

# **Synergies between European Structural and Investment Funds and EU programmes related to innovation**

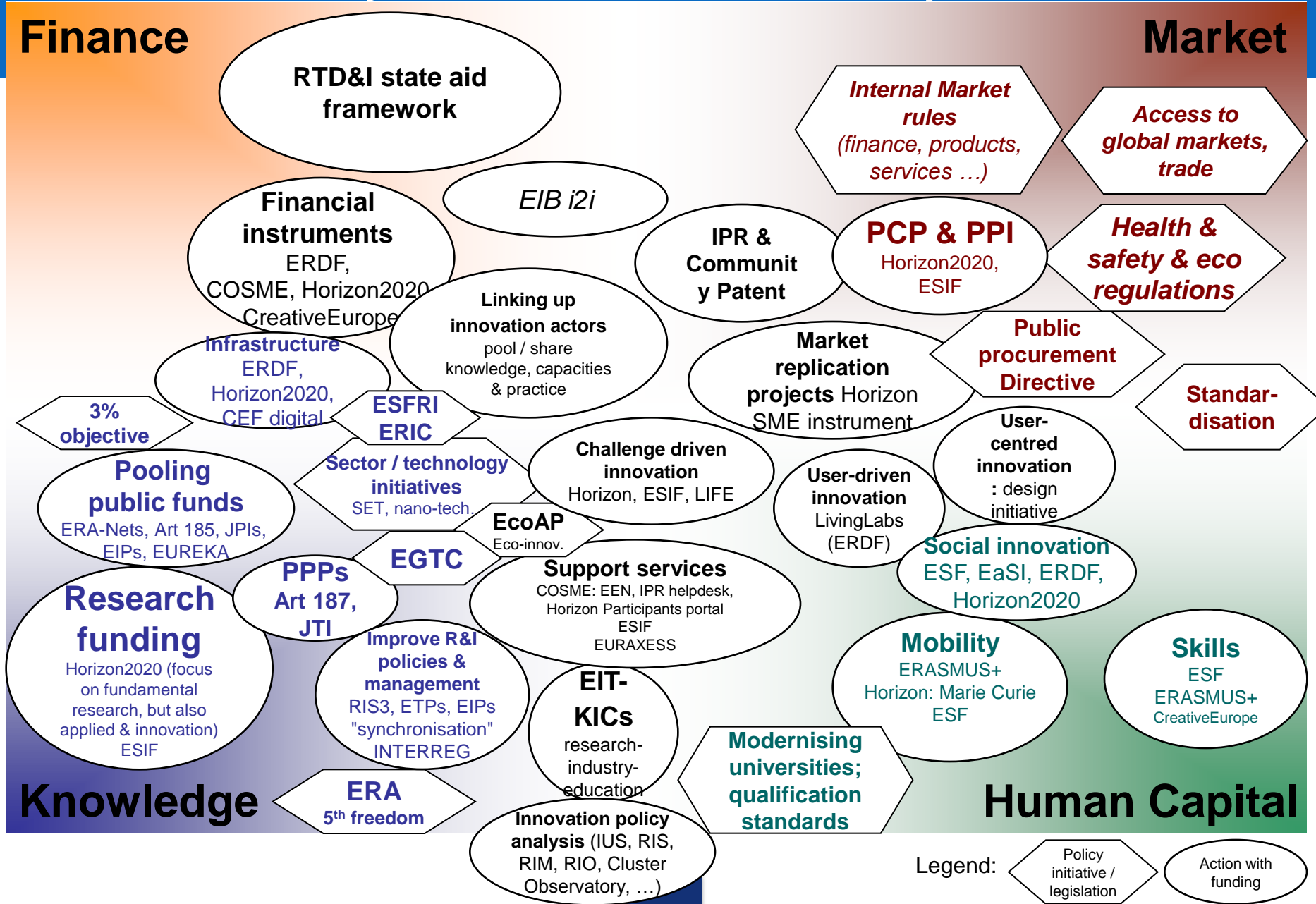
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DG Regional and Urban Policy

# Systemic Innovation Concept

**Finance**

**Market**



# What is in the future ESIF?

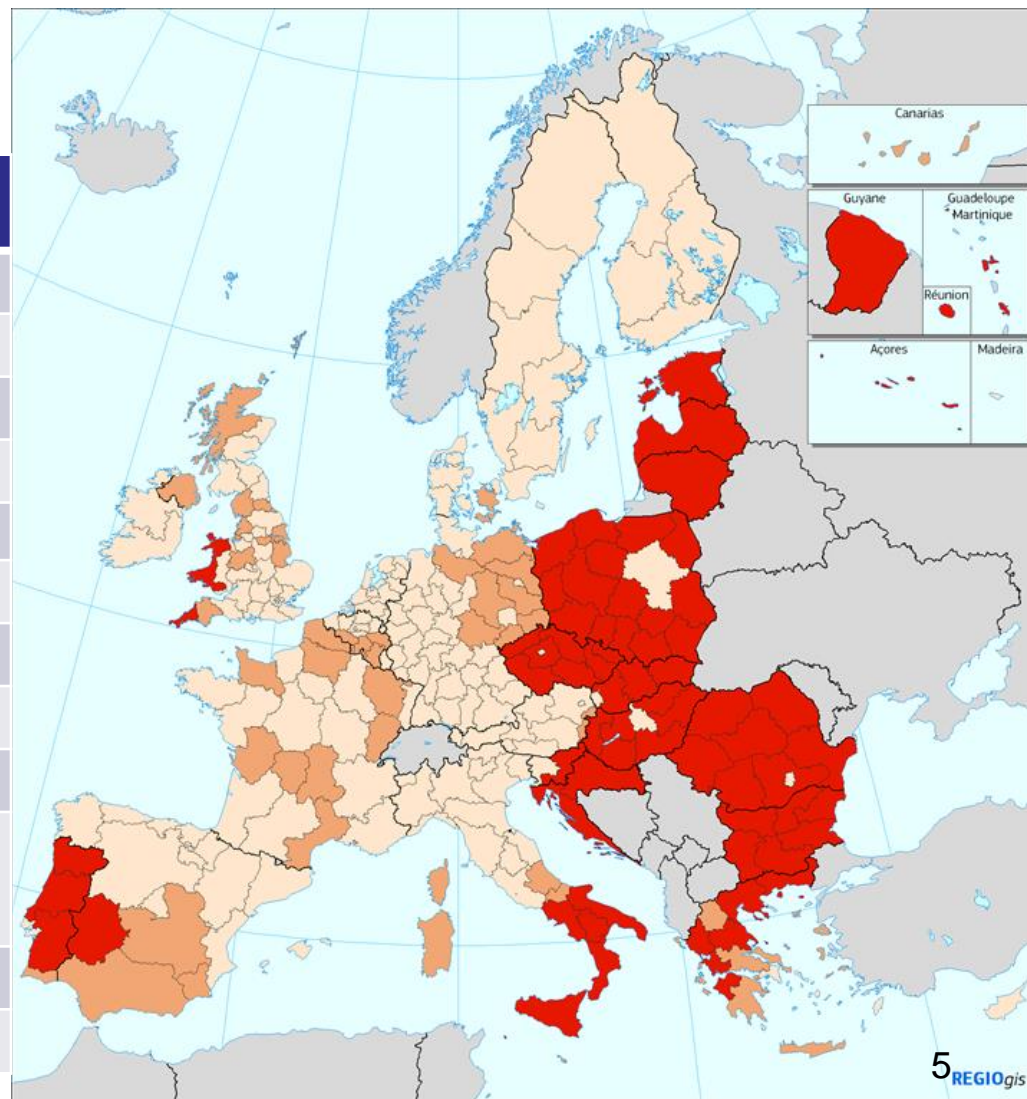
- *Focus on innovation thanks to thematic concentration*
- *Improved policy-design & effectiveness through smart specialisation*
- *Synergies opportunities with other EU instruments*
- *More opportunities for trans-national, inter-regional cooperation*

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

## Eligibility map 2014-20


- Less developed region (GDP/head: less than 75%)
- Transition regions (GDP/head between 75% and 90%)
- More developed region (GDP/head: more than 90%)

	Billion EUR
<b>Less developed regions</b>	182.2
<b>Transition regions</b>	35.4
<b>More developed regions</b>	54,4
<b>Cohesion Fund</b>	63.4
<b>European territorial cooperation</b>	10.1
<i>Of which</i>	
<i>Cross border cooperation</i>	7.5
<i>Transnational cooperation</i>	2.0
<i>Interregional cooperation</i>	0.6
<b>Outermost regions and northern sparsely populated regions</b>	1.6
<b>Youth Employment initiative</b>	3.2
<b>TOTAL</b>	<b>350.3*</b>



\* This figure does not include EUR 1.5b of Urban Innov. Actions and EC technical assistance

# Thematic concentration of the ERDF

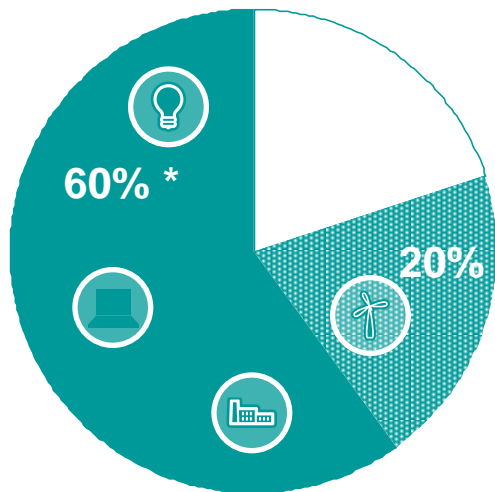
 Research and Innovation

 Access and use of ICTs

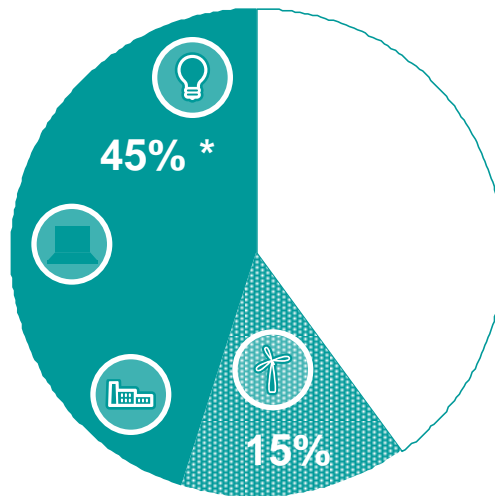
**\* At least two of four themes must be selected**

 SMEs competitiveness

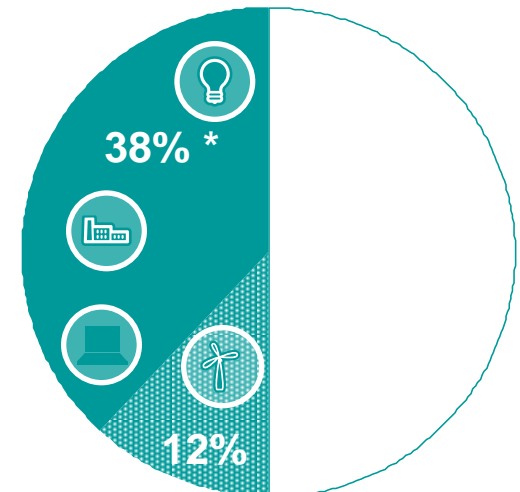
 Energy efficiency and renewable energy (compulsory)



**More developed regions:  
80%**



**Transition regions: 60%**



**Less developed regions:  
50%**

# Smart investments in the new Cohesion policy 2014-20\*

- Expected ERDF funding for R&D, innovation, ICT, competitiveness of SMEs and the low-carbon economy is about EUR 110 billion.
- Of which around EUR 83 billion for R&D, innovation, ICT and SMEs as well as around EUR 27 billion for low carbon economy.

\* Estimated figures, calculated on the basis thematic concentration requirements, as established by the regulation. Updated figures at the conclusion of the negotiations with Member States.

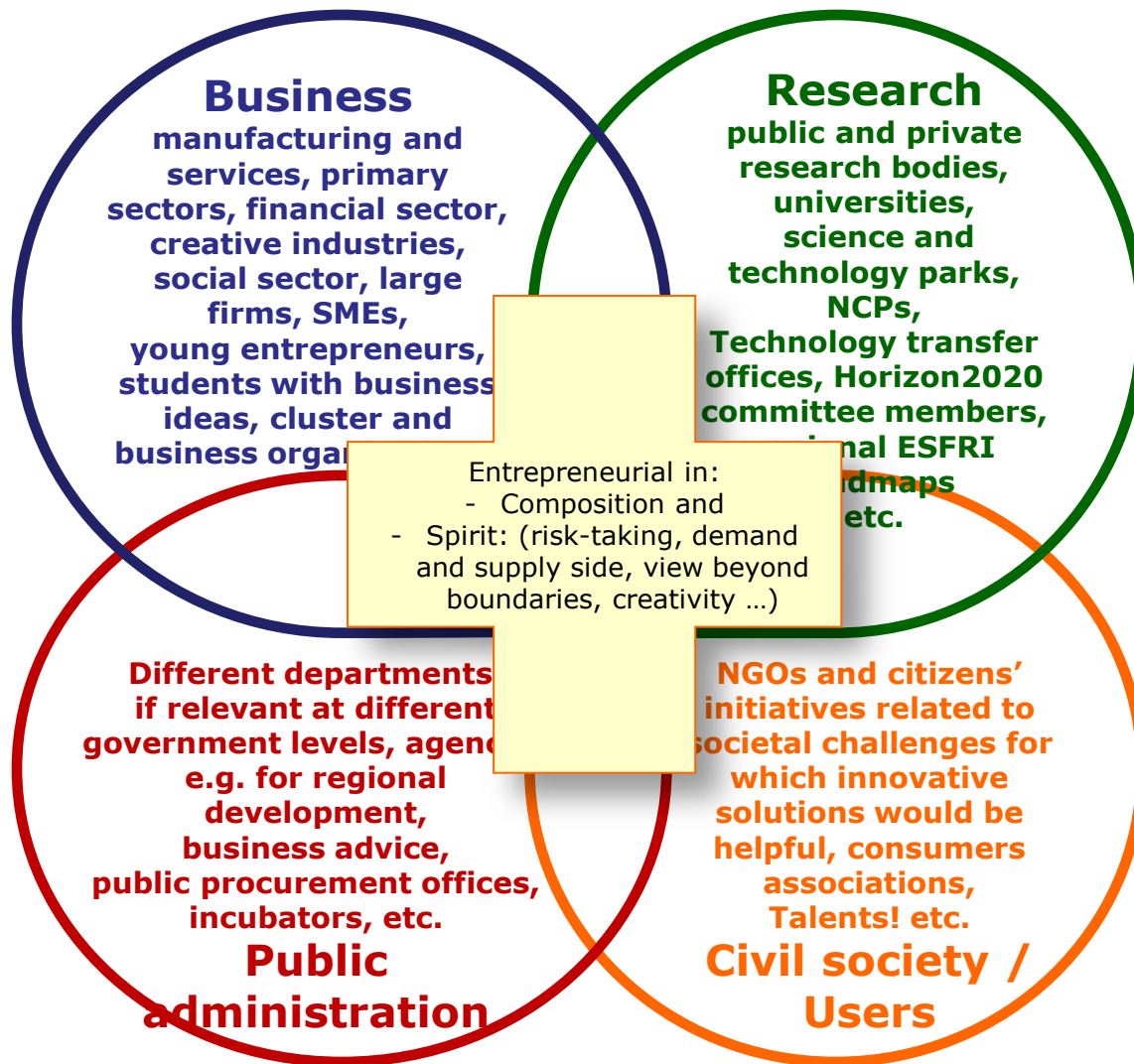
# What is Smart Specialisation ?

- = evidence-based: all assets
- = no top-down decision, but dynamic/entrepreneurial discovery process inv. key stakeholders
- = global perspective on potential competitive advantage & potential for cooperation
- = source-in knowledge, & technologies etc. rather than re-inventing the wheel
- = priority setting in times of scarce resources
- = getting better / excel with something specific
- = focus investments on regional competitive advantage
- = accumulation of critical mass
- = not necessarily focus on a single sector, but cross-fertilisations

*“...The elements of economic productivity – strong infrastructure, a skilled workforce, and interrelated networks of firms – come together with smart economic strategy on the regional level to drive prosperity”.*

*(Guidance on developing place-based policies for the USA FY 2012 Budget)*





# RIS<sup>3</sup>

## How to use entrepreneurial discovery process towards more synergies

Detect potential boundary-spanners between different stakeholder / interest groups, new innovative entrepreneurs, hidden champions, or persons with a potential for this and with an international outlook.

Horizon2020 related actors should be involved in the creative strategy development process.

See new annex III of RIS3 Guide:  
<http://s3platform.jrc.ec.europa.eu/s3p/guide>

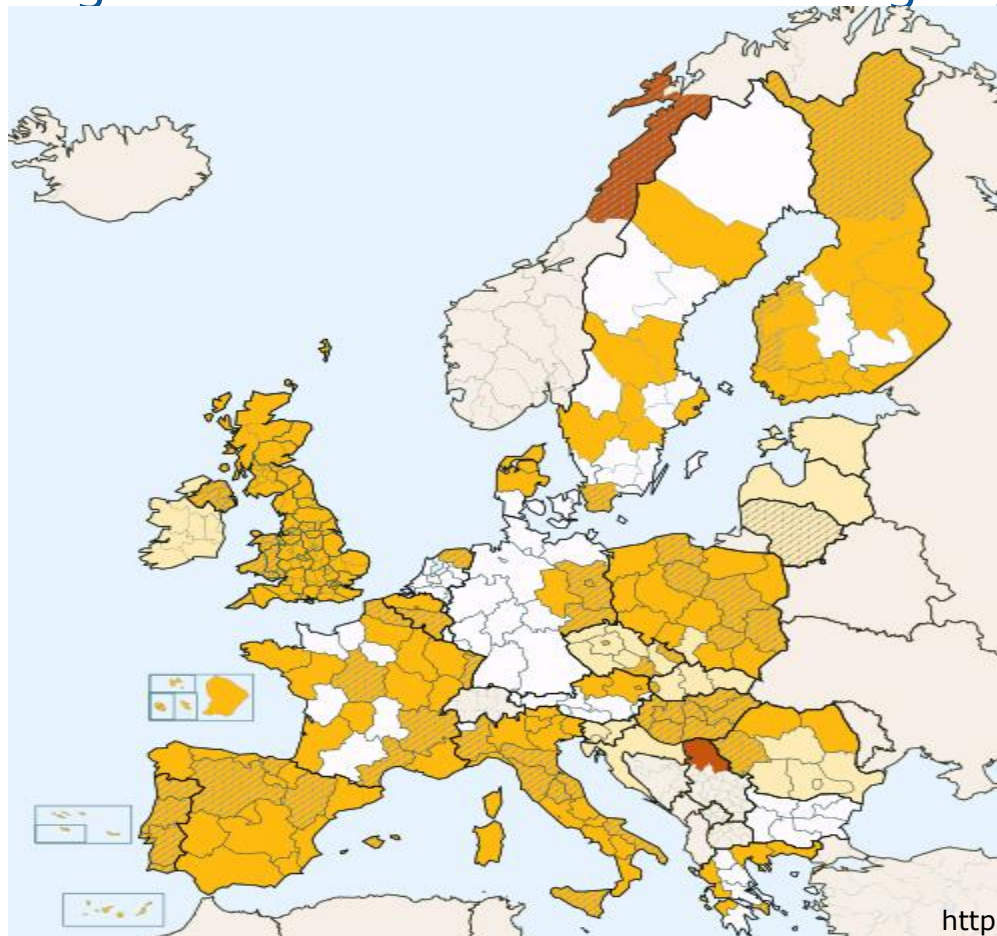


- ☐ Designed to assist regions and Member States in developing RIS3 strategies
- ☐ Managed by a team established at JRC-IPTS in Seville
- ☐ Monitored by a Steering Team incl. DG REGIO, RTD, ENTR, EAC, INFSO and SANCO
- ☐ Input from a Mirror Group of European high-level experts and network representatives

<http://ipts.jrc.ec.europa.eu/activities/research-and-innovation/s3platform.cfm>

# Supporting regional strategies for smart specializations

146 regions and 14 countries learning together



# S3Platform can help spot emerging fields of Smart Specialisation

Select Region

Market All of the following fields

Capabilities 1 Select Target Market 1 Select EU Priority 1 Select

Capabilities 2 Select Target Market 2 Select EU Priority 2 Select

Region Name Desc

+ Add Priorities Region

**Most frequently cited fields of RIS<sup>3</sup> are related to:**

- Energy
- Life science
- ICT
- Environment
- Agro-food
- Tourism
- New materials

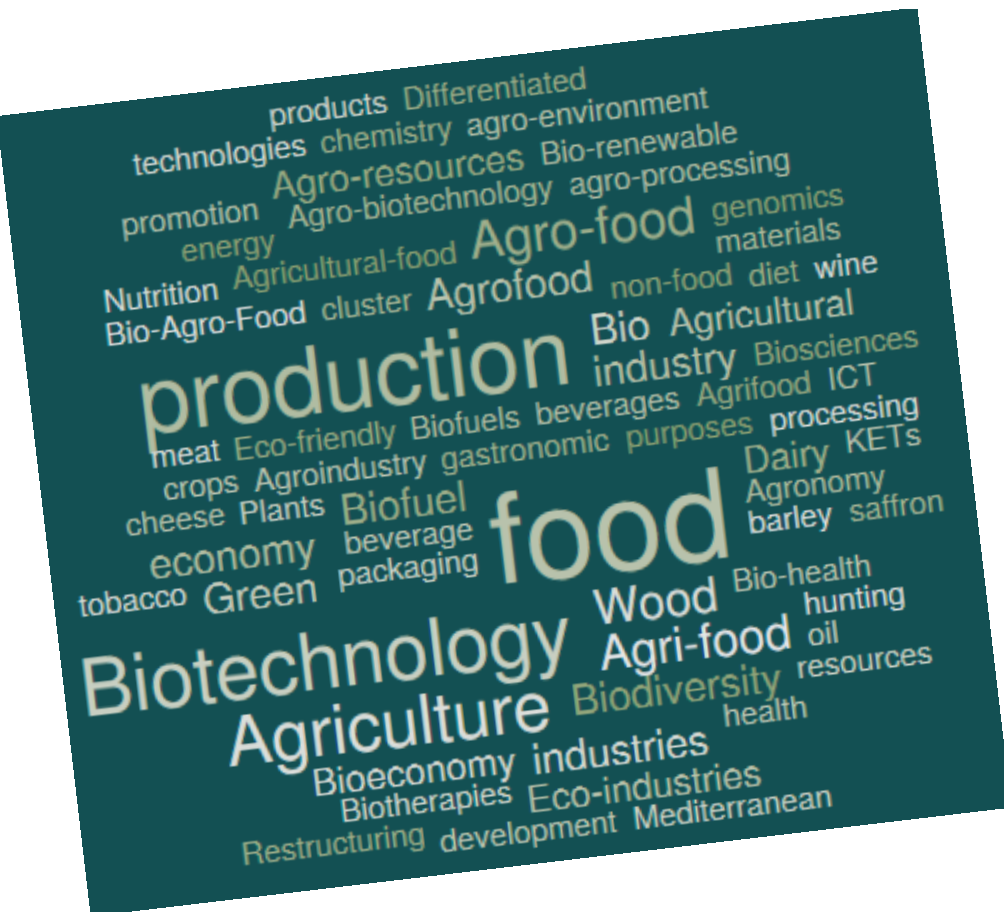
Capabilities	Target Markets
Agriculture, forestry and fishing Fishing and aquaculture	1. Agriculture, forestry and fishing 2. Fishing and aquaculture
Water supply, sewerage, waste management and mediation activities Water collection, treatment and supply	1. Manufacturing and industry 2. Food, beverage and tobacco products
Agriculture, forestry and fishing Crop and animal production, hunting and related service activities	1. Tourism restaurants and recreation

Dytiki Ellada	No Description	1. Micro/Nano-electronics	1. Manufacturing and industry 2. Computer, electronic and optical products	1. Manufacturing and industry 2. Computer, electronic and optical products
Dytiki Ellada	No Description	1. Sustainable innovation 2. Smart green and integrated	1. Transporting and storage	1. Transporting and storage



**Many regions envisage smart specialisations in APS EIP related areas:**

... and probably many more that are not yet in the database ...



# Opportunities for R&I synergies with centrally managed EU funding programmes

- **All ESI Funds** (ERDF, ESF, Cohesion Fund + ETC = € 350 billion, EAFRD = €85 billion, EMFF= €5.5 billion)
- **Horizon2020** for mostly transnational research and innovation projects, incl. non-EU: €79.4 billion
- **COSME** for SME competitiveness, financial instruments, business support services, etc.: € 2 bn
- **Erasmus+** for students, teachers, pupils mobility + training: €14.5 bn
- **Creative Europe** for culture and creative industries: €1.4 billion
- **Digital service part of CEF** for EU wide e-government platforms to roll-out e-ID, eProcurement, electronic health care records: €0.85 billion

Also of interest with regard to take-up of eco-innovation, uptake of climate-related R&I results, but not covered in guide:

- **LIFE** programme for environment and climate, incl. financial instruments: € 3,4 billion
- **Programme for Employment and Social Innovation** ("EaSI"): € 0.92 billion

See annex I to CPR: Common Strategic Framework (CSF)



# Novelties for synergies btw. H2020 and ESIF

## Legal basis

CPR – Reg. 1303/2013:

- 65(11) – possibility of cumulating grants from different EU funding instruments in one operation;

Horizon2020 rules for participation– Reg. 1290/2013

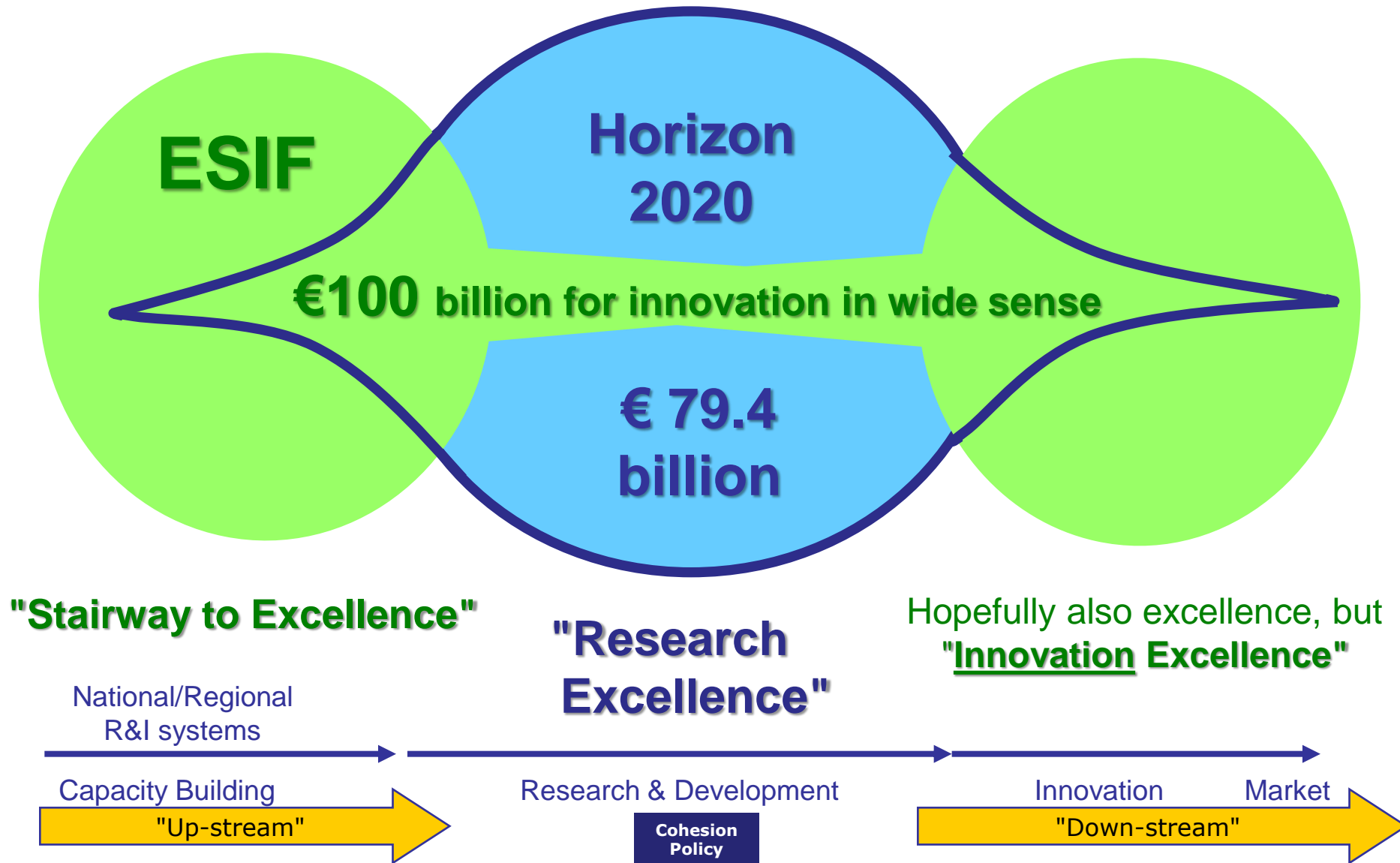
- 37 - possibility of cumulative funding, provided that the grants do not cover the same cost items.

## Concept of synergies

- Bringing together in **one project** (possible only for Horizon2020)
- **Successive** projects
- **Parallel** projects
- ESIF financing successful Horizon2020 projects but not financed



## Overall concept for complementarity: Emphasis of programmes





# Synergies between Horizon2020 & ESIF is no easy business

## Differences between the programmes:

- Multi-country approach (consortia) vs. place-based (single beneficiaries)
- Competition for funds vs. geographical pre-allocation
- Annually adjusted work programmes vs. 7-year-OP
- Centralised management vs. implementation by MS/regions
- Research excellence vs. socio-economic development
- Management and control/audit/organisation



# ESIF side

- **Strategy development comes first:**  
**Include Horizon2020 actors** (Researchers, members of the programme committee, EIPs, ETPs, EIT-KICs, PPPs (JTIs), MarieCurie centres, research institutions with success in FP7, EUREKA, National ESFRI Roadmaps) and international contacts in the **entrepreneurial discovery process to design RIS3** and get involved in **structured cooperation** of H2020.  
*See: RIS3 guide, annex III*
- **Programme development:**  
**Open OPs for transnational activities**, foresee **H2020 compatible / complementary support forms** that could help attaining the economic transformation objectives of your RIS3. **Team up with other MS/regions** around RIS3 fields instead of waiting for H2020 calls.
- **OP implementation**  
Design OP management system and project selection methods **to be able to synchronise** award decisions with H2020 calls & evaluations.  
Foresee support to applicants for finding **international partners**, etc.

# What are synergies?

## What is cumulative funding?

### Basic principle 1:

**NO substituting of national or regional or private co-funding** to centrally funded EU projects or programmes by ESIF money!

- **Synergies** are about obtaining **more impacts** on competitiveness, jobs and growth by combining ESIF and Horizon2020,
- about **amplifying** projects of the other fund or
- **carrying further** the projects of the other fund
- MA should **not focus on acquisition of additional funding from H2020**, but on what are the **strategic aims** of their smart specialisation strategy & OP, i.e. **impacts** on place-based socio-economic development and structural adjustment of regional economies, conversion of declining industrial regions ...!

# What are synergies?

## What is cumulative funding?

### Basic principle 2:

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

- **Cumulative funding** is the possibility to use different public funding sources, including EU funding sources, within a programme, project or a group of projects (*Art 129 Financial Regulation prohibits giving 2 EU grants to the same beneficiary for the same project, however Art 65(11) CPR and 37 Horizon RfP give a derogation*).
- It seeks to **exploit complementarities and synergies** while at the same time needs to **avoid overlaps** and **exclude double-financing** (fraud).

# What are synergies?

## What is cumulative funding?

### Basic principle 3:

**Synergies means more than combining ESIF and other Union grants in the same project!**

Synergies **can** be about bringing together **Horizon2020** and **ESIF money in a same project** (Art 65(11) CPR + Art 37 H2020 RfP), but:

- Accounting-, synchronisation- and organisation-wise it is **easier to use successive projects** that build on each other or **parallel projects**.
- For the other EU centrally managed Union programmes, the non-cumulative principle applies, i.e. combination of grants in same project for same beneficiary is not possible.

# What are synergies?

## What is cumulative funding?

**EEN may be used to deliver specific services on behalf of ESIF OPs.**

See: **Article 10 COSME regulation: Enterprise Europe Network**

*(2) The Network may also be used to **deliver services on behalf of other Union programmes** such as Horizon 2020. This may include dedicated advisory services encouraging SME participation in other Union programmes. The Commission shall insure that the various financial resources for the Network are **coordinated efficiently** and that services delivered by the Network on behalf of other Union programmes are funded by those programmes. [=no double funding!]*

## Key messages for clarifying & facilitating synergies

- **At policy level:** The objective of Cohesion Policy is to improve the **regional economy** in terms of competitiveness, growth and jobs. Therefore, it can only support research projects contributing to this objective. It cannot support projects for "purely" scientific purposes.
- **At strategic / programme level:** the authorities involved in designing **RIS3 / PA / OPs** should work together with authorities and bodies involved in designing research policies, e.g. National Roadmaps for research infrastructures (RIs) linked to the **ESFRI Roadmap**, in particular for facilitating access to industrial users and in the context of industrial clusters.
- **At project level:** for using ERDF, Horizon2020 project managers should contact the ERDF Managing Authorities (MAs) to explain the impact on the regional economy (links with innovative industries, spin-offs, etc). Possible funding will depend on the regional priorities, budget planning, timing and procedures. If € 50 million +: indicative list has to be in OP.

# Combining "normal" H2020 projects & ESIF ... through sequential or parallel projects

Capacity Building

National/Regional R&I systems

Research & Development

Innovation

Market

## ESI Funds

R&I Infrastructures and  
Equipment (IP1)

ESFRI

Skills

Business Advisory  
services

## Horizon 2020

Excellent R&I

Demonstration  
Pilots

Marie Curie

SME instrument

KICs

KETs (IP1)

Business Innovation (IP1+3)  
Procurement

procurement

SME

Pilot lines

Financial  
instruments

Grant  
agreements

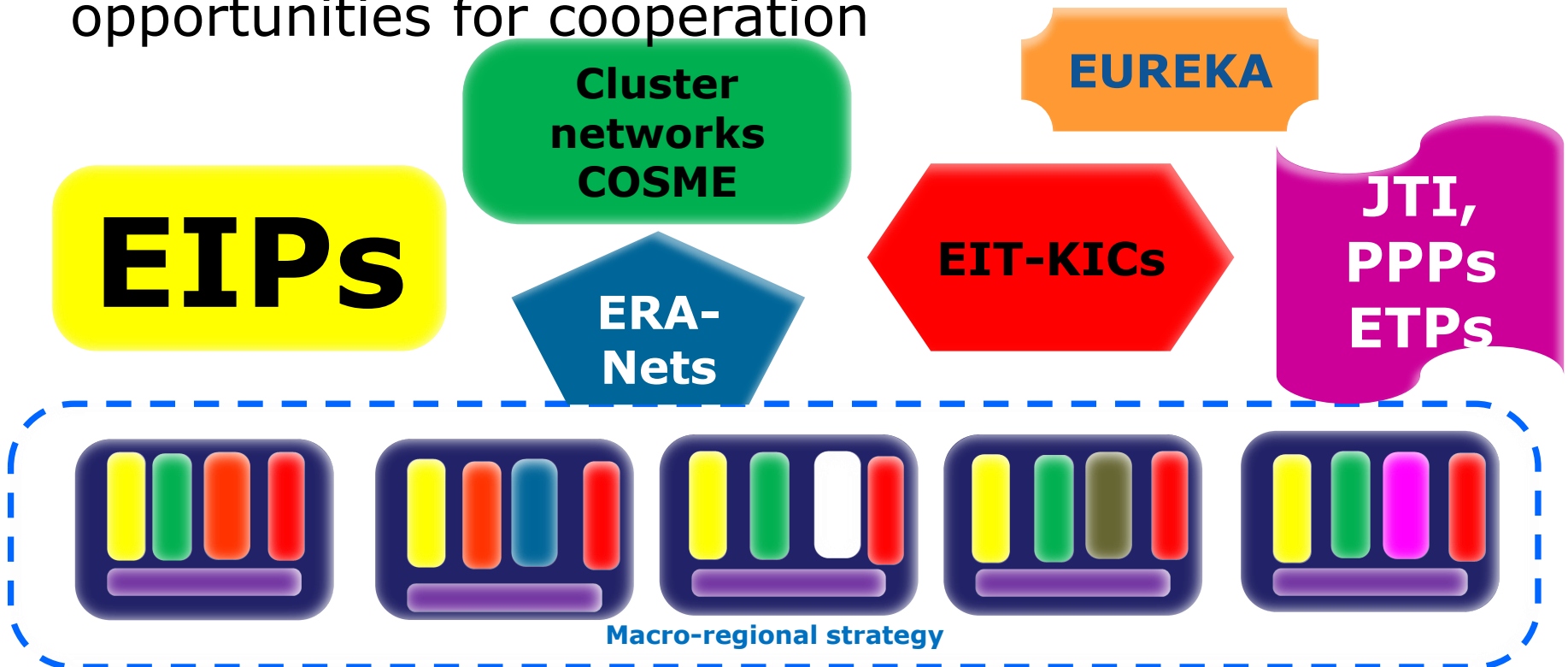


# Future Cohesion policy: Promoting cooperation with other EU countries

- **Article 70(2) CPR:** if for the benefit of the programme area, 15% of ERDF, CF and EMFF priority axis may be spent outside OP territory in EU (5% EAFRD ; 3% ESF )
- **Article 96(3)d CPR :** An OP shall describe the arrangements for
  - (d) **interregional and transnational actions** within the OP, with beneficiaries located in at **least one other Member State**

# Synergies through interregional cooperation

- ... team up around shared specialisation fields and generate critical mass and complement each other's strengths and weaknesses ... e.g. seizing INTERREG opportunities for cooperation



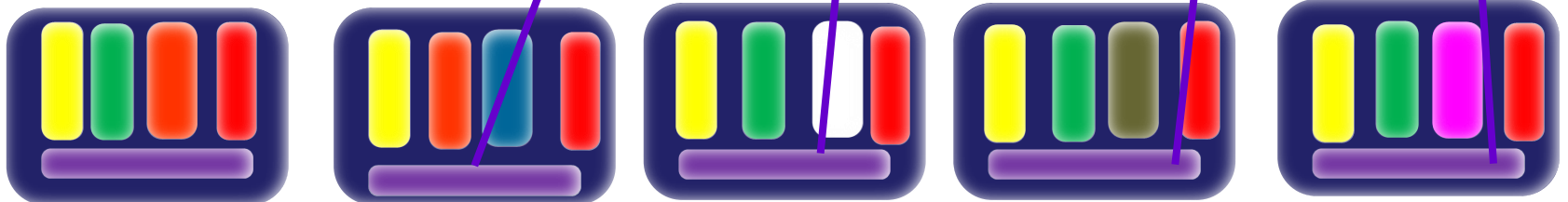
# How about synergies between different RIS<sup>3</sup>s?

Also the S3Platform can help

- "hub" for partner finding for INTERREG and other purposes beyond EUSDR: ERA-Nets, Joint Programming, EIPs, KICs, etc.
- Analysis & good practices

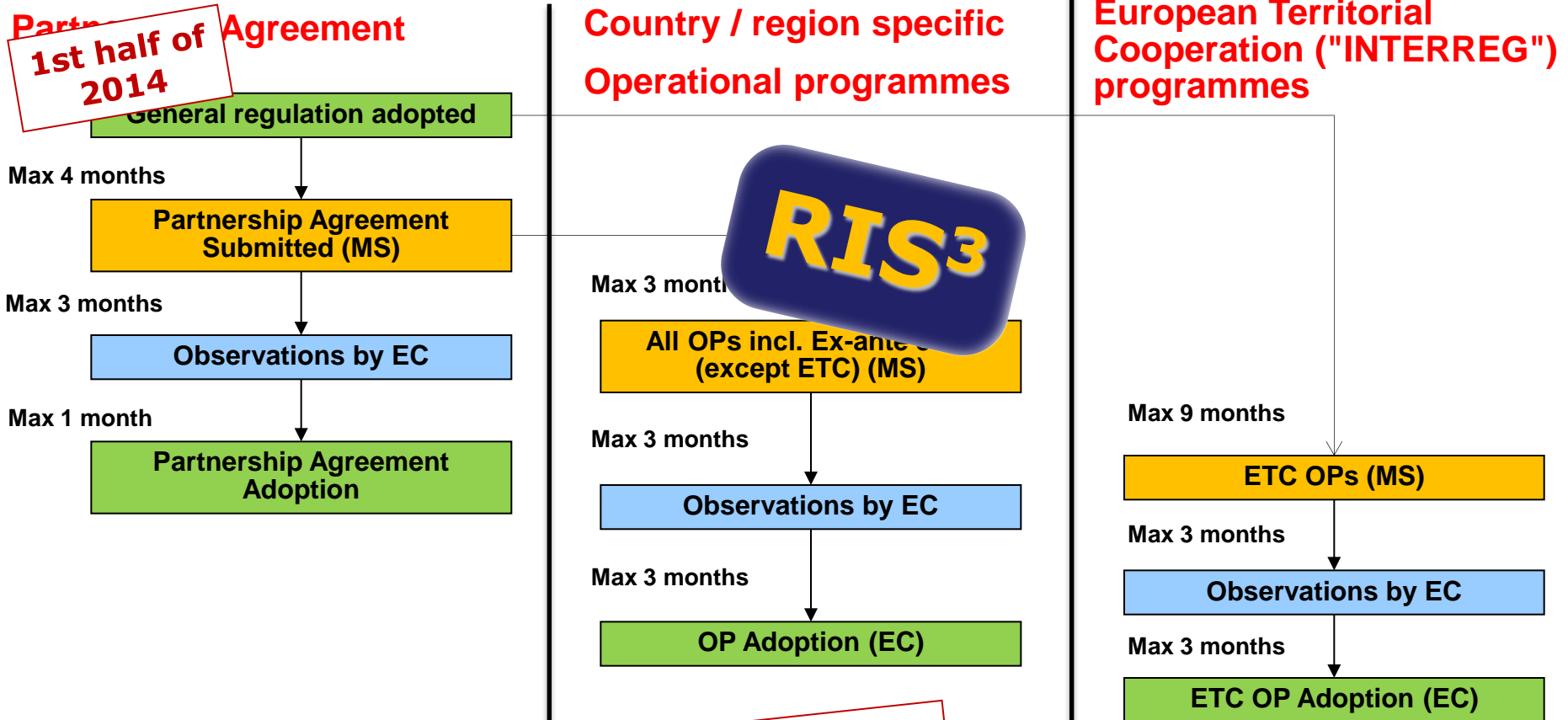


**Platform for transversal issues**  
(governance, monitoring, intervention tools ..)



Macro-regional strategy

# Calendar for partnership agreements & OPs



**Is already on-going**

# Thank you for your attention

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