Framework for synergies between ESIF and Horizon 2020 for Widespread activities and the role of NCPs: How to link Smart Specialisation Strategies and Widening activities

Dimitri Corpakis
Head of Unit
European Commission
DG Research and Innovation/RTD.B.5
Spreading excellence and widening participation
dimitri.corpakis@ec.europa.eu
Europe’s innovation divide undermines competitiveness

- Large parts of the EU out of ‘sync’
- Modest and Moderate Innovators holding back the EU as a whole
- Grand policy designs at risk without a sound and functioning base
- Identification of priorities and strategies of crucial importance – yet still, among the major bottlenecks
Why do we foster synergies between Horizon 2020 and ESIF?

Scarce resources:

- More efficiency
- Best use of public funds

✓ Synergies between Horizon 2020 and ESIF aim at maximising quantity, quality and impact of research and innovation investments through interactions between two policy frameworks
### Eligibility map 2014-20

<table>
<thead>
<tr>
<th>Region</th>
<th>Billion EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less developed regions</td>
<td>164.3</td>
</tr>
<tr>
<td>Transition regions</td>
<td>31.7</td>
</tr>
<tr>
<td>More developed regions</td>
<td>49.5</td>
</tr>
<tr>
<td>Cohesion Fund</td>
<td>66.3</td>
</tr>
<tr>
<td>European territorial cooperation</td>
<td>8.9</td>
</tr>
<tr>
<td><strong>Of which</strong></td>
<td></td>
</tr>
<tr>
<td>Cross border cooperation</td>
<td>6.6</td>
</tr>
<tr>
<td>Transnational cooperation</td>
<td>1.8</td>
</tr>
<tr>
<td>Interregional cooperation</td>
<td>0.5</td>
</tr>
<tr>
<td>Outermost regions and northern sparsely populated regions</td>
<td>1.4</td>
</tr>
<tr>
<td>Youth Employment initiative</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>325.1</strong></td>
</tr>
</tbody>
</table>

Up to €100 billion for innovation investments bolstering over 100 smart specialisation strategies.
ESIF will focus on Europe 2020 objectives for **smart, sustainable and inclusive growth** / list of 11 thematic objectives for ESIF developed around the Europe 2020 priorities

- New regulatory provisions for thematic concentration (R&I part of the minimum 60-80% concentration for ERDF funds in more developed regions - 50% in less developed regions)
- **Support to applied research and innovation** for the purpose of regional socio-economic development
- **Capacity building for innovation and growth** through the promotion of innovation friendly business environments
- **Smart Specialisation** – strategic approach to economic development through strategic support for R&I / *Ex-ante Conditionality* for the use of the European Regional Development Fund (ERDF) for any kind of R&D&I investments
Key to Synergies: more quality investment for research and innovation from Cohesion Policy

✓ **Smart Specialisation** ex-ante conditionality: focus on priority R&I investments for place-based growth

✓ **Thematic Concentration**: all regions (rich and poor) have to spend the vast majority of their ERDF resources to just 4 out of the 11 thematic objectives (R&I, Low Carbon, ICT and SMEs) (from 80% to 50%)
Research and Innovation investment priorities for ERDF

Thematic objective 1: Strengthening research, technological development and innovation:

• **Enhancing research and innovation infrastructures (R&I)** and capacities to develop R&I excellence and promoting centres of competence, in particular those of European interest

• **Promoting business R&I investment**, product and service development, technology transfer, social innovation and public service application, demand simulation, networking, clusters and open innovation through smart specialisation

• **Supporting technological and applied research**, pilot lines, early product validation actions, advanced manufacturing capabilities and first production in **Key Enabling Technologies** and diffusion of general purpose technologies
Combining Horizon 2020 & ESIF through funding of successive/parallel/alternative/particular projects

Horizon 2020

ESI Funds
- R&I Infrastructures and Equipment
- ESFRI
- Skills
- Business Advisory services
- Grant agreements

Excellent R&I
- Demonstration Pilots

SME instrument
- Marie Skłodowska-Curie
- KICs
- PPPs

Research & Development
- National/Regional R&I systems

Innovation
- KETs
- Business Innovation Procurement

Market
- SME Pilot lines
- Financial instruments

Capacity Building

National/Regional R&I systems

Market

National/Regional R&I systems

Market
About Synergies...

- Obtaining **more impacts on competitiveness, jobs and growth** by combining ESIF and Horizon2020
- **Amplifying** projects / initiatives under the other instrument
- **Carrying further the projects** of the other instrument towards market, e.g. SME instrument 'seals of excellence'
- **Exploit complementarities** while at the same time avoid overlaps and exclude double-financing (fraud)
Synergies in practice

• Responsibility lies now with the Member States and regions’ planning authorities > need to create the appropriate “space” in the Operational Programmes for synergy actions with Horizon 2020 > most of them have done so now!

• The Commission has produced also a concise Guide on Synergies
Who has to act?

- **Key role for national and regional authorities as they plan future investments on research and innovation, including from the ESIF**
- **Research stakeholders (Public/private): they should be better informed about the said investment plans and operational measures**
- **NCPs**
- **Commission services**
A new role for the NCP

• Key players as they are privileged stakeholders to the Research and Innovation communities

• Deep and thorough knowledge of the Union’s rules and procedures

• Can facilitate and connect research funding agencies and knowledge institutions from different Member States and Regions

• Trusted partners for synergies with ESIF actions
Typical synergy actions driven by the ESIF OP include (non-exhaustive list of examples):

- **Support for investment of research infrastructure and equipment including competence centres (combination of research and advanced training centres)**

- **Support to the whole innovation cycle through improving the overall framework conditions for businesses (but also support measures towards social innovation)**

- **Support to research actions and infrastructure investments in the area of Key Enabling Technologies (KETS)**

- **Preparation of research and innovation stakeholders towards a better participation in the Horizon 2020 Calls (support via training, raising awareness, networking and partner identification)**

- **Support to downstream measures like exploitation and commercialisation of finished or about to finish research projects**

- **Reinforcement of the local impact (including additional work packages) of agreed Horizon 2020 projects (that are by definition transnational)**
The specific frame for Widening actions and the link to Cohesion Policy

- **Widening actions (Teaming, Twinning and ERA Chairs)** call on the Knowledge Institutions of the Less Performing countries and regions in terms of Research and Innovation performance (cf Widening countries) **to engage in a path of excellence and innovation for growth**

- As such, they are **ideally framed** to integrate themselves in the relevant strategic programming of Cohesion policy in the eligible Member States (and to similar frameworks in Candidate / Associated countries, e.g. IPA)
Since 2004, 11 former communist states have joined the European Union, gaining funding that has aided an economic upswing and increased investment in science. But they have followed different trajectories. Some are fully embracing modern science and are almost equal partners in Europe; others lag behind.

**Publication Count**

Central and Eastern Europe produce about 4% of the world’s publications, with Poland taking the lion’s share. This is still dwarfed by Western powerhouses such as Germany and the United Kingdom.

Poland has undergone sharp economic growth and is rapidly enlarging its research base.
RESEARCH SPENDING
Most central and Eastern European countries have increased total public and private investment in science over the past decade, and some have matched Western European spending.

Slovenia, Estonia and the Czech Republic have channelled significant funds to science.

Bulgaria and Romania have been slow to reform research since the communist era.

EUROPEAN RESEARCH COUNCIL GRANTS
Despite the expansion of science, central and Eastern European countries host only a small proportion of scientists with prestigious ERC grants.

Hungary's rich academic history has helped to attract ERC grant holders, despite relatively low spending on research.
Widening actions and Smart Specialisation

- **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).

- **Twinning and ERA Chairs** have no compulsory link to RIS3, but the Commission considers that such a link is strongly recommended.
RIS3 on one slide

- Concept of smart specialisation essential for economic development and growth policy in European Structural and Investment Funds (ESIF) 2014-2020
- Important for the Europe 2020 Strategy and the identified Juncker Priorities
- A key element in the development of a reformed European Cohesion Policy, as ex-ante conditionality for R&I funding.
- Regions/MS are required to identify the sectors & technological domains where they would seem to have competitive advantage, and then to focus their regional development policies so as to promote innovation in these fields based on knowledge assets.
Smart Specialisation – what it is, and is not

• It is not (always) about selecting and favouring only a few sectors and depends very much on the circumstances of the region.
• It is rather about identifying the new opportunities that often emerge at the intersection of existing sectors and technologies – the target of the "entrepreneurial discovery process"
Key points on Smart Specialisation:

- Stimulate innovation through entrepreneurship, modernisation, adaptation
- Dare to introduce innovative governance solutions
- Think about strategic technological diversification on areas of relative strength and potential
- Increase diversification – promote new linkages, synergies and spill-overs

Adapted from Philip McCann (2012)
Defining the link between Horizon 2020 and Smart Specialisation

- Horizon 2020 is the first challenge-based research and innovation framework programme, addressing the whole cycle of research and innovation (close to market, stimulating commercialisation, providing coaching and counselling). It has a European dimension but also national or local impacts.

- RIS3 (Research and Innovation Strategies for Smart Specialisation) are integrated policy frameworks that are place-based and are driven by local or national priorities for creating a competitive advantage, based on knowledge assets.

- But do the 2 frameworks meet? How and through which interfaces?
Horizon 2020 and RIS3 meet through their stakeholders

- All over Europe, research and innovation players will be involved in two parallel actions:
  - **Form transnational consortia to participate in Horizon 2020**
  - **Set-up regional and national strategies for smart specialisation**
- The two streams of actions are thus complementary and mutually reinforcing
- European and world-class actions and stakeholders will form part of successful Horizon 2020 projects. National and regional actions will shape the research and innovation landscape, through smart specialisation
The link to Widening actions

- **Less performing Member States** in terms of Research and Innovation have strong incentives to engage in **catching-up with those advanced**

- In most cases, these MS have significant resources under ESIF for building research and innovation capacity. **However this has now to happen only in a context of Smart Specialisation**, to add relevance to actions and improve chances for turning knowledge into innovation, growth and jobs
Widening actions and Smart Specialisation

- **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)

- **Twinning and ERA Chairs, have no compulsory link to RIS3**, but the Commission considers that such a link is strongly recommended
Thank you!

Credits:
Ciaran Dearle, RTD.B.5