Guide on synergies between European Structural and Investment Funds, Horizon2020, and other innovation and competitiveness related EU programmes

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Content

- Structure of the guidance
- Basic principles and concept of synergies
- Examples & scenarios
- What needs to be done now
  - By the Commission
  - By national & regional authorities
Structure of guidance

| Basic Principles & Concept of Synergies and Cumulation | Annex 2
|--------------------------------------------------------|--------------------------------------------------|
| Recommendations for policy-makers and implementing bodies for strategy development, programme design and implementation mechanisms; Overview of Commission support (SWD(2014)205 final) | Scenarios & hands-on advice for policy-designers & implementers by project format (also interesting for beneficiaries)
1. Horizon2020
   - Standard R&I projects
   - ERA Chairs, Teaming & Twinning
   - Marie Skłodowska-Curie researchers' mobility
   - ERA-NETs, Joint Programming Initiatives, Art. 185 initiatives and Art. 187 Joint Technology Initiatives
   - EIT / Knowledge and Innovation Communities
   - Research Infrastructures
   - Pre-Commercial Procurement and Public Procurement of Innovative Solutions
   - Innovation in SMEs
2. COSME – Enterprise Europe Network
3. ERASMUS+ - mobility, Knowledge & skills alliances
4. Creative Europe –innovation in an for Creative Industries
5. CEF - Digital Services Platforms – e-government interop.

Annex 1
Explanations by programme (differences, opportunities, management principles)
- ESIF & Cohesion Policy
- Horizon2020
- COSME
- Erasmus+
- CEF digital services
- Creative Europe

Guidance on synergies among and with financial instruments:
short reference guide for Managing Authorities.
See:

Modernisation of EU State aid frameworks:
See:

Guidance for end beneficiaries
Pointing beneficiaries via a 6-step checklist to possible EU funding and support sources for R&I. See previous guide
Shared vs. directly managed EU funding programmes

- **All ESI Funds** (ERDF, ESF, Cohesion Fund + ETC = € 325 billion, EAFRD = € 85 billion, EMFF= € 5.5 billion)
- **Horizon2020** for mostly transnational research and innovation projects, incl. non-EU, grants, financial instruments...: € 79.4 billion
- **COSME** for SME competitiveness, financial instruments, business support services, etc.: € 2 billion
- **Erasmus+** for students, teachers, pupils mobility + training: € 14.5 bn
- **Creative Europe** for culture & creative sector; grants, fin.instrument: € 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
Synergies between Horizon2020 & ESIF is no easy business

**Key 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-OPs
- Centralised management vs. implementation by MS/regions
- R&I excellence & fundamental research vs. socio-economic development
- Each side has its own complexities:
  - **Horizon 2020:** 3 pillars, different target groups (individual researchers, SMEs, institutions ...), 13 configurations of the programme committee, different objectives (fundamental research, solving societal challenges, business innovation, policy development and coordination, ...), over 13 different project formats (multi-country consortia, individual recipients, programme coordination), disbursed via grants, prizes, service contracts and risk capital; different National Contact Points for different research fields, ...
  - **ESIF:** over 400 programmes and Managing Authorities, different languages, different co-funding rates, different priorities, different conditions and timelines ...
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Why synergies?

- Improve the **quality & impact of national & regional & ESIF innovation investments**
- Deliver on the policy objective of **leveraging more national / regional funding towards EU objectives**
- **Strengthen cooperation between innovation actors and policies relevant for innovation** (skilled & creative people, research, enterprises, investors, market access, different Ministries and departments and on different levels, legal and administrative framework conditions...)
- **Leading regions as "locomotives" for lagging regions ...** but with **smart specialisation**, as not all regions are excellent in everything, but every region has the potential to be excellent in something ... and even leaders might lack critical mass or inspiration through newcomers ...
Legal base for synergies

- **Obligation to develop smart specialisation strategies** involving H2020 stakeholders, up- & down-stream measures to H2020 (Annex 1 to CPR)

- **More openness to trans-national cooperation to facilitate synergies** e.g. to pool funding for technology parks, clusters, research infrastructures abroad, ...:
  - More ESIF can be spent outside operational programme area, if for the benefit of the programme area, 15% of ERDF, CF and EMFF priority axis may be spent in EU outside programme area (5% EAFRD ; 3% ESF) (Article 70(2) CPR)
  - OP has to describe arrangements for inter-regional & transnational actions with beneficiaries located in at least 1 other MS. (Art 96(3)d CPR)

- **Alignment of similar cost options** possible for easier combining of funds: lump sums, flat rates, standard scales of unit costs under ESIF may use the H2020 rules applicable for similar types of operations and beneficiaries (Art 67(5)b, 68(1)c CPR & H2020 rules for participation)

- **Possibility to combine H2020 and ESIF money in the same project for different cost / expenditure items** via a derogation from the non-cumulative principle of Art. 129 Fin. Regulation (Article 65(11) CPR & Article 37 Horizon2020 rules for participation)

- **Arrangements to ensure coordination between ESIF, Horizon2020** and other EU programmes in PA and OP (Article 15(1)b(i) & 96(6)a CPR)

References to legislation:

CPR: regulation No 1303/13  Horizon 2020: regulation No 1290/13  Financial Regulation No 966/2012
Synergies are ...

✓ **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).

... but:

- **NO substitution of national, regional or private co-funding** to projects or programmes by money from the other instruments

- **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.
How to achieve financial synergies

- Bringing together ESIF and H2020 in **one project** (possible only for Horizon2020)
- **Successive projects**
- **Parallel projects**
- ESIF financing successful Horizon2020 project applications that could not be financed
Overall concept for complementarity: Emphasis of programmes

Alliances:

ESIF
Horizon 2020

€100 billion for innovation in wide sense
€ 79.4 billion

"Research Excellence"
"Stairway to Excellence"

Hopefully also excellence, but "Innovation Excellence"

National/Regional R&I systems

Capacity Building "Up-stream"
Research & Development
Innovation "Down-stream"

Regional Policy
Combining "normal" H2020 projects & ESIF ... through sequential or parallel projects
Cumulation in same project

► No automatism for positive assessment of cumulation efforts across Horizon 2020.
► No "positive discrimination" for ESIF mobilisation compared to other additional actions to a Horizon 2020 project.

► Check the details in the Horizon 2020 work programmes & calls!

SWD(2014) 205 final:

"... the particular Work Programmes and Calls for proposals could specify the additional conditions and/or lay down further details of the application of the evaluation criteria under which these actions would be considered for funding by Horizon 2020, including any possible additional contribution of other Union funding instruments.

However proposers need to note that, unless explicitly specified in the Work Programmes, the existence of potential funding synergies between different EU instruments will not be considered and assessed during the evaluation of a proposal submitted under Horizon 2020 (hence such cases will not in themselves lead to a higher evaluation score). ..."
Cumulation in same project

See definition in new R&I State Aid framework:
"A R&D project may consist of several work packages, activities or services, and includes clear objectives, activities to be carried out to achieve those objectives (including their expected costs), and concrete deliverables to identify the outcomes of those activities and compare them with the relevant objectives. When two or more R&D projects are not clearly separable from each other and in particular when they do not have independent probabilities of technological success, they are considered as a single project."

Project ≠ grant agreement!

Concept & planning

- Coherent project concept and with identified work packages (ideally geographically attributable) or cost / activity categories attributed clearly to H2020 or an ESIF OP.
- Includes at least partners from 3 countries
- Content & purpose of the project corresponds to the H2020 call; the part re ESIF is related to RIS3 specialisations & OP priorities
- Available possible budgets identified (H2020 work programme: future calls for proposals), eligible costs & co-funding levels for H2020 and ESIF respectively taken into account.
- Scope for pooling resources for joint activities / work packages across borders identified.
Cumulation in same project

Concept & planning

**Horizon2020 innov. action:**
- Call for proposals
- Eligible cost:
  - Staff; equipment; travel; sub-contracting;
- Budget:
  - 70% H2020 + 30% own public or private funds *(no ESIF!)*

**ESIF actions**
- Eligible cost:
  - Purchase of R&D equipment and infrastructure
  - Entrepreneurship training for researchers
- Budget:
  - ESIF from different OPs + relevant % of own public funds *(no H2020!)*

**Share out cost items (work packages / types of activities) between the different grants!**

*Project ≠ grant agreement!*

*Remind potential beneficiaries to first check whether the relevant ESIF programme allows for such funding and whether the MA is in a position to award grant on time!*
Regional Policy

Cumulation in same project

Project ≠ grant agreement!

Practical implementation issues to be considered by Horizon2020 programmers:

► What degree of inter-dependence with the ESIF funded parts?
► If & How take the overall project concept into account: eligibility, impact …? (relevant only if indicated in work programme & call!)
► Proof for existence of ESIF funding sources: how & when?
► Coordination of audits, shared reporting etc.?

Practical implementation issues to be considered by ESIF MAs

► Dependence of funding decision on success of H2020 application? ....Degree of inter-dependence of work packages?
► Is synchronisation of EISF grant decisions with H2020 decisions possible?
► Coordination of audits, shared reporting etc.? 
► How handle project participants outside OP area and different funding rates etc.? (Art.70(2) CPR)
► Deprecation of purchased equipment only for H2020 action duration?
► …
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Different scenarios for synergies (1)

The guide spells out in Annex 2 many possible scenarios, including:

- Explain which types of cost can be eligible in which type of Horizon2020 project
- Explain why the different Horizon2020 project formats, COSME, Erasmus+, CreativeEurope and digital services CEF types of projects could be of interest for the MA / the design of the RIS3 policy mix

For instance:

1.4 ERA-NET Cofund

Why is this interesting for Managing Authorities and national & regional policy designers?

- It can help improving the quality of research and innovation in the region / MS through cooperation and comparison with policy-makers and research funders from other regions.
- It can help implementing the RIS3 as regards smart specialisation priorities for which there is need for complementarities with innovation actors in other regions and MS (e.g. as identified in the framework of macro-regional strategies or thematic RIS3 platforms)

Synergies scenario:
Different scenarios for synergies (2)

Other examples:

1.11 Horizon 2020 Innovation in SMEs

Why is this interesting for Managing Authorities and national & regional policy designers?

• The model of the Horizon 2020 SME instrument with its different phases, starting from a small lump-sum based feasibility action, could be adopted in ESIF programmes. This could improve the SME innovation support.

• If the cost model in an ESIF programme is fully aligned to the SME instrument grant conditions, it would even become possible to take up excellent project proposals that come out of the Horizon 2020 evaluation process, but for which not enough Horizon 2020 budget is available.

• The results of the first or 2nd phase of the SME instrument could be carried further towards the market via ESIF support.

Scenario:
Different scenarios for synergies (3)

Other examples:

1.10 Pre-Commercial Procurement and Public Procurement of Innovative Solutions and ESIF

Why is this interesting for Managing Authorities and national & regional policy designers?
- PCP and PPI offer a win-win situation as they help to develop faster concrete solutions to societal challenges and improve public services and infrastructures, while helping innovators to bring their solutions faster to the market.
- PPI can be used under ERDF investment priority 1.b, but also under investment priorities related to energy, transport, health, environment, etc.

Scenario:

<table>
<thead>
<tr>
<th>PROCURER A (Less developed Region)</th>
<th>PROCURER C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases the innovative solution with the support of the ESIF</td>
<td>Purchases the innovative solution with the support of the Horizon 2020</td>
</tr>
</tbody>
</table>

**CO-FUNDING RATE**
- up to 85% from ESIF
- FLAT CO-FUNDING RATE
- 20% from Horizon 2020

**EXECUTION OF A JOINT PPI**

<table>
<thead>
<tr>
<th>PROCURER B (Transition Region)</th>
<th>PROCURER D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases the innovative solution with the support of the ESIF</td>
<td>Purchases the innovative solution with the support of the H2020</td>
</tr>
</tbody>
</table>

**CO-FUNDING RATE**
- up to 60% from ESIF
- FLAT CO-FUNDING RATE
- 20% from Horizon 2020
Different scenarios for synergies

Other examples:

2. COSME – Enterprise Europe Network
Why is this interesting for Managing Authorities and national & regional policy designers?

• The EEN is located in many regions all over the EU and even beyond. It offers direct access to international business or innovation partners for SMEs.
• It offers advanced high-quality advisory services that could give a model to be replicated within an ESIF programme’s territory with ESIF funded business and innovation service provision (e.g. brokerage events).
• The EEN trans-national support may also be amplified via coordinated ESIF funded SME support services, in particular under ERDF investment priorities 3(b) new business models for SMEs, in particular with regard to internationalisation, 3(d) supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes.
• The impact of EEN support might also be enhanced if the hosting MS or region ensures coordination with other ESIF supported SME support, e.g. voucher schemes, financial instruments, incubation services, etc.

Scenario:

- Services A for SME
  - Including promotion of Horizon2020, in cooperation with national contact points, and ESIF SME support,
  - Facilitation of cross-border business cooperation, R&D, technology and knowledge transfer and technology and innovation partnerships, etc.
  - (COSME + national / regional funds)

- Services B for SME
  - e.g. replication of EEN trans-national support inside region or complementary services to EEN (ESIF + national / regional funds)

- Services C for SME
  - e.g. incubation, financial instruments
  - (ESIF + national / regional funds)

- services co-funded by COSME, under COSME grant agreement
- different services co-funded by ESIF (different grant agreements)
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Commission works for enabling synergies (1)

**Strategic level**

- **Support for smart specialisation strategy development** (over 100 expert contracts, S3Platform, e.g. Guide on RIS3 regarding entrepreneurial discovery process, etc.) including synergies issues

- **Strategic platforms and structured cooperation between R&I programmes and actors** (EIPs, EIT-KICs, ETPs, JPI, JTI, ...) open up for regional level policy actors.

- **Sections for synergies in templates** for Partnership Agreements & Operational Programmes are checked & proposals for improvements made
Commission works for enabling synergies (2)

Programme design level:

• **Screen policy mix in ESIF OP drafts** for "interoperability" with Horizon 2020, suggestions for improvements regarding selection principles, types of projects, indicators ... not limited to TO1 priority axis!

• **Provide guidance & training to National Contact Points (NCPs)** and use them to explain Horizon 2020 to ESIF MA and public procurers (cost models, project formats ...)

• **Training for RTD, CNECT, ENTR, EAC, etc.** H2020 managing staff on Cohesion Policy and ESIF management principles

• **Design H2020 work programmes**, implementation documentation and tools (participant portal) in an synergies friendly way, incl. regarding the choice of project format (standard vs. PCP/PPI, vs ... etc.)

• **Revamp the transfer of technology and research results** from FP7 and Horizon 2020 to better target it to MS/regions according to their and OP priorities (Cordis)
Commission works for enabling synergies (3)

Implementation level:

• **Support trans-national teaming up of MS and regional innovation actors** around shared smart specialisation fields (Vanguard Initiative, RIS3 thematic platforms, Eye@RIS3 mapping, workshops, INTERREG) to facilitate formation of multi-country consortia & opening up of innovation systems

• **Use EGESIF, MA monitoring committees**, etc. to ensure information flow during implementation (incl. promotion of NCP involvement)

• **Brief auditors, evaluators, Dedicated Implementation Structures and Joint Undertakings** on new synergies possibilities, different accounting systems, terminologies, etc.
Commission works for enabling synergies (4)

Communication & dissemination of good practices:

• Develop synergies tracking system
• Collect good practices on synergies
• Synergies seminars in MS and with NCPs
• Inform MA on H2020 participants in their territory (Cordis)
• Provide guidance to beneficiaries on synergies and how to find the most suitable EU funding sources (Art. 13 CPR and successor to "practical guide")
• Use NCPs and Enterprise Europe Network to ensure information flow (e.g. who participates in projects in which OP territory) and strengthen collaboration with Managing Authorities and regional structures of support
• "Stairway to Excellence Platform": EP pilot project for the increasing synergies and participation of new MS in Horizon2020 and international excellence
"Stairway to Excellence" Pilot Project

- €1.2 million EP pilot project (runs until August 2015)
- Implementation by REGIO and the IPTS-JRC to benefit from complementarities with S3Platform
- Cooperation with MIRRIS FP7 project and Horizon2020 "Widening" actions
- Planned actions to support the up-stream and down-stream to Horizon 2020:
  
  **Work package 1 - Capacity mapping:**
  - Identification and collection of key quantitative / qualitative information with latest MS, incl. (1) past areas of strength in FP participation and (2) the choice of priorities identified by new MS/regions for RIS3, identification and assessment of public instruments (i.e. research infrastructure, support and information services, networking platforms, etc.) used to support the participation of national actors in FP7, assessment of nature and typology of research and business networks/nodes across regions by looking at past FP and CIP project participation data, methodology to assess knowledge flows, toolbox of indicators/case studies and positioning/benchmarking techniques

  **Work Package 2 - Capacity Building:**
  - Peer-review of structures and instruments used by the "old" MS and MS/regions to enhance participation to Framework Programmes and exploit synergies; Organise as of 2015 an annual meeting/conference on the synergies

  **Work Package 3 - Exploitation and diffusion of results from earlier Framework Programmes:**
  - RIS3 pilot platforms for policy-makers, research and business actors committing to engage in transnational cooperation
  - Analyse situation as regards the take-up of public sector research results (including stemming from FP) by the private sector
  - Analyse the "close to market" type of innovation policy instruments used in the EU including with regard to the work done on KETs, Lead Market Initiative, cluster support, public procurement of innovation, LivingLabs, user-centred innovation, etc.
  - Organising two exploratory events to present both analysis and discuss ways of exploiting previously-generated knowledge and better link into value chains.
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National & regional authorities could ... (1)

Strategic level: RIS3 design

- **Use entrepreneurial discovery process towards more synergies** by working together with authorities involved in designing SME and industry policy and R&I policies (Horizon 2020 actors, COSME supported entities, etc.) and consulting international research and business networks where region is involved (EIPs, ETPs, JTI, EIT-KICs ...)

- **Get internationally connected**: identify related areas of specialisation of other regions/MS and team up with them to be better prepared for H2020 multi-country project opportunities (see: [http://s3platform.jrc.ec.europa.eu/map](http://s3platform.jrc.ec.europa.eu/map))

- **Evaluate the needs of industry, public procurers** & private organisations running public procurements as part of the RIS3 process

- Focus the preparatory work for synergies on the **strategic aim of their RIS3 in terms of economic transformation and the fields of specialisation**

**DO NOT**: Design RIS3 to fit Horizon2020 themes or focus on synergies as "acquisition of more EU funding"!
Regional Policy
Programme design level:

- **Foresee close-to-market support** in the OPs **policy mix** ("down-stream" to H2020, not only capacity building!). Examples summarised in **thematic guides** (see: [http://s3platform.jrc.ec.europa.eu/guides](http://s3platform.jrc.ec.europa.eu/guides))

- **Open up for transnational activities**: Article 70(2) CPR; value international connectedness of project proposers under ESIF

- **Expressly commit to aligning the cost models** in the OPs to the Horizon2020/other programmes' models

- **Foresee types of priorities, implementation and project selection methods** that allow for combinations and synergies during OP implementation (complement eligible cost / copy project formats)

- **Improve capacities and services of business and innovation support** structures in line with international quality standards (EEN)

**Nota Bene**: only actions that support the relevant RIS3 strategy can receive ERDF support for innovation & research

**DO NOT** earmark specific OP amounts for cumulative funding!
National & regional authorities could ... (3)

Implementation level:

- **Involve Horizon 2020 actors** in monitoring committees (e.g. NCPs, H2020 programme committee members, relevant EIPs, EIT-KICs, JTIs, researchers with success in FP7, National ESFRI Roadmap responsibles)
- If intention to apply Art.65(11)CPR combining ESIF and H2020 in the same project: **system of conditional commitment** of funding and mechanism of reservation of funds until H2020 results known to be able to **synchronise with H2020 grant decisions**
- **Inform ESIF audit bodies** on mechanisms for synergies, extra-territorial funding (Art. 70(2) CPR) and H2020 rules
- **Install a tracking system for synergies** (e.g. via application forms and/or reports) and use NCP information on H2020 participation
- **International evaluators for project proposals** (consider also using the Horizon 2020 synchronisation actions)

**Communication & dissemination of good practices:**

- Offer **information sessions** /material on the different available R&I support schemes
Main messages on Synergies for policy designers and implementers

1. Think strategic & impact-oriented, not project-oriented

2. BOTH sides (ESIF and Horizon2020 etc.) have to listen, learn and talk to each other, and take steps towards each other

3. Synergies will only work if they are fostered along the entire programming cycle, starting from RIS3 development, to programme design and implementation
Links and documents

- **Creative Europe**: [http://ec.europa.eu/culture/creative-europe/index_en.htm](http://ec.europa.eu/culture/creative-europe/index_en.htm)
  
  NB: Guidance on the broadband part of CEF will be included in the up-date of the Broadband guide (to be published 1st semester 2014): [http://s3platform.jrc.ec.europa.eu/guides](http://s3platform.jrc.ec.europa.eu/guides)
- **S3Plattform** (incl. Eye@RIS3 database of specialisation intentions): [http://s3platform.jrc.ec.europa.eu](http://s3platform.jrc.ec.europa.eu)