Cross Cutting issues-Synergies with other funding mechanisms

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Key Enabling Technologies
Strategy D1
Challenges & Opportunities

- The EU is committed to creating growth and more and better jobs and increase competitiveness;

- We need to work together, to reduce the varying levels of development in regions and islands across the EU (reduce the innovation divide);

- 75% of the EU's budget is managed by the MS themselves (ESIF), the rest is managed directly by the EC (Horizon 2020);
What is out there...to help you

- *Instruments in the frame of Horizon 2020*
- *European Structural and Investment Funds (ESIF)*
- *European Fund for Strategic Investment (EFSI)*
- *Financial Instruments – InnovFin in the frame of Horizon 2020*
European Structural and Investment Funds (ESIF)

* European Funds managed directly by the Member States
Five European Structural & Investment Funds (ESIF) working together

**PARTNERSHIP AGREEMENT**

- European Agriculture Fund for Rural Development
- Cohesion Fund
- European Social Fund
- European Regional Development Fund
- European Maritime and Fisheries Fund

*The funds support investment in innovation, businesses, skills and employment and create jobs.*

11 thematic objectives

- Research and Innovation
- Combating climate change
- Employment and Mobility
- Information and Communication technologies
- Environment and resource efficiency
- Social inclusion
- Competitiveness of SMEs
- Sustainable transport
- Better education, training
- Low-carbon economy
- Better public administration
Cohesion policy (2014-20) focuses more on research and innovation:

- 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
- New regulatory provisions for thematic concentration (R&I part of the minimum 80% concentration for ERDF funds in more developed regions - 50% in less developed regions)
- Strategies for Smart Specialisation (RIS3) should be elaborated keeping in mind Horizon 2020 priorities and the shaping of a European Research Area (ERA)
- The Smart Specialisation Platform established by the Commission in the Joint Research Centre in Seville offers analytical and hands-on support to the development of these strategies, policy learning at regional level through international evaluation by peers and best practice sharing (http://s3platform.jrc.ec.europa.eu/home)
- RIS3 is an Ex-ante Conditionality for Cohesion policy support
## EU R&D and Innovation Policy
### Horizon 2020

### EU Cohesion Policy

<table>
<thead>
<tr>
<th>Differences</th>
</tr>
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<tbody>
<tr>
<td><strong>H2020</strong> does not take into account geographic specificities in allocating funding. <strong>Non-territorial</strong>, mainly transnational approach.</td>
</tr>
<tr>
<td>Co-funding rates vary according to the region and programme. <strong>Place-based approach</strong> supporting economic and social cohesion</td>
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<tr>
<td><strong>Awarded directly to final beneficiaries</strong> (firms, public and private R&amp;D centres and Universities, including national and regional governments in certain cases – Art. 185, ERA-NET etc.), tackling the whole cycle of innovation, taking into account strategic approaches at EU level</td>
</tr>
<tr>
<td><strong>Awarded through</strong> shared management exclusively to national and regional <strong>public intermediaries</strong>. <strong>Largely focused on improving the R&amp;I capacities and R&amp;I eco-systems</strong> with the objective of regional growth and place-based economic transformation towards higher added value and more knowledge-intensive activities (RIS3).</td>
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**Synergies and Complementarities: towards a more competitive Europe**

**Horizon 2020** will focus on tackling major societal challenges, maximising the competitiveness impact of **research and innovation** (Industrial leadership) and raising and spreading levels of **excellence** in the research base

**Cohesion policy** will focus on galvanising **smart specialisation** that will act as a **capacity building** instrument, based on learning mechanisms and the creation of critical skills in regions and Member States.
### Eligibility map 2014-20

<table>
<thead>
<tr>
<th>Region Type</th>
<th>Billion EUR</th>
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</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>66.4</td>
</tr>
<tr>
<td>European territorial cooperation</td>
<td>8.9</td>
</tr>
<tr>
<td>Of which</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>TOTAL</td>
<td>325.1</td>
</tr>
</tbody>
</table>
ESIF funding per thematic objective: State of play

Source: Final ESIF partnership agreements as of December 2014
Smart specialisation strategy (RIS3)

- It is a **strategic approach to prioritise public investments for research and innovation**;

- Regional framework policy for innovation driven growth that relies on an entrepreneurial process of discovery, that can **reveal domains of economic activity where a country or regions excels or has the potential to excel in the future**.

- The goal is to **improve the use of the Structural Funds of the EU**, by investing in priority areas and to ensure a certain synergy between the different communitary policies, national and/or regional, etc.
The smart specialisation process

....is still an ongoing process.
RIS3 and their associated OPs provide an important opportunity for funding and implementing KET related actions.
Regional stakeholders are interested in exploiting synergies between the various planning and funding frameworks to support KETs actions.
Which fields of specialisation emerge in the RIS3 analysis?

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

... overlaps?
... opportunities for cooperation and synergies?
... natural alignment with Horizon2020 and societal challenges!

→ New format of S3Platform workshops: around specialisation fields / priorities

→ Guidance on synergies CSF-Horizon2020
Where to find opportunities?

- **EYE@RIS3 Platform** - Member States and regions encode their priorities.

- **Study "Analysis of Smart Specialisation Strategies in NMP"** (2014):

- Managing Authorities (MA) of your Member State and region (who is my MA?)
KETs are a priority for Smart Specialisation

Nanotechnology: 8 regions
Advanced Materials: 78 regions
Advanced Manufacturing Systems: 94 regions
Industrial Biotechnology: 49 regions
Micro and Nano-electronics: 14 regions
Photonics: 11 regions

Source: Eye@RIS3 Platform, 17/11/2015
European Fund for Strategic Investment (EFSI)
European Fund for Strategic Investment

EFSI is a EUR 16 billion guarantee from the EU budget, complemented by an allocation of EUR 5 billion of EIB’s own capital. Includes projects with a higher risk profile than ordinary EIB activities. It will focus on sectors like:

- Strategic infrastructure including digital, transport and energy
- Education, research, development and innovation
- Expansion of renewable energy and resource efficiency
- Support for smaller businesses and midcap companies

EFSI is demand driven, there are no geographic or sector quotas. Projects will be considered based on their individual merits.

http://www.eib.org/about/invest-eu/index.htm?lang=en

Managed by the EIB
Financial Instruments – InnovFin in the frame of Horizon 2020
Instruments in the frame of Horizon 2020

Financial instruments- InnovFin - EU Finance for Innovators consists of a range of tailored products – from guarantees for intermediaries that lend to SMEs to direct loans to enterprises - helping support the smallest to the largest R&I projects in the EU and countries associated to Horizon 2020, the new EU research programme for 2014-20.

http://www.eib.org/products/blending/innovfin/
InnovFin Platform

- **SMEs**
  - **InnovFin SME Guarantee Initiative**
  - **InnovFin SME Venture Capital**
  - SMEs and small Mid-Caps < 500 Employees
  - Intermediated SME/Mid-Cap Financing

- **Midcaps**
  - **InnovFin MidCap Guarantee**
  - **InnovFin MidCap Growth Finance**
  - Mid-Caps < 3,000 Employees
  - Intermediated and/or direct Corporate lending

- **Large Caps**
  - **InnovFin Large Projects**
  - Large Caps Typically > 3,000 Employees
  - Direct Corporate Lending

- **Thematic Finance**
  - **InnovFin Energy Demo Projects**
  - **InnovFin Infectious Diseases**
  - SPV, Mid-Caps and Large Caps
  - Project Finance and/or Direct Corporate Lending

- **Advisory**
  - **InnovFin Advisory**
  - Public and Private Sector Promoters
  - Financial Advisory

- **Direct products**
- **Indirect products**
Synergies
Why synergies?

Scarce resources:

- More efficiency
- Best use of public funds
About Synergies

... but beware!

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)
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).
Different synergy scenarios

- Upstream sequential combinations: ESIF investments enable H2020 participation
- Parallel use of funds under separate project / grant contracts that are mutually supportive
- Simultaneous use of funds in the same project
- Alternative funding through ESIF of H2020 projects that were positively evaluated
- Downstream sequential combination – H2020 of FP project results used or further developed under ESIF
How to create synergies?

→ Think strategic (not project-oriented)

→ Act in collaboration (not isolation)

→ Identify / generate opportunities (in all programmes)

→ Set up suitable implementation mechanisms
Horizon 2020

Frontier research (ERC, FET)

Excellent R&I
Demonstration Pilots

ERA-Net, JP, EUREKA...

Marie Curie

IP1 = Investment Priorities under the R&I thematic objective of the ERDF Regulation

"Up-stream"

ESI Funds
R&I Infrastructures and Equipment (IP1)

ESFRI
Skills

Business Advisory services

"Down-stream"

KETs
Business Innovation (IP1+3)

KETs (IP1)
PPIs
 prizes
procurement

ESFRI

"Staircase to Excellence"
National/Region all R&I systems

"Research Excellence"

Hopefully also excellence, but "Innovation Excellence"

"Research Excellence"

Research & Development

Innovation

Capacity Building

Market

IP = Investment Priorities under the R&I thematic objective of the ERDF Regulation
Hypothetical Horizon2020 project proposal & budget structure

Project proposal for Horizon2020

Project description

Work packages (ideally geographically attributable) or definition of expenditure categories

Horizon2020 budget
Incl. public or private co-funding
... But no ESIF!

ESIF budget
Incl. public or private co-funding + specifying which OP will co-fund and where
... But no H2!

Step 1
ESIF MA: looks into this part of the budget and checks the eligibility of the type of proposed costs, the location of the operation, etc. BEFORE the H2 project is submitted to the H2 call
... and should have a look into the H2 project content ... and may wish to make the ESIF grant agreement dependent on the award of the H2 project

Step 2
Horizon2020: Evaluators look into this to appreciate the scientific / innovation quality of the entire project
... and negotiate this part of the budget
How the Commission works to enable synergies

Strategic level:

• **Support for smart specialisation strategy development** (over 100 expert contracts, S3Platform, e.g. Guide on RIS3 regarding entrepreneurial discovery process, Focused Workshops, 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.
Synergies encouraged in WP

• The proposers should **actively seek contact with national/regional authorities** whose Smart Specialisation Strategies correspond to their research, and **stimulate the interest of the Member States /Regions** in the project and its possible results.

• **Actions combining different sources of public financing should include a concrete financial plan detailing the use of these funding sources for the different parts of their activities.**
Where to find examples of synergies?

A set of examples in different areas including NMBP have been published on:

http://s3platform.jrc.ec.europa.eu/synergies-examples

These include:

- Ruđer Bošković Institute (RBI)-Zagreb-outlines upstream sequential type of synergies developed in the research area of biomedicine;
- Centre of Advanced Research in Bionanoconjugates and Biopolymers – IntelCentre of "Petru Poni" Institute of Macromolecular Chemistry of the Romanian Academy
- Research in novel materials with unusual electromagnetic properties - Institute of Electronic Materials Technology, Poland.
- Promotion of high level international research (KTU's Institute of Materials Science), Latvia
- etc
Synergies examples from Portugal:
PRODUTECH – PRODUCTION TECHNOLOGIES CLUSTER: aligning programmes, priorities and projects at EU and national/regional levels.

- Defining funding programmes that support complementary research activities and also other steps of the innovation process (development, technology adaptation and integration, industrial test, validation and demonstration, etc.)

- Portuguese funding programmes give better funding conditions for those projects using results coming from EU R&D projects.

- Together with the related Portuguese authorities, Portuguese Clusters are responsible for defining the relevant topics/themes for funding. This means that they can align them with the European priorities also.
# Basic Principles & Concept of Synergies and Cumulation

Recommendations for policy-makers and implementing bodies for strategy development, programme design and implementation mechanisms; Overview of Commission support (SWD(2014)205 final)

<table>
<thead>
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<th>Annex 1</th>
<th>Annex 2</th>
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<tbody>
<tr>
<td><strong>Explanations by programme</strong> (differences, opportunities, management principles)</td>
<td><strong>Scenarios &amp; hands-on advice for policy-designers &amp; implementers by project format</strong> (also interesting for beneficiaries)</td>
</tr>
<tr>
<td>• ESIF &amp; Cohesion Policy</td>
<td>1. Horizon2020</td>
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<td>• Erasmus+</td>
<td>- Marie Skłodowska-Curie researchers' mobility</td>
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<td>• CEF digital services</td>
<td>- ERA-NETs, Joint Programming Initiatives, Art. 185 initiatives and Art. 187 Joint Technology Initiatives</td>
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<td>- EIT / Knowledge and Innovation Communities</td>
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   - 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& with Creative Industries
5. CEF - Digital Services Platforms – e-government interop.

## Guidance for end beneficiaries

Pointing beneficiaries via a 6-step checklist to possible EU funding and support sources for R&I.


Modernisation of EU State aid frameworks:

Possible positive actions:

- Get in touch and discuss synergies with the ESIF Managing Authorities in your country; integrate relevant policy measures in your Operational Programmes, based on local/national RIS3 (Smart Specialisation Strategies).

- Discuss and get informed about the 'Seal of Excellence' to channel well evaluated but not-funded Horizon 2020 project proposals that are largely located in an OP territory to the relevant MAs and can benefit from ERDF/ESF/EAFRD/EMFF funding.

- **LOOK WHERE YOUR ACTIVITIES FIT IN** - training under the ESF; research and any infrastructures, under the ERDF.

YOU NEED TO EXPLAIN WHY FUNDING YOUR PROJECT / INFRASTRUCTURE ETC. IS NOT ONLY VALUABLE FROM A SCIENTIFIC POINT OF VIEW BUT HOW IT HELPS THE GOALS OF THE STRUCTURAL FUNDS: CREATION OF JOBS, ECONOMIC AND REGIONAL DEVELOPMENT, CAPACITY BUILDING, CONTRIBUTION TO GROWTH AND COHESION ETC...
Tools made available by the EC

- Guide Enabling synergies between ESIF, H2020 and other research, innovation and competitiveness-related Union programmes

- Smart Specialisation Platform: [http://s3platform.jrc.ec.europa.eu/home](http://s3platform.jrc.ec.europa.eu/home)


- Regional Innovation Scoreboard
Thank you for your attention!

Credits:
Katja Reppel, Directorate General for Regional and Urban Policy
Dimitri Corpakis, Directorate General for Research and Innovation