Enabling synergies between European Structural and Investment Funds, Horizon 2020 and other research, innovation and competitiveness-related Union programmes:
Guidance for setting targets and implementing synergies.
Structure

Why synergies between H2020 and ESIF?

What are the conditions and basic rules to be respected?

Examples of combined funding

What to do to make synergies possible?

Some latest development in WP2014/15
Why synergies between H2020 and ESIF?
R&D investment: source of growth
> R&I investments pays off

*Communication "R&I as sources of Renewed Growth", May 2014*

R&D intensity broken down by sector, 2012 (1) and R&D intensity targets 2020

- Public expenditure on R&D as % of GDP
- Business enterprise expenditure on R&D as % of GDP
- Private non-Profit expenditure on R&D as % of GDP
- R&D intensity target 2020
> ESIF & H2020 part of the same long term strategy:

- **EU2020 R&I TARGET:** 3% of the EU's GDP invested in R&D by 2020

- **EU 2020 "Innovation Union Flagship initiative:***

  **Commitment 6:** Future EU research and innovation programmes will focus on Europe 2020 objectives and particularly the Innovation Union.

  **Commitment 24/25:** Member States should initiate the preparation of post 2013 Structural Fund programmes with an increased focus on innovation and smart specialisation.

  "The integration of the research and innovation dimensions should be reflected 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 added value."
> SYNERGIES:

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
What are the conditions and basic rules to be respected?

(ref SWD + Aneex 1)
> Understand specific objectives & features

<table>
<thead>
<tr>
<th>EU R&amp;D Policy – Horizon 2020</th>
<th>EU Cohesion Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Differences</strong></td>
<td></td>
</tr>
<tr>
<td>&gt; Excellence based / Non-territorial approach</td>
<td>&gt; Socio economic development/ Place-based approach</td>
</tr>
<tr>
<td>&gt; Direct management - mostly awarded directly to final beneficiaries</td>
<td>&gt; Awarded through shared management to national and regional public intermediaries</td>
</tr>
<tr>
<td>&gt; Mostly competitive calls addressed mainly to international groupings through peer-review based on excellence criteria</td>
<td>&gt; Mostly non-competitive attribution addressed to regional players (single beneficiaries) based on strategic planning negotiation</td>
</tr>
<tr>
<td>&gt; Bi-annual work programmes</td>
<td>&gt; 7-years OPs</td>
</tr>
<tr>
<td><strong>Complementarities</strong></td>
<td></td>
</tr>
<tr>
<td>&gt; 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</td>
<td>&gt; 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.</td>
</tr>
</tbody>
</table>

Smart specialisation
> Look at the legal basis

STRATEGIC level:

- Political mandate to ensure coordination between ESIF (in PA and OP) and Horizon2020 both in ESIF (*Recital 30, Art 15(1), 96(6) CPR*) and H2020 (Rec 33 and Art 20)

- Smart specialisation strategies involving H2020 stakeholders (Annex 1.4 CPR)

OPERATIONAL level – Common Strategic Framework (Annex 1 CPR)

- Possibility for regions to use additional measures to unlock excellence in R&I and up- & down-stream measures to H2020 (*Annex 1 to CPR*)

- ESIF open to transnational approach:
  - Possibility to spend outside operational programme area (*Article 70(2) CPR*)
  - Possibility of inter-regional & transnational actions with beneficiaries located in at least 1 other MS (*Art 96(3)d CPR*)

- Possible Alignment to H2020 cost models (*Art 67(5)b, 68(1)c CPR & H2020 rules for participation*)
> 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"  "Research Excellence"  "Innovation Excellence"

National/Regional R&I systems

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

Regional Policy
> 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 or one projects support the take-up of the results (upstream and 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
Teaming: cumulative or sequential

Combined Funding for Teaming:

Application for Teaming under H2020 including commitment of regional/National authorities for support

Agreement with national/Regional authorities for Support of new/up-graded Centre of Excellence (in Particular for stage 2)

H2020 teaming expects alignment of proposed Teaming with RIS3 and commitment of national/regional authorities' co-funding (e.g. ESIF) already at stage 1.

ESIF can be used for costs not Eligible under Teaming, e.g. Improvement of infrastructure, Large equipment etc.
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
Art. 185 Public-Public Partnerships (P2P): cumulative funding

**NOTA BENE:**
MS (not regions!)

EP and Council decision!

↔ Level 1: ESIF can be added but NOT instead of the national contribution!

↔ Level 2: ESIF can be used for other cost items!

Examples: BONUS (Baltic Sea), AAL2, EMPIR, EURSTARS2
ERA-NET: parallel funding

ERA-NET Cofund:

- **Level 1**: ESIF for costs outside H2020 topped-up Joint Call

- **Level 2**: ESIF use
  Cumulatively **not** possible; for partner from MS outside ERA-NET possible!
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.
Latest development in H2020 WPs to enable synergies?

WP 2014/15 summer revision (currently for PC opinion):

> SMART LINK platform to be set in 2015 up to enable synergies and exchanges between H2020 NCP and Managing Authorities

- WP- ENV call revised text encouraging project during its duration to search for complementary or follow up funding, including ESIF; Seek contact with authorities concerned by relevant s3 for them to take an interest in follow-up (PPI? PCP?). Indication of pre-identified partners possible

Ongoing:

- Follow-up/assessment of NMP 2014 calls + NMP 2015 calls + case studies in preparation

- Synergies-Guide + new guide for beneficiaries on funding opportunities
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)
- **For end beneficiaries in 2007-13 period**: Practical guide to EU funding opportunities for research and innovation (up-date to be published in summer 2014): [http://cordis.europa.eu/eu-funding-guide/checklist_en.html](http://cordis.europa.eu/eu-funding-guide/checklist_en.html)
Thank you for your attention!

Magda.De-Carli@ec.europa.eu
Number of proposals by country

only countries with submissions are shown
<table>
<thead>
<tr>
<th>Topic</th>
<th>Proposals</th>
<th>Max. project fundable</th>
<th>Max. success rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICT 37: Open Disruptive Innovation Scheme</td>
<td>885</td>
<td>30</td>
<td>3.4%</td>
</tr>
<tr>
<td>NMP 25: Accelerating the uptake of nanotechnologies, advanced materials or advanced manufacturing and processing technologies by SMEs</td>
<td>305</td>
<td>14</td>
<td>4.6%</td>
</tr>
<tr>
<td>BIOTECH 5: SME boosting biotechnology-based industrial processes driving competitiveness and sustainability</td>
<td>73</td>
<td>2</td>
<td>2.7%</td>
</tr>
<tr>
<td>LEIT Space-SME</td>
<td>128</td>
<td>5</td>
<td>3.9%</td>
</tr>
<tr>
<td>PHC12: Clinical research for the validation of biomarkers and/or diagnostic medical devices</td>
<td>213</td>
<td>44</td>
<td>20.7%</td>
</tr>
<tr>
<td>SFS8: Resource-efficient eco-innovative food production and processing</td>
<td>129</td>
<td>6</td>
<td>4.6%</td>
</tr>
<tr>
<td>BG12: Supporting SMEs efforts for the development - deployment and market replication of innovative solutions for blue growth</td>
<td>49</td>
<td>2</td>
<td>4.1%</td>
</tr>
<tr>
<td>SIE 1: Stimulating the innovation potential of SMEs for a low carbon and efficient energy system</td>
<td>372</td>
<td>22</td>
<td>5.9%</td>
</tr>
<tr>
<td>IT.1: Small business innovation research for Transport</td>
<td>229</td>
<td>24</td>
<td>10.5%</td>
</tr>
<tr>
<td>SC-5-20: Boosting the potential of small businesses for eco-innovation and a sustainable supply of raw materials</td>
<td>241</td>
<td>11</td>
<td>4.6%</td>
</tr>
<tr>
<td>DRS17-Protection of urban soft targets and urban critical infrastructures</td>
<td>42</td>
<td>4</td>
<td>9.5%</td>
</tr>
</tbody>
</table>
Eligible actions

1. **R&I projects**
   - Collaborative R&I projects (tassi del 70% o 100%)
   - SME instrument
   - ERC grants
   - Marie-Curie fellowships
   - *Fast track to innovation - pilot*

2. **Coordination & support actions**

3. **Programme Co-fund**
   - Marie-Curie co-fund
   - ERA-NET
   - Pre-commercial procurement/procurement of innovation

4. **Prizes (recognition, inducement)**

5. **Risk finance (debt, equity)**
Figure 2: Regional performance groups RIS 2014

Map created with Region Map Generator
WIDENING PARTICIPATION through H2020

New set of measures in Horizon 2020 under the separate specific objective "Spreading Excellence and Widening Participation" (WIDESPREAD):

- Teaming for Excellence (CoEs)
- Twinning (institutional networking)
- ERA Chairs (bringing excellence to institutions)
- NCPs (information, communication, support)
- Policy Support Facility (support for R&I Policy design)
- COST (stimulating cross border science networks)

Widening actions: A bridge between R&I (H2020) and Cohesion Policies (ESIF) notably through Smart Specialisation

Total Budget in H2020 ~ €816 million
Widening Participation: Eligibility Criteria (1)

Why?

• Political objective of Widening in H2020
• H2020 calls for a targeted approach to help participants with low R&I performance
• H2020 Framework & Specific Programme legislation: "low performing RDI Member States and regions"

How?

Eligibility Criterion: The Composite Indicator of Research Excellence

A Composite indicator of four variables:

• Highly cited publications of a country as a share of the top 10% most cited publications normalised by GDP
• Number of world class universities (in top 250) and public research institutes (in top 50) in a country normalised by population
• Patent applications per million population
• Total value of ERC grants received divided by public R&D performed by the higher education and government sectors
Widening Participation: Eligibility Criteria (2)

- **Origin:** Developed by DG RTD & JRC, part of the IU progress at country level 2013 publication & included in the *IU Competitiveness Report 2013.*

- **Definition:** "A composite indicator developed to measure the research excellence in Europe, meaning the effects of the European and national policies on the modernisation of research institutions, the vitality of the research environment and the quality of research outputs in both basic and applied research."

- **Threshold:** MS below 70% of the EU average

- **"low RDI performing" Member States for Widening actions:** Latvia, Croatia, Lithuania, Malta, Slovakia, Romania, Luxembourg, Poland, Bulgaria, Estonia, Portugal, Slovenia, Cyprus, Czech Republic and Hungary

- **"low RDI performing" Associated Countries:** The same eligibility criteria apply for Associated Countries to H2020
2.2 Boost R&I strategies and cooperation: Joint Programming Initiative (P2P)

Synergies between HORIZON 2020 and Joint Programming

JPI: Basically, no EU funding, hence no restrictions regarding ESIF (apart from its own rules)

BUT:
CSA for preparation (H2020 foresees 6MEUR for it)

ERA-NET or Art. 185 as a result of JPI