in innovations and in human capital. For the Northern Netherlands, this is an important innovation opportunity. The Northern Netherlands has a relatively large amount of biomass (organic substances from agriculture), water, geothermal sources and also a highly developed energy infrastructure and related knowledge and expertise.

## From care to sustainable health

The growing demand for care and the increasingly tight labor market are putting pressure on the healthcare system. The covid pandemic has increased the pressure considerably and exposed the weaknesses in the system. At the same time, there are more and more (technological) opportunities to improve care and health, strengthen the sustainable employability of workers, and build a future-proof society. This requires changes in care and in the way we think about health. The focus is shifting from treatment to prevention. Here lie innovation and development opportunities for the Northern Netherlands, also related to the application of digital technologies.

## From analogue to digital

A far-reaching digital transition is underway worldwide. On the one hand, digitization contributes to the economy and society; on the other hand, digitization requires alertness in the areas of security, privacy and ethics. The opportunities for NNL lie mainly in the application of digital technologies and the opportunities derived from them. For example, in the energy-intensive process industry, where digitisation, sensors and data are becoming increasingly important.

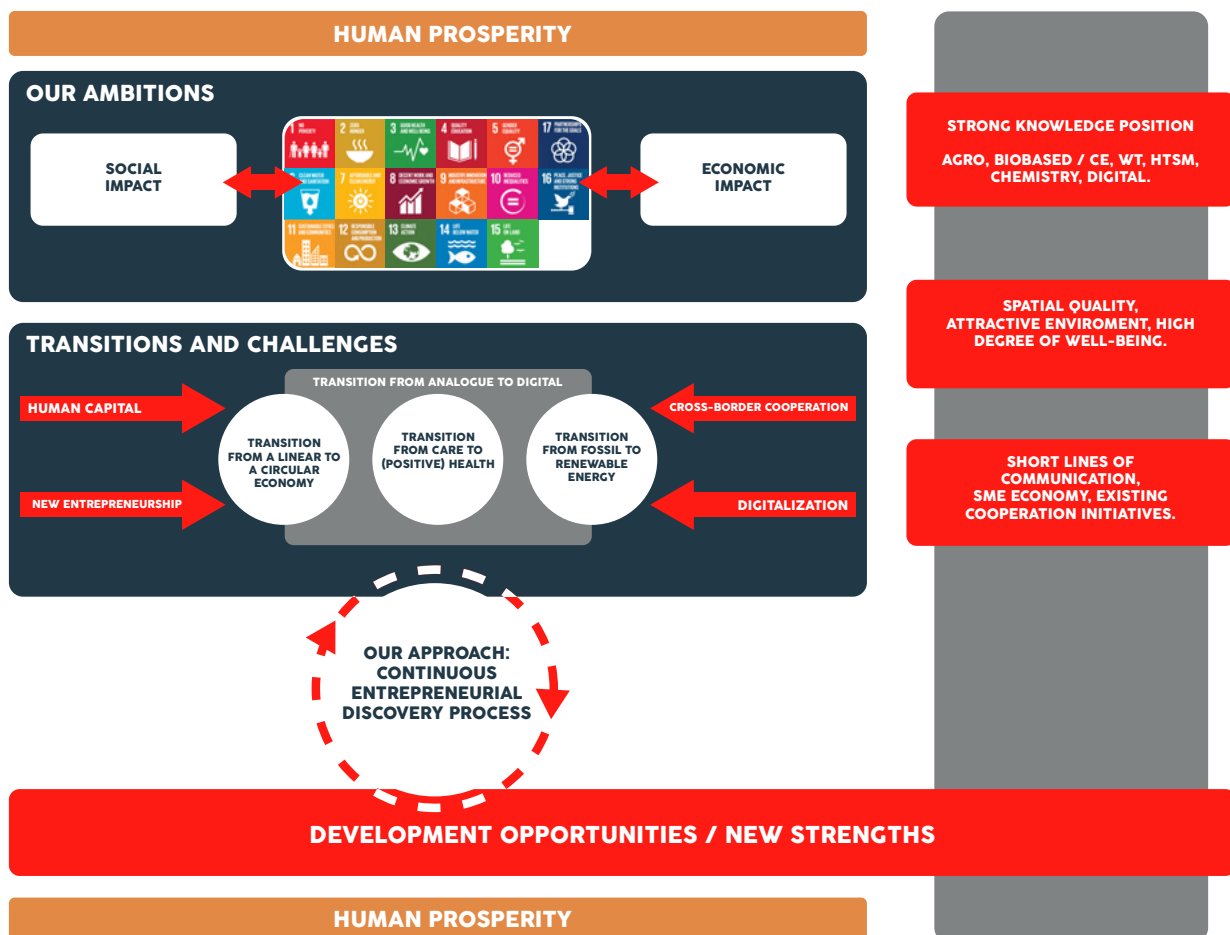


Figure 1: RIS3 Northern Netherlands in focus (SNN RIS3 Bericht 2021-2027, 2020)

ERDF-NNL wants to promote the distinctive character of the Northern Netherlands and encourage the development of unique new specialisations. The green transitions offer excellent opportunities for this. By investing in innovation, the Northern Netherlands can make a significant contribution to achieving the climate goals and objectives for a circular economy in the Netherlands and in Europe. In addition to the ERDF, resources from the European Just Transition Fund (JTF) are also available for this purpose for the Northern Netherlands.

## ERDF-NNL: priorities and objectives

### Priority 1: A smarter and more innovative Northern Netherlands.

Specific objectives:

#### Developing and strengthening of the research and innovation capacity and introducing advanced technologies:

- Exploiting opportunities: investing in facilities and activities aimed at knowledge development, research and the development, testing and implementation of new technology
- Improving the innovation ecosystem: improving network connections and the dynamics between innovations, strengthening the Continuous Entrepreneurial Discovery Process (C-EDP)
- Strengthening framework conditions: innovative entrepreneurship, cross-border cooperation, digitalisation

#### Developing skills for smart specialization, industrial transition and entrepreneurship:

- Strengthening framework conditions: better cooperation between companies and knowledge institutions, focus on human capital development in SMEs.

### Priority 2 A greener and more innovative Northern Netherlands

Specific objectives:

#### Promoting renewable energy

- Exploiting opportunities: stimulating innovations around renewable energy.

#### Developing smart energy systems, networks and storage at the local level

- Seizing opportunities: stimulating innovations around smart energy systems.

#### Promoting the transition to a circular economy

- Seizing opportunities: stimulating innovations around circular economy.

### Priority 1. Smart and innovative Northern Netherlands

	Description	Milestone 2024	Target 2029
<b>Output indicators</b>	Number of enterprises supported	117	1531
	Number of enterprises collaborating with knowledge institutions	4	67
	Number of innovation trajectories linked to the digital transition	4	64
	Number of innovation trajectories linked to the health transition	3	48
	Number of collaborations aimed at improving the innovation ecosystem	8	166
<b>Result indicators</b>	Number of small and medium sized enterprises (SMEs) that introduce product or process innovation	N.v.t.	113
	Number of small and medium-sized enterprises (SMEs) introducing innovation in the field of marketing or business organisation	N.v.t.	942
	Number of small and medium-sized enterprises (SMEs) that innovate internally	N.v.t.	1009

Table 1: Indicators objectives ERDF Northern Netherlands 2021- 2027 - Priority 1

## Priority 2. Green and innovative Northern Netherlands

	Description	Milestone 2024	Target 2029
Output indicators	Number of enterprises supported	12	137
	Number of innovation trajectories linked to the circular transition	4	40
	Number of innovation trajectories linked to the energy transition	8	80
Result indicators	Number of small and medium sized enterprises (SMEs) that introduce product or process innovation	N.v.t.	137

Table 2: Indicators objectives ERDF Northern Netherlands 2021- 2027 - Priority 2

## 2. CHALLENGES FOR THE NORTHERN NETHERLANDS

To achieve successful economic and social transitions, it is necessary to address existing barriers and bottlenecks in the Northern Netherlands. In recent years, several studies have been conducted on this. One of the major bottlenecks is the too fragmented innovation ecosystem and the small geographical scale of thinking and working in the Northern Netherlands. Because research and development in the Northern Netherlands has remained primarily a matter of public parties, specialization opportunities have remained unused. The process of moving from opportunities to new specializations and strengths has a difficulty getting started in the Northern Netherlands.

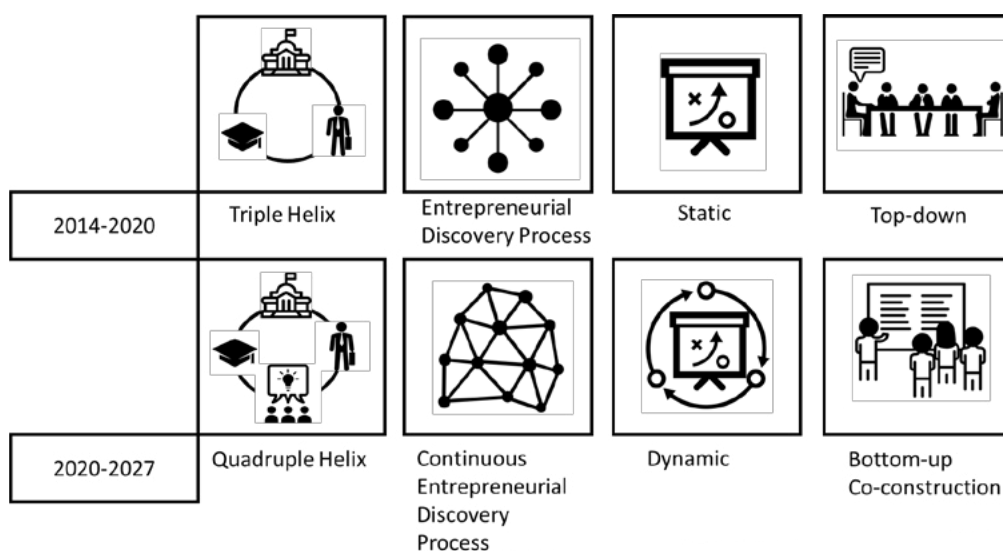


Figure 2: The European Commission's new vision on smart specialisation (SNN RIS3 report 2021-2027, 2020)

In the previous ERDF programme (2014-2020), the focus was on stimulating innovation processes at companies that are already structurally working on innovations. The new programme (2021-2027) has a broader approach. Not only does it want to help companies that are already working on innovations, it also wants to increase the number of innovative companies in the Northern Netherlands. It wants to stimulate interactions between those companies, but also between companies, knowledge institutions and users involved in innovations. The programme therefore still offers opportunities for support to (individual) companies, but it is also about strengthening the innovation ecosystem and improving the preconditions for the innovation ecosystem to flourish.

ERDF-NNL presents three challenges for the Northern Netherlands:

- Develop and strengthen a strong entrepreneurial climate and ensure that the number of innovative entrepreneurs will grow.
- Improve the preconditions in the field of human capital, innovative entrepreneurship, cross-border cooperation and digital skills.
- Exploit opportunities and strengthen broad prosperity.

These three challenges form the pillars of the research and innovation strategy for smart specialization for the Northern Netherlands (RIS3). If these pillars are strong, more and more opportunities will be exploited to make the Northern Netherlands greener, smarter and more innovative. ERDF-NNL is looking for entrepreneurs with innovative ideas to tackle these challenges.

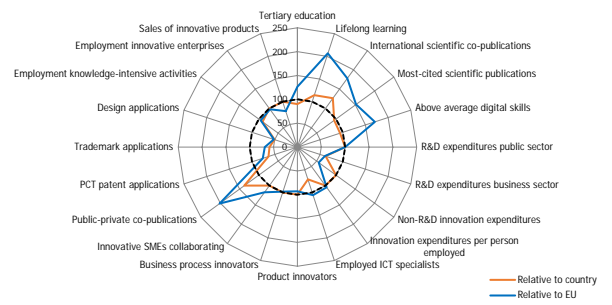
## Invest in a powerful innovation ecosystem

The region as a whole must become more innovative. The innovation climate is strengthened by setting a process in motion in which parties are constantly triggered to recognize and seize opportunities. The more successful we are in creating a dynamic, creative and open ‘innovation ecosystem’, the more ideas, opportunities and possibilities will arise and the more parties will collaborate. These ideas cannot be conceived or imposed from above, but arise from the bottom up, when companies, organizations and people meet and inspire each other.

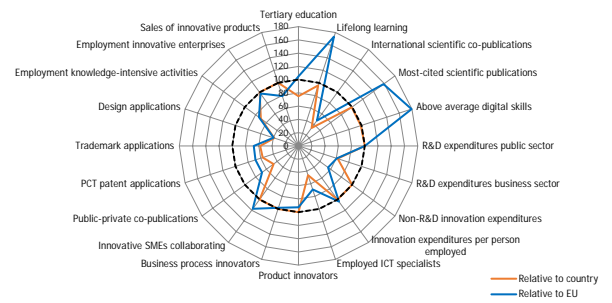
The path to a more innovative SME is complex and usually long. It requires a chain approach that differentiates between different groups of entrepreneurs, ranging from non-innovators to frontrunners. Each group needs something different to move up the innovation competency ladder. By gearing the use of the ERDF to this, we can work towards a structurally more innovative SME. It is not always money that helps SMEs; access to knowledge or networks often has more effect. The idea behind the chain approach is, on the one hand, to offer SMEs support for their current needs and, on the other hand, to make a connection with the next step and the needs that follow from that. This requires continuity and coherence in the support offered by the ERDF and other funds. It is also important that the support comes from close by: focused on networks and parties working with SMEs.

There is much to be gained in the Northern Netherlands from utilizing the potential innovation power present. The group of entrepreneurs who successfully innovate is relatively small. To become more innovative as a region, it is necessary to increase the pool of innovative companies. An important objective is therefore to strengthen the research and innovation capacity and the introduction of advanced technologies. But also connecting entrepreneurs (‘peer exchange’ and ‘peer learning’) and reducing the distance between knowledge institutions and companies.

### GRONINGEN



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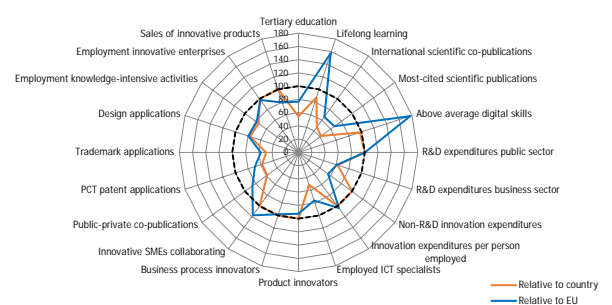


Figure 3: Innovation scores of the Northern Netherlands compared to national and European innovation scores (European Commission Regional Innovation Scoreboard, 2021)

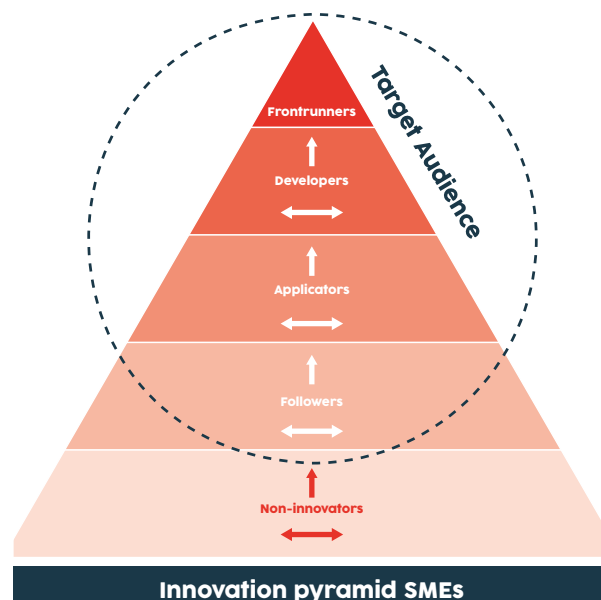


Figure 4: SME innovation pyramid (Consultatieversie EFRO, 2021)

## Improve and strengthen the preconditions

It is crucial for the Northern Netherlands to invest in cross-border collaboration, human capital, entrepreneurial skills and digitalization.

### Cross-border collaboration

The Northern Netherlands needs entrepreneurs who look further ahead, who think about what the future holds and how they can anticipate it now. The government cannot determine on its own where the opportunities lie; it needs entrepreneurs to do so. The government can help connect entrepreneurs with other entrepreneurs and possible cooperation partners, such as knowledge institutions and citizens/users. A party that has found an answer to a current question also needs others to move forward. No one is capable of solving major social (transition) issues on their own. To get to where we want to be, parties have to 'cross the border' and look for the piece of the puzzle they are missing to complete the puzzle. In the quadruple helix model, government, knowledge institutions, business and citizens/users work together to find solutions to societal issues.



Figure 5: 70% of the interviewed entrepreneurs of the Northern Netherlands Innovation Monitor 2021 see their company as a social enterprise focused on responding to societal challenges (Innovation Monitor, 2021)

### Human capital, entrepreneurial skills and digitalization

The route to a more innovative SME requires an integrated approach and integrated solutions. It turns out that the biggest bottlenecks are not in technology, but in human capital. Many entrepreneurs and employees currently lack the (management) skills and the (digital) skills to apply technological innovation. The majority of SMEs in the Northern Netherlands are small. Many entrepreneurs are unable to combine the daily running of their business with the development and exploitation of new forms of knowledge. The front runners have often already found the route to knowledge, but the layers below have not yet. These groups of entrepreneurs require a specific approach and support: more 'light touch', 'tailor made' and experimental, aimed at developing skills for smart specialization, industrial transition, entrepreneurship and digitalization. Knowledge institutions can play an important role in this. The trick is to make better use of the potential innovation power of companies.

## Exploit the opportunities, strengthen the broad prosperity

ERDF-NL is about stimulating entrepreneurship, improving skills, investing in human capital and promoting peer exchange and peer learning. ERDF-NNL challenges entrepreneurs and partnerships to experiment with each other and, if an experiment fails, to try again in a different way. After all, failure is also rewarding. In an open and dynamic innovation ecosystem, SMEs, knowledge institutes and citizens can meet and take advantage of opportunities to innovate together.

As the innovative power grows, promising innovations, new value chains and new earning models emerge. This will enable the Northern Netherlands to distinguish itself in the future. It makes no sense for a region to do the same as other regions. The chances of success are greatest if a region knows how to distinguish itself from other regions. That is where the challenge lies for the Northern Netherlands: to look for distinctive capacity. From a critical, curious, entrepreneurial attitude and a continuous drive for improvement.

If the Northern Netherlands is able to seize the development opportunities arising from the transition issues, the broad prosperity of the entire region will increase. This is not just about money (Profit), but also about social cohesion (People) and a healthy living environment (Planet). This brings a circular, happy and inclusive Northern Netherlands closer.

## Smart use of funds

The Northern Netherlands can draw on various funds and resources from Europe, the national government and the provinces, such as ERDF, the Just Transition Fund (JTF), the INTERREG programs for cross-border and international cooperation and the European Social Fund+ (ESF).

By using these funds in a smart way, connections are made and synergy is created. The JTF focuses specifically on mitigating the negative consequences of the climate transition through a targeted economic and social transformation program. ERDF focuses on increasing the innovative capacity of SMEs and the Northern Netherlands. Green innovations developed with the help of ERDF can, for example, be rolled out and applied through the JTF program. Other relevant instruments (but not region-specific schemes) are the SME Instrument Topsectoren (MIT), the Knowledge and Innovation Agendas (KIAs) and the government schemes for innovation promotion.

## 3. APPEAL TO THE NORTHERN NETHERLANDS

The transitions bring with them great social challenges but also offer great economic opportunities. The Northern Netherlands deserves to become even more beautiful and prosperous. Hence this call to entrepreneurs, knowledge institutions and citizens:

***‘Participate in the development and realisation of the RIS3 and ERDF-NNL.’***

Your vision, brainpower, ideas and entrepreneurship are badly needed. For your own future as an entrepreneur, institution or organisation, and also for the future earning capacity of the region and the future of the Northern Netherlands.

ERDF-NNL brings people, companies, knowledge institutions and organizations together who see opportunities in the transitions taking place in the Northern Netherlands.

### Want to know more?

For more information about RIS3, ERDF-NNL and JTF, go to: <https://www.snn.nl/over-snn/europa-2021-2027> (in Dutch). Or get in touch with the advisors of the provinces of Friesland, Groningen, Drenthe or SNN. They will inform you about the possibilities.

Come with your innovative ideas and contribute to a happy, circular and healthy Northern Netherlands.