



Guidance on Synergies between European Structural and Investment Funds, Horizon2020 and other innovation-related EU funding programmes

1st of October 2014, Ljubljana (Slovenia)

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Structure

- **Structure of the guidance**
- **Basic principles and concept of synergies**
- **Examples & scenarios**
- **What needs to be done now**



Structure of guidance

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)

Annex 1

Explanations by programme

(differences, opportunities, management principles)

- **ESIF & Cohesion Policy**
- **Horizon2020**
- **COSME**
- **Erasmus+**
- **CEF digital services**
- **Creative Europe**

Annex 2

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& with Creative Industries
5. CEF - Digital Services Platforms – e-government interop.

Guidance on synergies among and with financial instruments:

short reference guide for Managing Authorities.

See:

http://ec.europa.eu/regional_policy/thefunds/fin_instrument/index_en.cfm

Modernisation of EU State aid frameworks:

See:

http://ec.europa.eu/competition/state_aid/modernisation/index_en.html

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

Shared
manage-
ment

Up to € 100 billion for
innovation

- **All ESI Funds** (ERDF, ESF, Cohesion Fund + 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 ...

Basics on Cohesion Policy

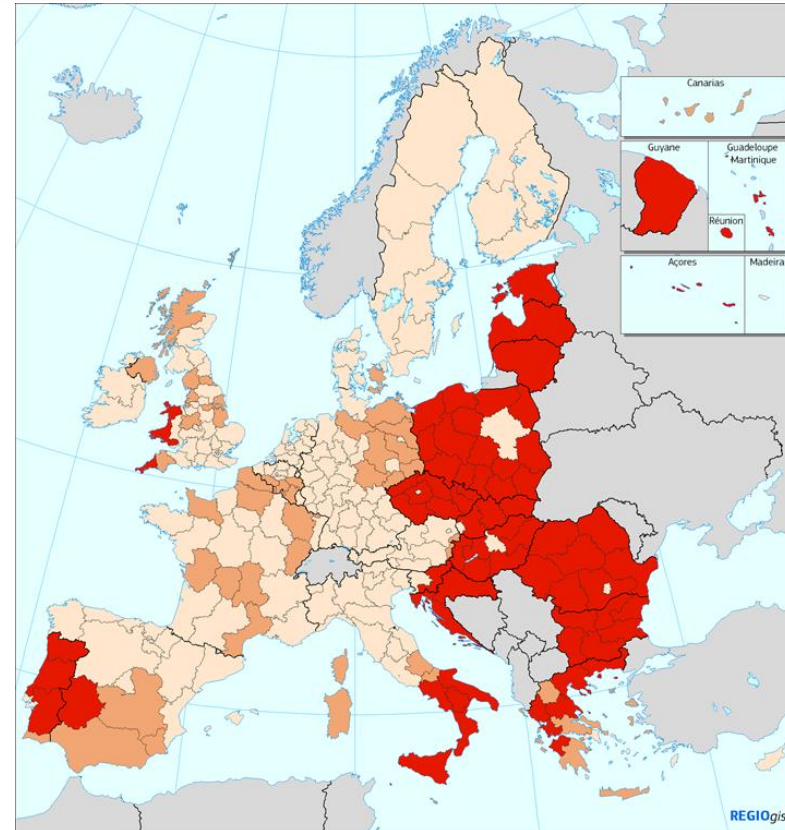
Over 400 Operational Programmes

... and almost as many **Managing Authorities** (50/50 at national vs. regional level).

3 Funds (ERDF, Cohesion Fund, ESF) mostly spent **within an OP's territory**.

Disbursed via:

- **Grants** – to individual recipients and consortia; often pre-allocated
- **Financial instruments** (loans, VC, guarantees. 2007-13: €12 billion / around 5.5% of ERDF (in the future: 10% expected)
- **Public procurement**: in 2007-13 around 46% = some €160 billion
- **Support services**, feasibility studies, platforms & networks, administrative capacity building ...



2014-20 budget: € 350 billion

Around 80% goes to the less developed / transition regions & countries.

Around €124 billion will be invested in innovation-drivers and take-up, i.e. research and innovation, SME competitiveness, digital growth and energy efficiency / renewable energies.

Novelties for synergies btw. H2020 and ESIF

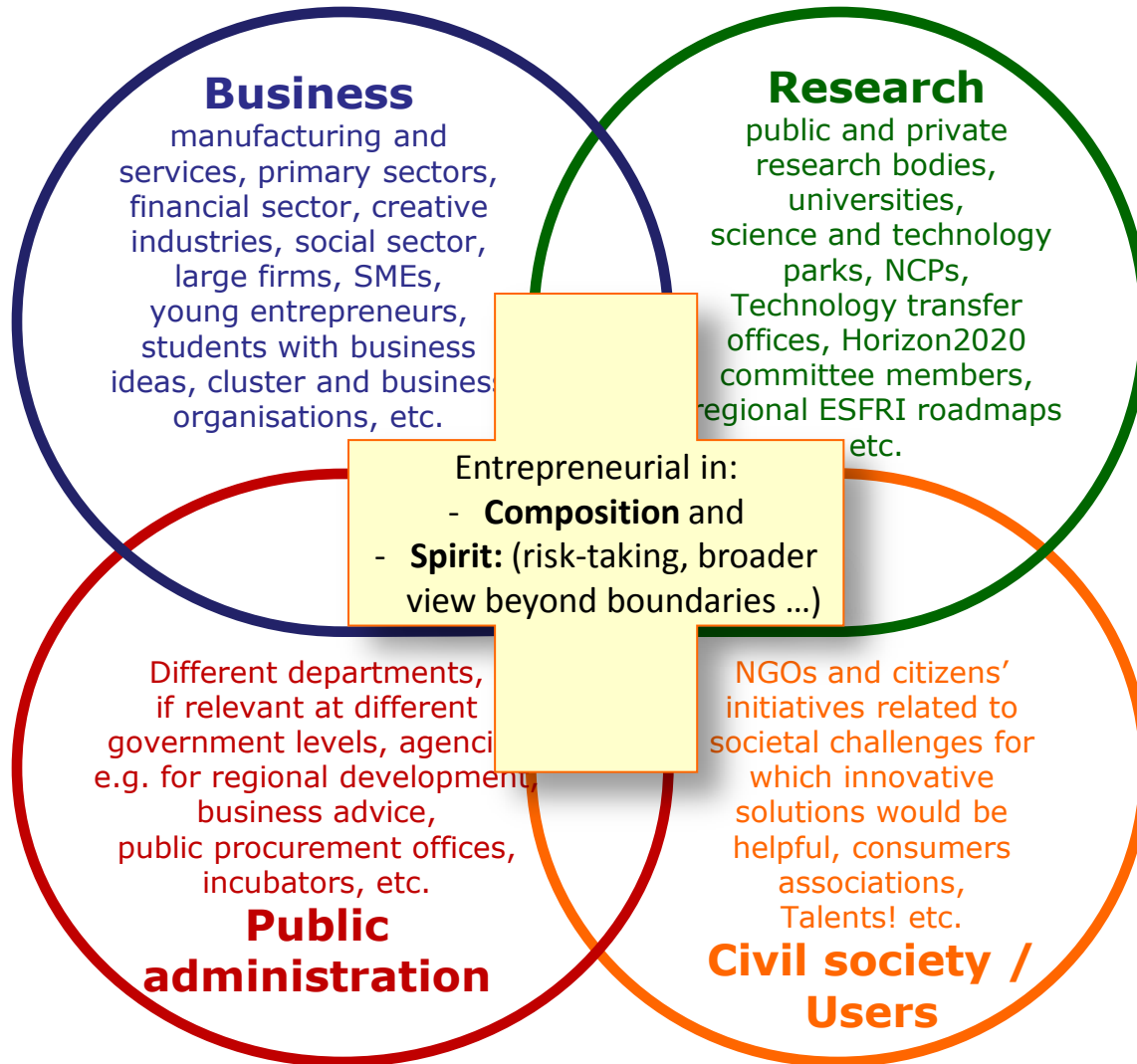
- **Possibility to combine H2020 and ESIF money in the same project** via a derogation from the non-cumulative principle of Art. 129 Fin. Regulation that prohibits a beneficiary to receive 2 EU grants for a project (Art. 65(11) CPR*)
- **More ESIF can be spent outside operational programme territory** (e.g. to pool funding for technology parks, clusters, research infrastructures abroad, ...) if for the benefit of the programme area: Article 70(2) CPR (also contract research is possible outside OP territory irrespective of Art 70(2) limits!)
- **Stronger obligation to work with innovation actors in other regions & Member States** beyond "INTERREG": 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 CPR)
- **Obligation to develop smart specialisation strategies, including seeking synergies and complementarity** with Horizon2020 and other centrally managed EU programmes and involvement of Horizon 2020 stakeholders in RIS3 development process and obligation to foresee up- & down-stream measures to Horizon 2020 in RIS3: Annex 1 to CPR

Structure

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- **Basic principles and concept of synergies**
- **Examples & scenarios**
- **What needs to be done now**

Why do we need strategic synergies between ESIF and Horizon2020?

- **Improve the quality & impact of national & regional innovation investments and policies**, incl. type of support measures (e.g. LivingLabs, demonstrators, PCP/PPI ...)
- Deliver on the policy objective of **leveraging more national / regional funding towards EU objectives**
- **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
- **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...)



"Smart specialisation strategies shall be developed in an entrepreneurial discovery process. The authorities directly concerned by Horizon 2020 shall be closely associated with that process."
See CPR* annex 1, point 4.3.2.

- **Reiterative process**
- **Creative thinking / combination**
- **External view needed**

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

*) CPR = Common Provisions Regulation for all ESI Funds, No 1303/2013

What do we understand as synergies?

- ✓ **Obtaining more impacts** on competitiveness, jobs and growth by combining ESIF and Horizon2020 ... e.g. use of ERDF research infrastructures in Horizon 2020 innovation projects
- ✓ **Amplifying** projects / initiatives under the other instrument ... e.g. oversubscription of SME instrument: short listed projects ⇨ ESIF
- ✓ **Carrying further** the projects of the other instrument towards market ... e.g. SME instrument "seals of excellence"

...and what NOT:

- **NO substituting of national or regional or private co-funding** to projects or programmes by money from the other instruments
- **NO diversion of funding away 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 is no durable impact.

How to achieve financial synergies?

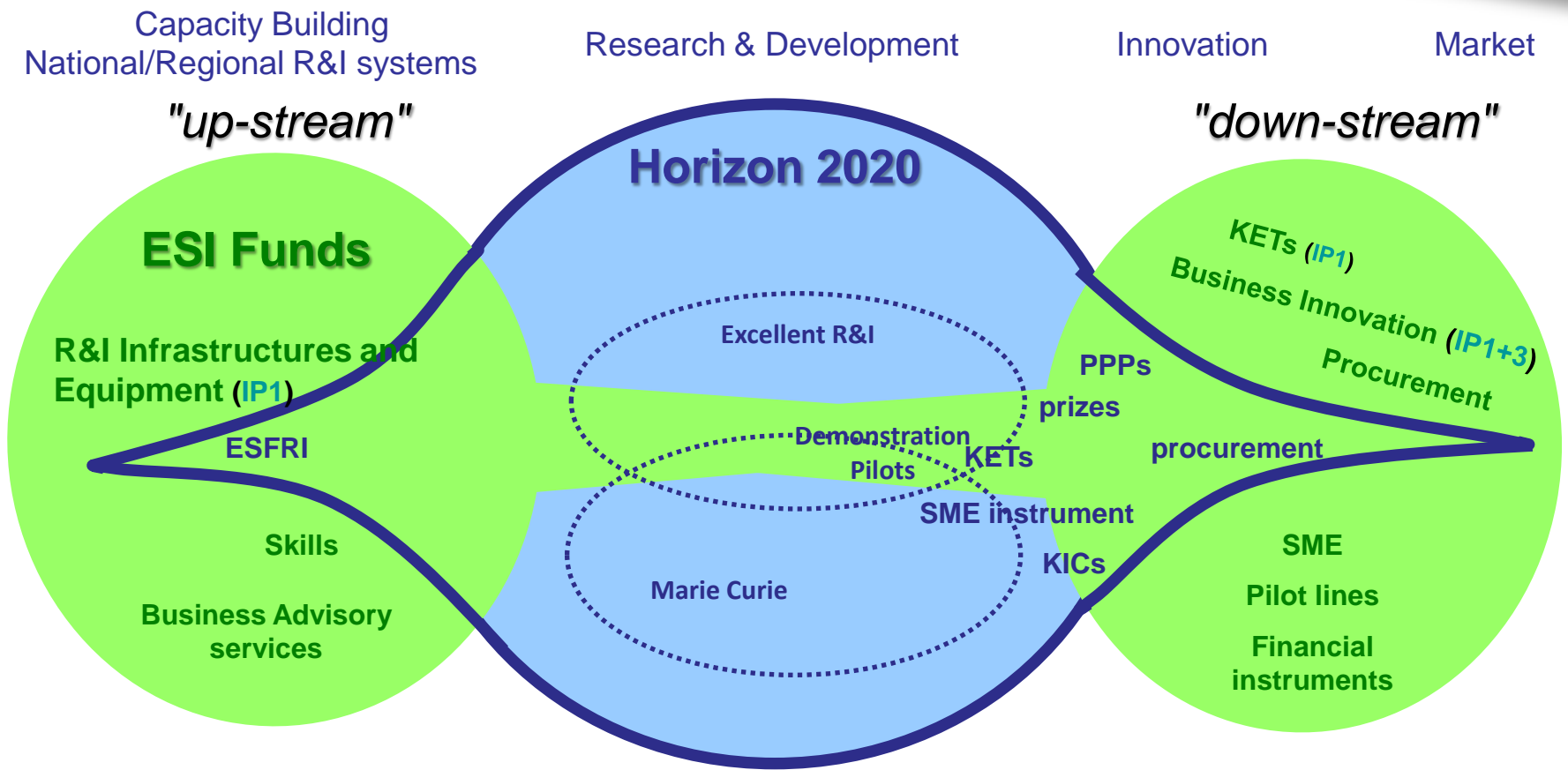
... i.e. regarding the projects

- **Successive projects** that build on each other
- **Alternative funding:** Take up high quality project Horizon 2020 proposals for which there is not enough budget available and implement via ESIF
- **Parallel projects** that complement each other
- **Cumulative funding:** Bringing together Horizon 2020 and ESIF money in the same project



"Smart specialisation strategies shall include:
 (a) Up-stream actions ...
 (b) down-stream actions from Horizon 2020"
 See CPR annex 1, point 4.3.2.

How to achieve financial synergies



"Stairway to Excellence"

Cumulation in same project

Non-cumulative principle of Art. 129 [Financial Regulation \(No 966/2012\)](#):

*"Each **action** may give rise to the award of **only one grant** from the budget to any **one beneficiary**, except where otherwise authorised in the relevant basic acts". [...]*

ESIF

Art. 65(11) Common Provisions Regulation: *"An **operation** may receive support from one or more ESI Funds or from one or more programmes and from other Union instruments, provided that the **expenditure item** included in a request for payment for reimbursement by one of the ESI Funds **does not receive support from another Fund or Union instrument**, or support from the same Fund under another programme."*

Horizon2020

Article 37 Rules for Participation:
*"Cumulative funding
An **action** for which a **grant** from the Union budget has been awarded may also give rise to the award of a grant on the basis of Regulation (EU) No 1291/2013 [Horizon2020], provided that the **grants do not cover the same cost items.**"*

Expenditure item = Cost item

= incurred, declared + eligible expenditure under a grant agreement / contract

Operation/Action = Project ≠ grant agreement

Project has clear objectives, activities to be carried out, concrete deliverables. Projects can have several components or actions with several grant agreements / contracts

Only for Horizon 2020!
COSME and the other innovation and competitiveness related programmes do not have a derogation from Art. 129 of the Financial Regulation

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 (Art 37 Horizon 2020 RfP)

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 (Art 37 Horizon 2020 RfP)

Project ≠ grant agreement!

Concept & planning

Horizon2020 innovation action:

- Call for proposals

- Eligible cost:
Staff ; equipment; travel ;
sub-contracting;

- Budget:
70% H2020
+ 30% own public or private
funds (**no ESIF!**)

H2020 grant

ESIF actions

- Eligible cost:
Purchase of R&D
equipment and
infrastructure

ERDF
grant1

- entrepreneurship
training for researchers

- Budget:
ESIF from different
OPs
+ relevant % of own
public funds (**no H2020!**)

ESF
grant2

IF a Horizon2020 call for proposals encourages synergies with ESIF: beneficiaries could proceed as follows...

Step 1: Develop project concept

Define objectives, approach, participants and necessary material, / infrastructures as well as work packages / budget categories, e.g.:

- per activity (e.g. costs of training activities, test series),
- per nature (e.g. personnel costs, equipment) or
- by a combination of the nature and activity (e.g. costs of personnel assigned to the training activities)
- where will they happen / direct benefits materialise?

Define precisely and in a coordinated & complementary manner for BOTH possible grant agreements:

HOW MUCH IS SEPARATE & HOW MUCH IS SHARED

e.g. project management, accounting, reporting, indicators, etc. (and make sure that the cost for the shared activities is not double counted!)

Timing: asap but significantly before deadline for H2 proposal submission

Concept & planning

- Coherent project concept and with identifiable 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 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.

Only if EISF programme foresees relevant support type, selection principles and specific objectives.
No obligation of the Managing Authority to fund proposals!

IF a Horizon2020 call for proposals encourages...
with ESIF: beneficiaries could proceed as follows...

Step 2:

discuss with Managing Authority

Explain the overall project concept, including the H2020 elements, where the activities / investments will be located, and which part of the budget could be ESIF co-funded. Explain the **impact on the regional economy** (e.g. links with industries, spin-offs ...) and **smart specialisation strategy**.

MA will check the eligibility whether the type of proposed activities / investments and their purpose and beneficiaries are in line with ESIF operational programmes' objectives and budgets

If OK: conditional approval: ESIF grant agreement dependent on the award of the H2020 project

Timing: maximum 3-4 months, i.e. before deadline for H2020 proposal submission



IF a Horizon2020 call for proposals encourages synergies with ESIF: **beneficiaries could proceed as follows...**

Step 3: submit proposal to H2020

Horizon2020 evaluators will assess the quality of the H2020 actions according to the predefined criteria (excellence, impact and implementation)

... and should look into overall concept of the project, including the ESIF actions

Timing for getting evaluation result after submission deadline: in many cases **5 months**



IF a Horizon2020 call for proposals encourages synergies with ESIF: beneficiaries could proceed as follows...

Step 4: inform MA about result of the H2020 evaluation

either to finalise the ESIF grant agreement procedure **or** to withdraw ESIF application.

H2020 grant agreement

Timing: max. 3 months



Step 5:

Set up project's management and accounting system

so that **cost items are from the beginning identifiable and attributable** to the different EU grants, i.e. one strand for H2020 cost items and another strand per ESIF grant. **Refer to activities under respectively other grant in reporting.**

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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

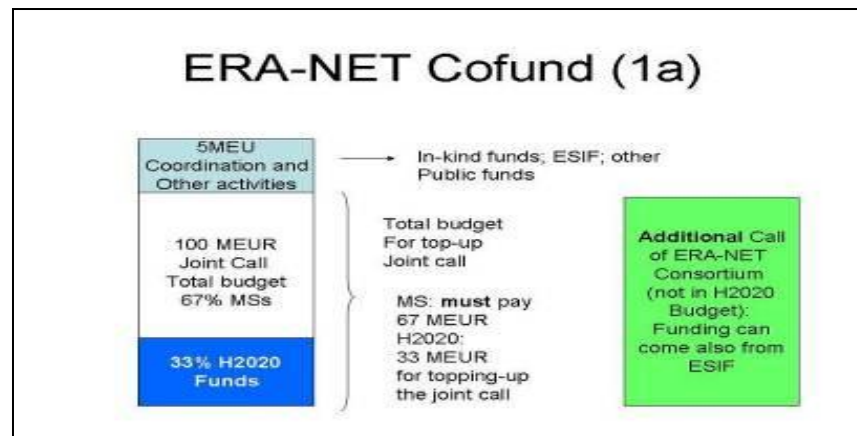
For instance:

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)

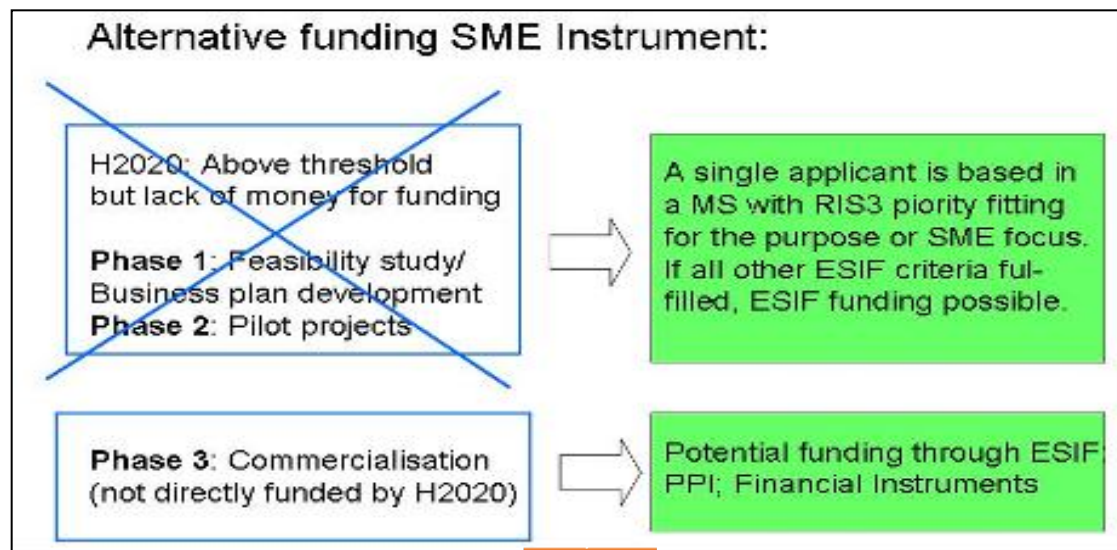
Other examples:

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)

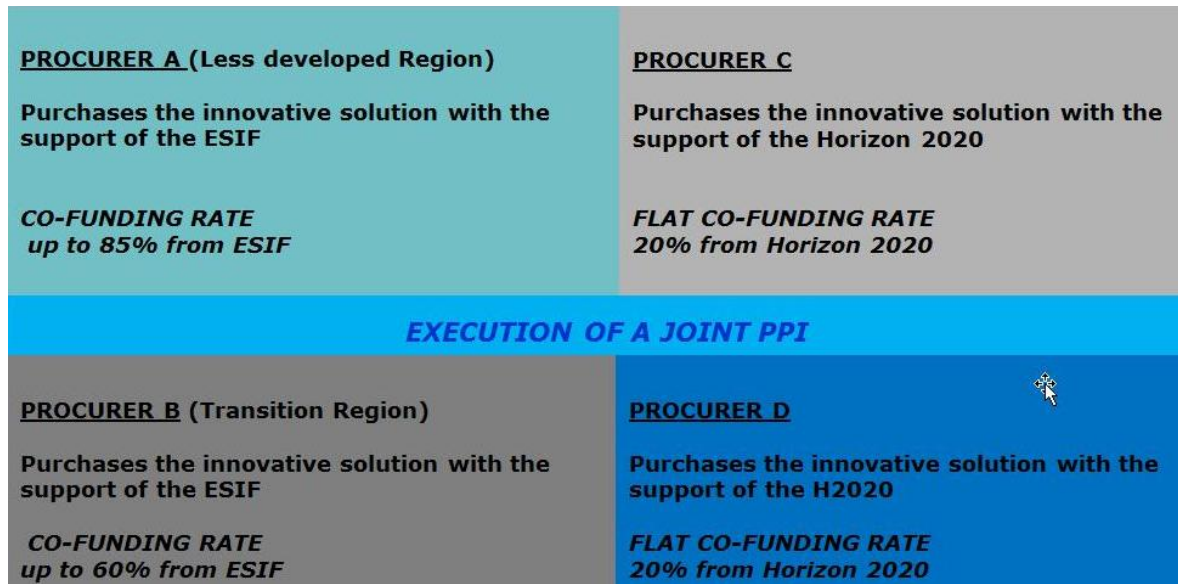
Other examples:

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:



No cumulation in the same project possible, i.e. different project managers, separate actions, ...

Different scenarios for synergy

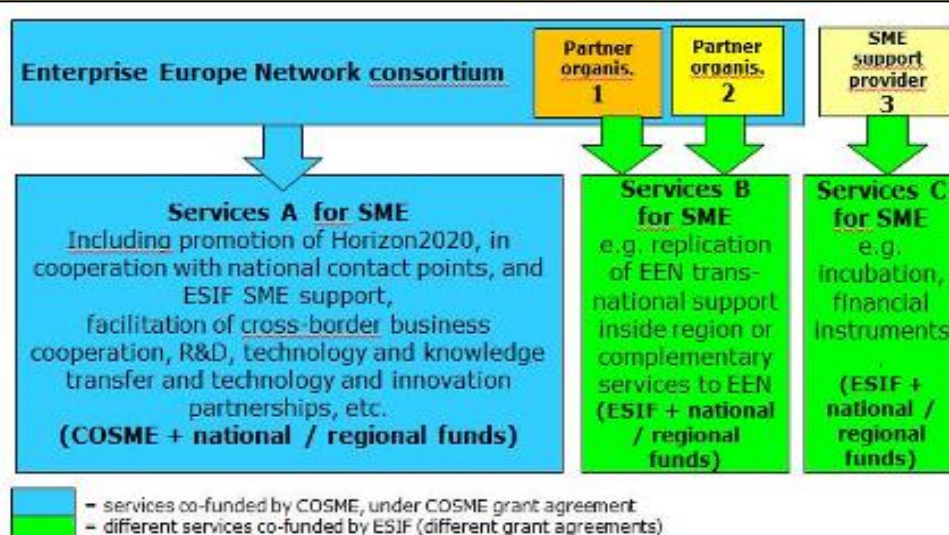
Other examples:

2. COSME – Enterprise Europe Network

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

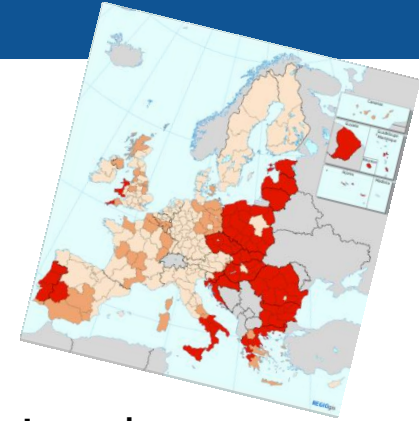
- The EEN is located in many regions all over the EU and even beyond. It offers direct access to international business or innovation partners for SMEs.
- It offers advanced high-quality advisory services that could give a model to be replicated within an ESIF programme's territory with ESIF funded business 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:



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Finalise ESIF programmes & implementation mechanisms

- **Who: national & regional Ministries** (economy, regional development, social affairs, agriculture ...)
Negotiate with European Commission
Monitoring Committees ...
- **What:** ESIF investment priorities, specific objectives, indicators, types of actions (funding, support services, networking, etc.), principles for the selection of projects, budget allocations, simplification, coordination among funds, beneficiaries (public, private)
Conformity with "ex ante conditionalities": smart specialisation, Implementation mechanisms (open calls, pre-allocated funding ...)
- **When:** on-going. Start of funding towards end of 2014

**INTERREG
a bit later**

Continue Horizon2020 implementation

- **Who: European Commission** (DG RTD, CNECT, ENER, EAC, MOVE, AGRI) & executive agencies

Programme committees: national ministries

Dedicated Implementation Structures (Art. 185 TFEU: Public-Public-Partnerships)

Joint Undertakings (Art.187 TFEU: Public-Private-Partnerships)

European Research Council

ERA-Nets, Marie-S-Curie Co-Funds ...

- **What:** types of projects (multi-country-standard, PCP/PPI, SME instrument, venture capital, individual research projects (ERC)...) Call timing, themes, budget allocations, evaluation criteria details (excellence?, impact?, implementation) Transfer of project results

- **When:** on-going. Annual up-dates of work programmes & plans

Other EU programmes' implementation



COSME:

- New financial instruments via EIF
- Enterprise Europe Network: new consortia



Erasmus+

- Mobility grants via national agencies
- Calls for Sector Skills Alliances & Knowledge Alliances

Creative Europe

- Loan Guarantee Facility as of 2016
- Calls for proposals for grants

Digital service part of CEF

- Procurements for digital service platforms around identified themes (cyber security, open data, etc.)
- Grants



What could potential beneficiaries do for synergies?

- Input to entrepreneurial discovery process for shaping smart specialisation priorities
- Compare cost models and project formats of Horizon2020, Erasmus+, etc. and past ESIF programmes and discuss with ESIF managing authorities
- Increase international connections
- Think of how to build on past ESIF or FP7 projects to go further in the innovation cycle
-?

Discussion



Other useful info...

How identify the relevant ESIF Managing Authorities?

- **ERDF, ETC & Cohesion Fund**
http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm
- **ESF, Youth initiative & EaSI:**
<http://ec.europa.eu/esf/main.jsp?catId=45&langId=en>
- **EAFRD:** http://enrd.ec.europa.eu/general-info/whos-who/implementing-authorities/managing-authorities/en/managing-authorities_en.cfm
- **EMFF:**
http://ec.europa.eu/fisheries/cfp/eff/apply_for_funding/index_en.htm

Nota Bene: for the new generation of ESIF programmes in some cases there will be different MAs in charge. The ones in the referenced web-sites will be able to direct you to them.



The screenshot shows a web page from the European Commission. The breadcrumb trail is: European Commission > Regional Policy > In your country > Managing authorities. The page has a navigation menu with options: Who we are, What we do, What's new, In your country (selected), Project examples, Information sources, and Cohesion policy 2014-2020. There are also icons for listening, printing, and social media. A sidebar on the left lists: In your country (selected), Eligible areas, Programmes, Beneficiaries, and Managing authorities. The main content area is titled 'Managing authorities' and contains the following text: 'The detailed management of programmes which receive support from the Structural Funds is the responsibility of the Member States. For every programme, they designate a managing authority (at national, regional or another level) which will inform potential beneficiaries, select the projects and generally monitor implementation.' Below this text is a prompt: 'Select a country and the contact information for the managing authorities of the various programmes will appear below on this page.' A map of Europe is shown with a magnifying glass over the Iberian Peninsula. At the bottom, there is a grid of country selection buttons with flags and names: Belgique - België, България - Bulgaria, Česká Republika, Danmark, Deutschland, Eesti, Ireland - Eire, Ελλάδα - Ellada, and España.



Links and documents

- **Guide for authorities on synergies between ESIF and Horizon2020 and other EU programmes:** http://ec.europa.eu/regional_policy/activity/research/index_en.cfm
- **Common Provisions Regulation** for the European Structural and Investment Funds: http://ec.europa.eu/regional_policy/what/future/index_en.cfm
- **General guidance on ESIF:** http://ec.europa.eu/regional_policy/information/guidelines/index_en.cfm
- **Horizon 2020** regulations & rules for participation, PPP & P2Ps: http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference_docs.html
- **COSME** regulation: <http://ec.europa.eu/cip/cosme/>
- **Erasmus+**: http://ec.europa.eu/education/news/20130719-erasmus-plus-preparation_en.htm
- **Creative Europe:** http://ec.europa.eu/culture/creative-europe/index_en.htm
- **Digital service part of CEF:** <http://ec.europa.eu/dgs/connect/en/content/public-services-digital-service-infrastructures-connecting-europe-facility>

Thematic guides

General research & innovation system building & policy tools

- RIS3 guide
- Universities & regional development
- Service innovation
- Creative industries
- Green growth
- Social innovation
- How to convert research into commercial success
- Science and Technology Parks
- Transnational Learning in Smart Specialisation
- Public procurement of innovation
- Synergies between ESIF, Horizon2020 and other EU programmes

Soon available: Clusters in less developed regions

SME innovation

- SME innovation
- Incubators
- Entrepreneurial mind-set
- SME internationalisation

Digital growth

- Broadband
- State aid for Broadband
- Digital growth



Available in PDF format here: <http://s3platform.jrc.ec.europa.eu/guides>