Synergies between Horizon 2020 and the European Structural and Investment Funds: The theory and Horizon 2020 practices

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Structure

- Why synergies between H2020 and ESIF
- What are the conditions and basic rules to be respected
- What WE do and can do more to foster synergies
- What YOU can do
Why synergies between H2020 and ESIF?
Investment in R&D pays off
ESIF & H2020 are part of the same long term strategy for jobs and growth

- EU2020 R&I TARGET: 3% of the EU's GDP invested in R&D by 2020
- "INNOVATION UNION" Flagship initiative (2011)
  -> Introduction: The research and innovation dimensions should be integrated in EU funding programmes, including the FP, the CIP and the Cohesion Funds. They also need to be better coordinated in design and implementation so as to maximise impact, user-friendliness and EU

- H2020 and ESIF Regulations adopted end 2013
- New Commissioners Mr Moedas and Ms Cretu – mandate to maximizing synergies
ESIF & H2020 are part of the same budget envelope:

Total EU budget 2014 – 2020: 960 billion EU

1. Smart & inclusive growth (€451bn)
   - Education, Youth, Sport
   - Connecting Europe

2. Sustainable growth, natural resources (€373bn)
3. Security and citizenship (€16bn)
4. Global Europe (€58bn)
5. Administration (€61.6bn)
80bil€ distributed in three priorities:

> Excellent science (€24.5 billion – current prices)
> Industrial leadership (€17.9 billion)
> Societal challenges (€31.7 billion)

Other parts – outside the three pillars

- Responsible research and innovation, including gender
- International cooperation

- "Spreading excellence and widening participation"
- "Science with and for society"

are addressed as separate parts outside the three main pillars
What’s new?

- **A single programme** bringing together three separate programmes/initiatives*

- **Coupling research to innovation** – from research to retail, all forms of innovation

- **Focus on societal challenges** facing EU society, e.g. health, clean energy and transport

- **Simplified access**, for all companies, universities, institutes in all EU countries and beyond

- **Specific support to SMEs: the SME instrument (mono-beneficiary)**

*The 7th Research Framework Programme (FP7), innovation aspects of Competitiveness and Innovation Framework Programme (CIP), EU contribution to the European Institute of Innovation and Technology (EIT)
Cohesion Policy (2014 – 2020)
KEY FEATURES FOR SYNERGIES
351b€ focusing on Europe 2020 objectives for smart, sustainable and inclusive growth:

11 Thematic Objectives

1. Research and innovation
2. Information and Communication Technologies
3. Competitiveness of Small and Medium-Sized Enterprises (SME)
4. Shift to a low-carbon economy
5. Climate change adaptation and risk management and prevention
6. Environmental protection and resource efficiency
7. Sustainable transport and disposal of congestion on major network infrastructure
8. Employment and support for labour mobility
9. Social inclusion and poverty reduction
10. Education, skills and lifelong learning
11. Increased institutional capacity and effectiveness of public administration
New key principles:

1. **Thematic concentration** to maximise the impact of investments
   
   -> more developed regions have to spend a minimum of 60-80% ERDF to the first four objectives (including the R&I objective – TO1) and less developed regions at least 50%

2. **Ex-Ante conditionalities** to ensure effective implementation
   
   -> Smart Specialisation – a strategic approach to economic development through targeted support to R&I - is the *Ex-ante Conditionality* for the use of the ERDF for R&D&I investments
Smart specialisation as ex ante conditionality for R&I investment priorities

**ERDF Investment priorities:**

1. Research and innovation

2. **ICT use** (*ICT based innovation & "digital growth")

   **ICT access and quality**  
   (broadband)

3. Competitiveness of SMEs

**Ex ante conditionalities:**

**Smart specialisation strategies**

- Digital growth strategy can be independent, but for sake of coherence it is **recommended to integrate it in RIS3**

**Recommended:**

Include in the RIS3 envisaged support to SME innovation
Steps to RIS3

Step 1: Analysis of regional potential for innovation-driven differentiation

Step 2: RIS 3 design and governance – ensuring participation & ownership

Step 3: Elaboration of an overall vision for the future of the region

Step 4: Selection of priorities for RIS3 + definition of objectives

Step 5: Definition of coherent policy mix, roadmaps and action plan

Step 6: Integration of monitoring and evaluation mechanisms
What are the conditions and basic rules to be respected?

(ref SWD + Annex 1)
SYNERGIES FOR BETTER IMPACT:

Maximizing the quality and the impact of the investments in research and innovation leading to increased competitiveness, growth and jobs through:

- a strategic approach -> smart specialisation R&I objective in PA/OPs

and

- combination of funding -> amplifying or carrying forward projects with a leverage effect
### EU R&D Policy – Horizon 2020

#### Differences

| Excellence based / Non-territorial approach | Socio economic development/ Place-based approach |
| Direct management - mostly awarded directly to final beneficiaries | Awarded through shared management to national and regional public intermediaries |
| Mostly competitive calls addressed mainly to international groupings through peer-review based on excellence criteria | Mostly non-competitive attribution addressed to regional players (single beneficiaries) based on strategic planning negotiation |
| Bi-annual work programmes | 7-years OPs |

#### Complementarities

| Horizon 2020 focuses on tackling major societal challenges, maximising the competitiveness impact of research and innovation and raising and spreading levels of excellence in the research base (widening) + single beneficiary (SME) + simplification | Cohesion policy will maximise the competitiveness impact of research and innovation acting as a capacity building instrument via smart specialisation, based on learning mechanisms and critical skills in regions and Member States + interregional possibilities. |

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**Smart specialisation**
Understand "positioning" in R&I cycle

Overall concept for complementarity: Emphasis of programmes

ESIF

Horizon 2020

€100 billion for innovation in wide sense

€ 79.4 billion

"Stairway to Excellence"

National/Regional R&I systems

"Research Excellence"

Research & Development

"Innovation Excellence"

Hopefully also excellence, but

Capacity Building

"Up-stream"

Innovation

Market

"Down-stream"
Find the suitable funding combination

> **Cumulative:** H2020 and ESIF together in one PROJECT

> **Consecutive** ("sequential") where one project is based on the result of another:

  a) ESIF enables H2020 participation ("upstream")
  b) ESIF supports the take-up of H2020 results ("downstream")

> **Parallel**, in two different projects that are complementary but have different goals and activities;

> **Alternative** Funding: Proposal positively evaluated e.g. in the SME Instruments but not funded for lack of budget → ESIF could finance if in line with RIS3 and other national conditions.
Respect the key budgetary principles

Combining H2020 and ESIF money in the same project is allowed by derogation from the non-cumulative principle of Art. 129 Fin. Regulation (Art 65(11) CPR & 37 H2020 RfP)

BUT

NO double funding: two Union grants (e.g. Horizon 2020 and ESIF) may not cover the same cost item

NO substituting of co-funding principle
Example: in a 70% funded H2020 Innovation Action, the 30% must not come from ESIF but entirely from the partner in question.

Project ≠ grant agreement!
Examples of combined funding

(ref annex 2 of the Guide)
Support to mainstream R&I actions: cumulative

Simultaneous/cumulative funding
H2020 Innovation Action 70% funded:

- Partner 1/MS1
  - ESIF Large-Scale Validation Equipment
  - 70% of Staff, Prototype Equipment, OH
  - 30% own funds

- Partner 2/MS2
  - 70% of eligible Costs funded By H2020
  - 30% own funds Of partner

- Partner 3/MS3
  - 70% of eligible Costs funded By H2020
  - 30% own funds Of partner

Important:
→ H2020 must be a stand alone proposal to have a chance for funding

→ Timeline is important!

- H2020 GA (Grant Agreement) that includes all partners (simplified version with 3 partners from 3 MS=minimum number required)
- ESIF grant contract for partner 1: may be up to 85% in MS of EU13
SME instrument: alternative/ sequential funding

Scenario:

Alternative funding SME Instrument:

H2020: Above threshold but lack of money for funding

Phase 1: Feasibility study/ Business plan development

Phase 2: Pilot projects

Phase 3: Commercialisation (not directly funded by H2020)

A single applicant is based in a MS with RIS3 priority fitting for the purpose or SME focus. If all other ESIF criteria fulfilled, ESIF funding possible.

Potential funding through ESIF PPI; Financial Instruments
What to do to make synergies possible?
DOs...

Think strategically: Synergies are more than just funding opportunities...look at strategic aims (RIS3/OP)

Improve the understanding of the objectives and management principles of both sides: H2020 and ESIF

Exploit the possibilities provided by the legal basis

Training for RTD, CNECT, ENTR, REGIO, EMPL, AGRI, etc staff, external evaluators, auditors on synergies with ESIF

Use NCPs, EENs, COESIF, MA meetings, etc. to ensure information flow during implementation and strengthen the collaboration

Synergies tracking systems could be installed
 DON’Ts

Not look for synergies for the sake of synergies

NO diversion of funding from the purpose of the respective instrument/operational programme (e.g. smart specialisation strategy)

NO simple "run for the money": Maximising the acquisition of additional funding from H2020 for a MS / region is no good objective, as this lacks durable impact.

Do not expect automatism for positive assessment of cumulation efforts across Horizon 2020 (excellence is the key principle).

Do not expect "positive discrimination" for ESIF mobilisation compared to other additional actions to a Horizon 2020 project.
What has been done so far by RTD:

- Comments to PA and OP to enhance references to synergies
- Joint guideline document on synergies with DG REGIO
- Internal catalogue on "H2020 Synergy-friendly actions"
- Synergy-related chapter in the Internal Guide for drafting Horizon2020 work-programmes
- Training to NCPs and to internal working groups
- Reference to synergies in Work Programme introduction –both WPs
- Highlight importance of synergies in the result exploitation phase of research & innovation projects (demonstrators, etc) - DOWNSTREAM
- Actions enabling mapping of thematic priorities, studies, analysis of possible synergies and enabling networking between Managing authorities _ UPSTREAM
- "WIDENING ACTIONS" with strong component of potential synergies with ESIF - COMBINED
Widening actions & synergies

- **Teaming for Excellence** has the strongest link to RIS3 since any Centre of Excellence proposed (new or upgraded) has to be fully integrated in the Smart Specialisation Strategy of the country or region involved (to avoid the ‘Cathedrals in the Desert’ effect)

- This allows complementary investments in the Centre of Excellence (equipment, infrastructure, etc) with ESIF money - letter of commitment is requested

- **Twinning and ERA Chairs**, have no compulsory link to RIS3, but the Commission considers that such a link is strongly recommended
Other possible ideas from DG RTD to enable synergies in practice:

"Informing better" & "enlarging cooperation space":

- Collaboration with CoR – Knowledge exchange platform
- Thematic expertise to interested MAs and regional actors
- Systematic Involvement of RTD in Monitoring Committees of operational programmes
- Collecting concrete examples of existing synergies
- 'Seal of excellence' process facilitating alternative funding
The role on NCPs vs Synergies

- **Respond to information demand**
  - Difference between ESIF and H2020 scope, complementarity, agenda, deadlines, actors involved
  - Inform about the Guidelines, basic principles
  - 'Tailor-made' information based on local governance

- **Be pro-active**
  - Collaborate closely with national and regional planning authorities managing ESIF for research and innovation and identify cooperation and complementarity opportunities
  - Detect opportunities by sector (H2020 participants, RIS3)
  - Inform, train local authorities agents
  - Inform, train specific important geographic sectors (link RIS3)
  - Share good examples of synergies
What we need from you:

• Concrete examples of existing synergies

• Multiplier function: advertise these different opportunities!

• Feedback on these and other tools/support you think could be useful to you and your stakeholders
Links and documents

- **Guide for authorities on synergies between ESIF and Horizon2020 and other EU programmes:**


- **Regulations for the European Structural and Investment Funds:**

- **ERDF, ETC & Cohesion Fund Managing Authorities**
  - Research and innovation support under ESIF
  - **ESF, Youth initiatives & PSCI:**
  - **EAFRD:**
  - **EMFF:**

- **Horizon 2020 regulations & rules for participation, PPP & P2Ps:**

- **Smart specialisation Factsheet:**

- **S3Plattform** (incl. Eye@RIS3 database of specialisation intentions):
  [http://s3platform.jrc.ec.europa.eu](http://s3platform.jrc.ec.europa.eu)
Thank you for your attention!

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