



Building synergies between Horizon 2020 and future Cohesion policy (2014-2020)

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The Horizon 2020 logo, featuring a globe in the center with the text "HORIZON 2020" in large, white, sans-serif capital letters. The background is a blue gradient with light rays emanating from the globe, suggesting a horizon or a bright future.

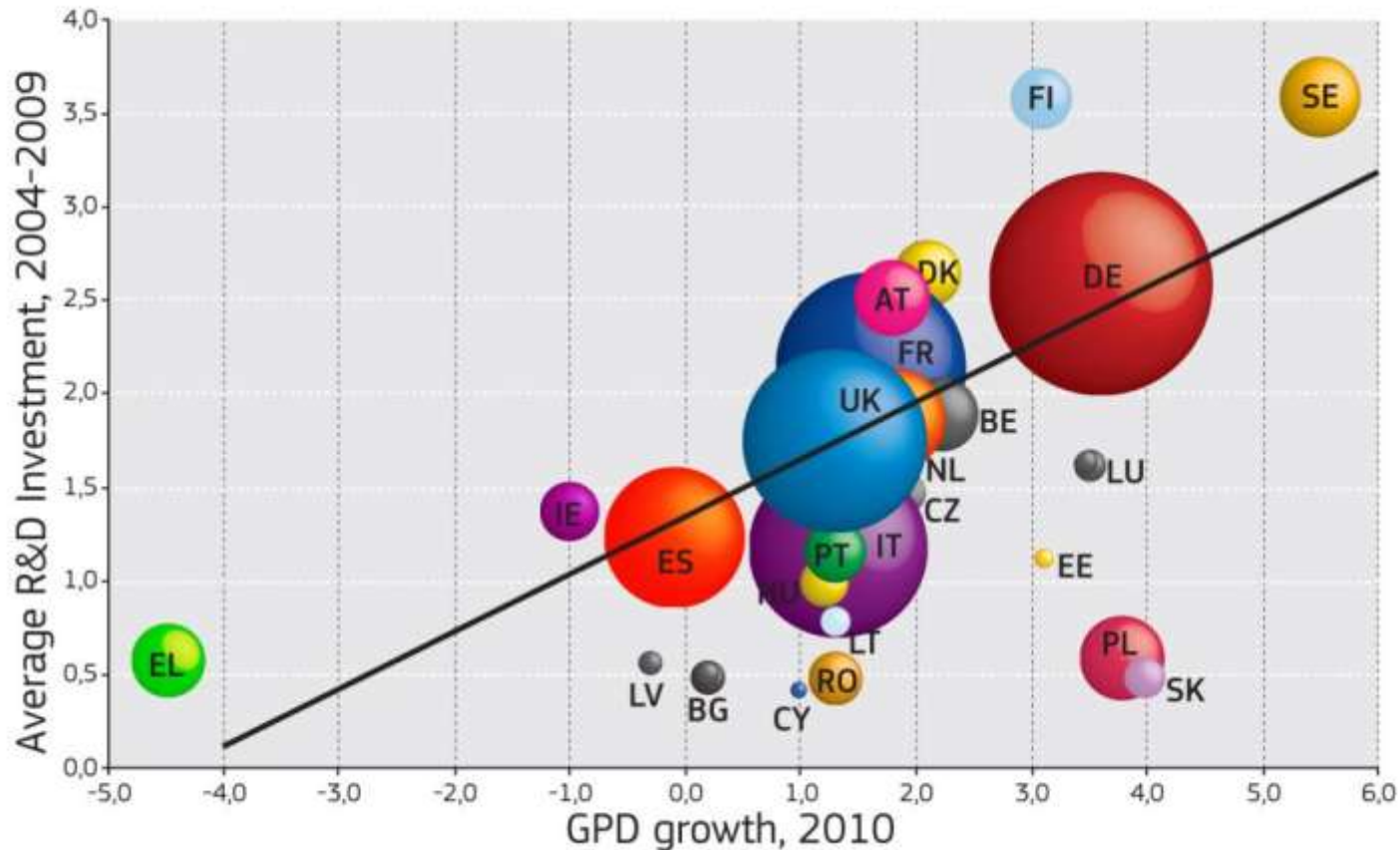
HORIZON 2020

Contents:

- **Background**
- **Horizon 2020 – key features**
- **Cohesion Policy – key features**
- **Synergies / Smart Specialisation**
- **Available support**

Background

R&D investment: fuel for the economy





Europe 2020: 7 Flagship Initiatives

Smart Growth	Sustainable Growth	Inclusive Growth
<p>Innovation « <u>Innovation Union</u> »</p>	<p>Climate, energy and mobility « Resource efficient Europe »</p>	<p>Employment and skills « An agenda for new skills and jobs »</p>
<p>Education « Youth on the move »</p>	<p>Competitiveness « An industrial policy for the globalisation era »</p>	<p>Fighting poverty « European platform against poverty »</p>
<p>Digital society « A digital agenda for Europe »</p>		



The Innovation Union: 34 commitments

1. Training researchers	2. University ranking system	3. Developing new curricula	4. ERA Framework	5. European Research infrastructures	6. Framework Programme focusing on EU2020	7. Involvement of SMEs in R&I
8. Forum on Forward Looking Activities	9. EIT to expand its activities	10. New financial instruments for private finance	11. Free Venture Capital funds	12. Cross-border matching of innovative firms	13. Review of State aid R&D&I	14. EU Patent
15. Screening of key regulatory frameworks	16. Modernise standard-setting	17. Pre-commercial and public procurements	18. Eco-innovation action plan	19. European Design Board	20. Open access	21. Knowledge transfer
22. European market for patents and licensing	23. Safeguard of IPRs	24. Smart Specialisation in current SF	25. Focus on Innovation in the next Struct. Funds	26. European Social innovation pilot	27. Research programmes on public sector and social innovation	28. Partners consultation on knowledge economy
29. European Innovation Partnerships	30. Policies for researchers to reside in Europe	31. Scientific cooperation with third countries	32. International agreements on research infrastructures	33. MS to carry out self assessments	34. New indicator for fast-growing companies and monitoring	



IU text: "The integration of the research and innovation dimensions should be reflected in EU funding programmes, including the FP, the CIP and the Cohesion Funds.

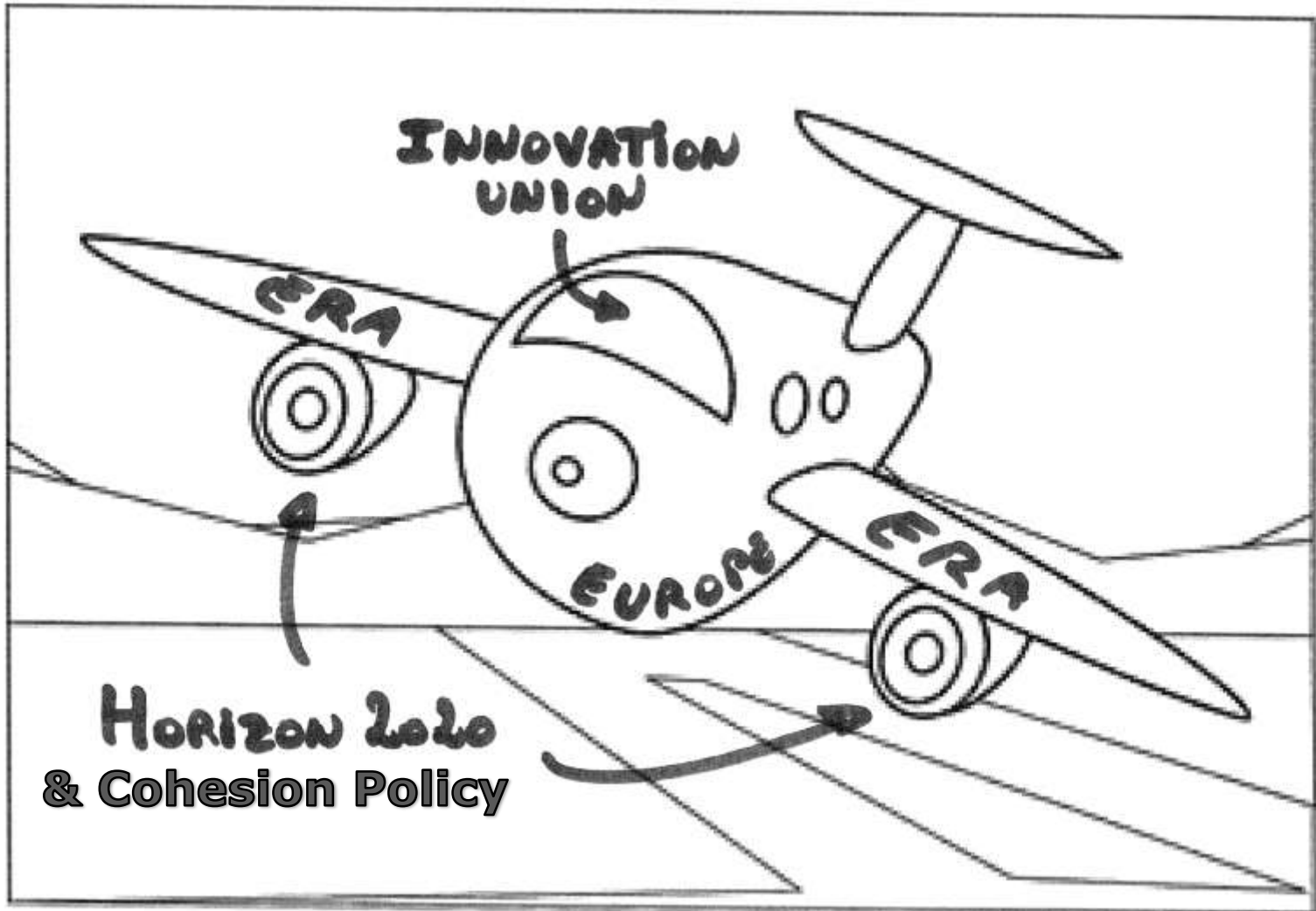
They also need to be better coordinated in design and implementation so as to maximise impact, user-friendliness and EU added value.

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

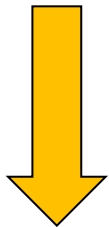
Commitment 24: Member States should considerably improve their use of **existing Structural Funds for research & innovation projects, ... implementing smart specialisation strategies.**

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

Innovation Union - Horizon 2020 - Cohesion



Total EU budget 2014 – 2020: 960 billion EUR



1. Smart & inclusive growth (€451bn)



2. Sustainable growth, natural resources (€373bn)

3. Security and citizenship (€16bn)

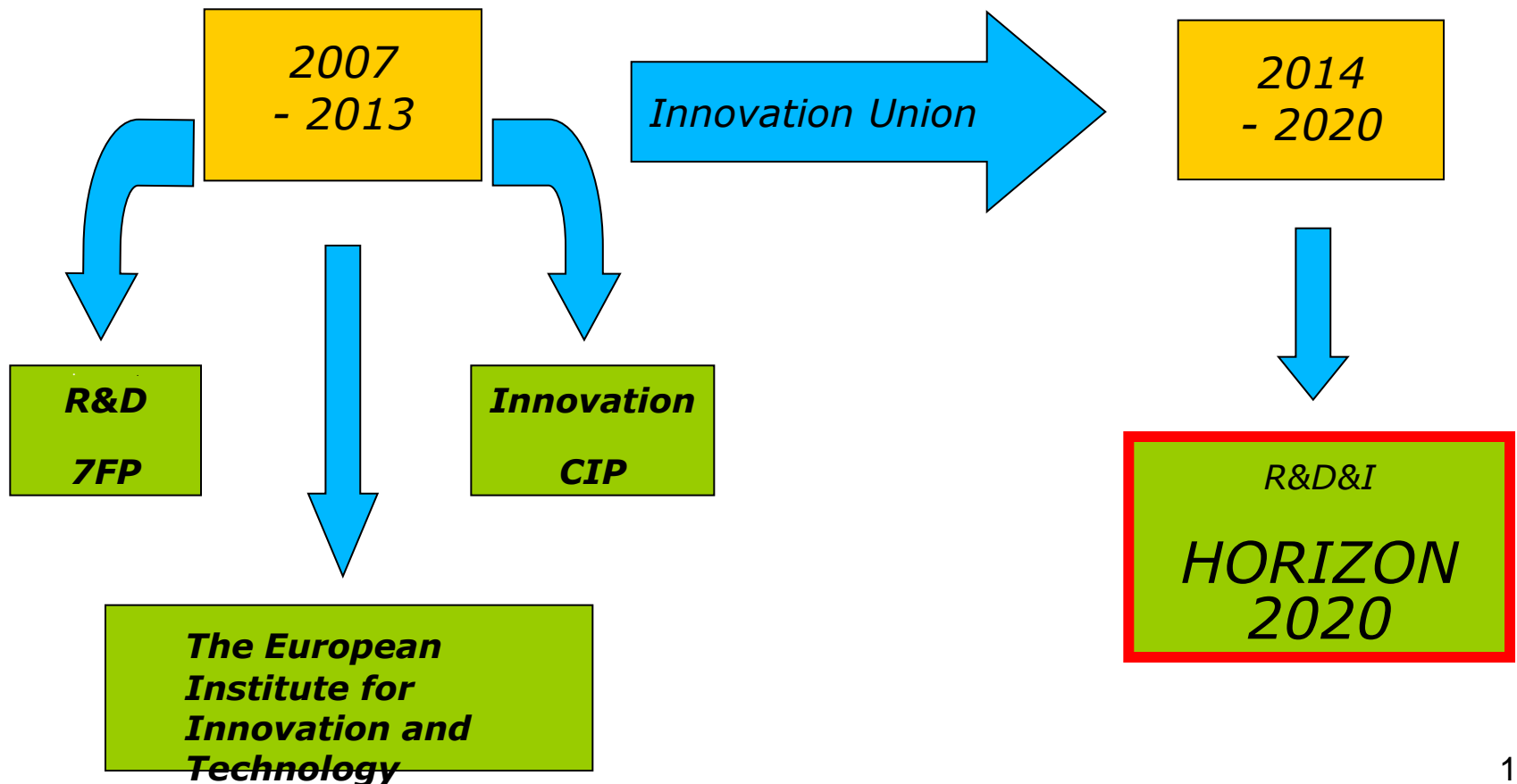
4. Global Europe (€58bn)

5. Administration (€61.6bn)



HORIZON 2020 – KEY FEATURES

Towards a single programme for R&D&I





What is Horizon 2020?

- **~80billion euro research and innovation funding programme (2014-2020)**
- **A core part of Europe 2020, Innovation Union & European Research Area:**
 - **Responding to the economic crisis** to invest in future jobs and growth
 - **Addressing people's concerns** about their livelihoods, safety and environment
 - **Strengthening the EU's global position** in research, innovation and technology

* *current prices*



What's new?

- **A single programme** bringing together three separate programmes/initiatives*
- **Coupling research to innovation** – from research to retail, all forms of innovation
- **Focus on societal challenges** facing EU society, e.g. health, clean energy and transport
- **Simplified access**, for all companies, universities, institutes in all EU countries and beyond.

*The 7th Research Framework Programme (FP7), innovation aspects of Competitiveness and Innovation Framework Programme (CIP), EU contribution to the European Institute of Innovation and Technology (EIT)



Three priorities:

- > *Excellent science (€24.5 billion – current prices)*
- > *Industrial leadership (€17.9 billion)*
- > *Societal challenges (€31.7 billion)*

Other parts – outside the three pillars

- Responsible research and innovation, including gender
- International cooperation
- ***"Spreading excellence and widening participation"***
- *"Science with and for society"*

are addressed as separate parts outside the three main pillars



Innovation dimension in Horizon 2020

1. *Increased support to development and dissimulation of innovative processes (testing, piloting, demonstration of new technologies)*
2. *Support to "market demand":*
 - *standard;*
 - *public procurement;*
 - *inducement prizes;*
 - *bottom-up /less prescriptive calls;*
3. *SME Instrument PMI*
4. *Fast-track to innovation pilot*
5. *Financial Instruments*
6. *INNOVATION INVESTMENT PACKAGE:*
 - *Public-Private Partnership and*
 - *Public-Public Partnerships*



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)



Cohesion Policy (2014 – 2020) KEY FEATURES



About the new Cohesion policy (ESIF – European Structural and Investment Funds)

- 366.8b€* focussing on **Europe 2020 objectives** for smart, sustainable and inclusive growth

-> **List of 11 thematic objectives** for ESIF developed around the Europe 2020 priorities

- Support to **research and innovation** for the purpose of regional socio-economic development (FIRST OBJECTIVE)

- Capacity building for innovation and growth** through the promotion of **innovation friendly business environments**

- Common Strategic Framework**: coherence across funds (ERDF, ESF, CF, EAFRD, EMFF)

- Simplification

*current prices



Thematic objectives

- 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



What is new? 2 KEY PRINCIPLES:

1. Thematic concentration to maximise the impact of investments

-> more developed regions have to spend a minimum of 60-80% ERDF to the first objectives (including the R&I objective) and less developed regions at least 50%

2. Ex-Ante conditionalities to ensure effective implementation

-> Smart Specialisation – strategic approach to economic development through strategic support for R&I it is the *Ex-ante Conditionality* for the use of the ERDF for any kind of R&D&I investments



Overall, it is estimated that between €80-100 billion will be invested in innovation-drivers and take-up, notably research and innovation projects, SME competitiveness, digital growth and energy efficiency / renewable energies.

€ 70 billion for ESF investments in skills, life-long learning, social integration, employment services, social innovation ...

Via the **Cohesion Fund around € 66 billion** will go into trans-european transport connections and environmental projects



SYNERGIES

H2020 <-> Cohesion



WHY?

- H2020 and Cohesion policies have the same final objective: EU 2020 – growth and jobs
- ...but they reach it through different approaches
- Synergies are a way to amplify the impact of the investments in research and innovation
- Synergies are possible via
 - a strategic approach (building on smart specialisation strategy) and
 - concrete combination of fundings (bringing together Horizon2020 and ESIF money in a same project)



Synergies

EU R&D Policy – Horizon 2020

EU Cohesion Policy

Differences

> **Non-territorial approach**

> **Place-based approach**

> Based **mainly on individual R&D Projects**

> Based on **multiannual Programmes**

> In general **awarded directly to final beneficiaries**

> Awarded through **shared management** to national and regional public intermediaries

> Mostly **competitive calls** addressed mainly to **international groupings** through **peer-review based on excellence criteria**

> **Mostly non-competitive attribution** addressed to **regional players** based on **strategic planning negotiation**

Complementarities

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

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.

Smart specialisation



The Synergies and Smart Specialisation Matrix

	STRUCTURAL FUNDS THEMATIC OBJECTIVE NO 1 ON STRENGTHENING RESEARCH, TECHNOLOGICAL DEVELOPMENT AND INNOVATION	
<u>HORIZON 2020 TOP DOWN RESEARCH AND INNOVATION PRIORITIES</u> INFLUENCING NATIONAL AND REGIONAL PRIORITIES	<u>THEMATIC CONCENTRATION FOR MOST ADVANCED AND TRANSITION REGIONS</u> FOR ALLOCATING 80% OF THE ERDF MONEY FOR 4 OBJECTIVES: R&I, ICT, SME COMPETITIVENESS AND LOW CARBON ECONOMY	<u>THEMATIC CONCENTRATION FOR LESS ADVANCED REGIONS FOR ALLOCATING 50% OF THE ERDF MONEY FOR 4 OBJECTIVES: R&I, ICT, SME COMPETITIVENESS AND LOW CARBON ECONOMY</u>
EXCELLENCE	SMART SPECIALISATION EX-ANTE CONDITIONALITY based on > a SWOT analysis to concentrate resources on a limited set of research and innovation priorities in compliance with the NRP; measures to stimulate private RTD investment; > a monitoring and review system; > a framework outlining available budgetary resources for research and innovation; > a multi-annual plan for budgeting and prioritisation of investments linked to EU research infrastructure priorities (European Strategy Forum on Research Infrastructures -ESFRI)	
INDUSTRIAL LEADERSHIP		
SOCIETAL CHALLENGES		



What is Smart Specialisation?

- A place-based, strategic approach to economic development (jobs and growth) through targeted support to Research and Innovation
- A way to put R&I at the service of economic development leading to growth and jobs, based on what the countries/regions do better
- It is an objective in itself, not an instrument

What Smart Specialisation is not?

- It is not a simplistic prioritization of sectors
- It is not about dismissing anything that is not a priority
- It is not a TOP-DOWN process
- It is not a pre-condition for H2020 funds



KEY requirements:

- **Leadership:** a long-term commitment of national and regional authorities
- **Stakeholder involvement:** Ownership of the strategy
- **Strategy:** a plan with clear objectives and measurable deliverables based on a SWOT-analysis
- **(Tough) Choices:** selection of few activities/priorities on the basis of international specialisation and integration in international value chains
- **Competitive Advantage:** mobilise talent by matching RTD + i and business needs & capacities
- **Critical Mass:** identify areas where scale and scope can be developed



EXPLOITING SYNERGIES by combining funds



2014-2020 – Legal basis

ESIF

Art. 65(11) CPR: "*An **operation** may receive **support from one or more European Structural and Investment 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 Horizon2020 Rules for participation:

*"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 Horizon 2020**, provided that the grants do not cover the same **cost items**."*

*They both **deviate from the Financial Regulation** (Article 129) as they allow for the funding of the same action by two different instruments, subject to the absence of double funding.*



Basic budgetary principles

1. "non-substitution principle"

The use of a Union funding instrument to substitute the non-Union contribution to another Union instrument is not allowed: ESIF cannot be used to substitute the national or private contribution to H2020 projects.

Substitution of a non-Union contribution (eg. to a Horizon 2020 project) with Union funding (eg. ESIF) is not possible

2. "no double funding principle"

It will be possible to award a grant under Horizon 2020 for an industrial project which is also funded by an ESIF grant but the absence of double funding should be ensured.

The two Union grants (Horizon 2020 and ESIF) may not cover the same cost item.



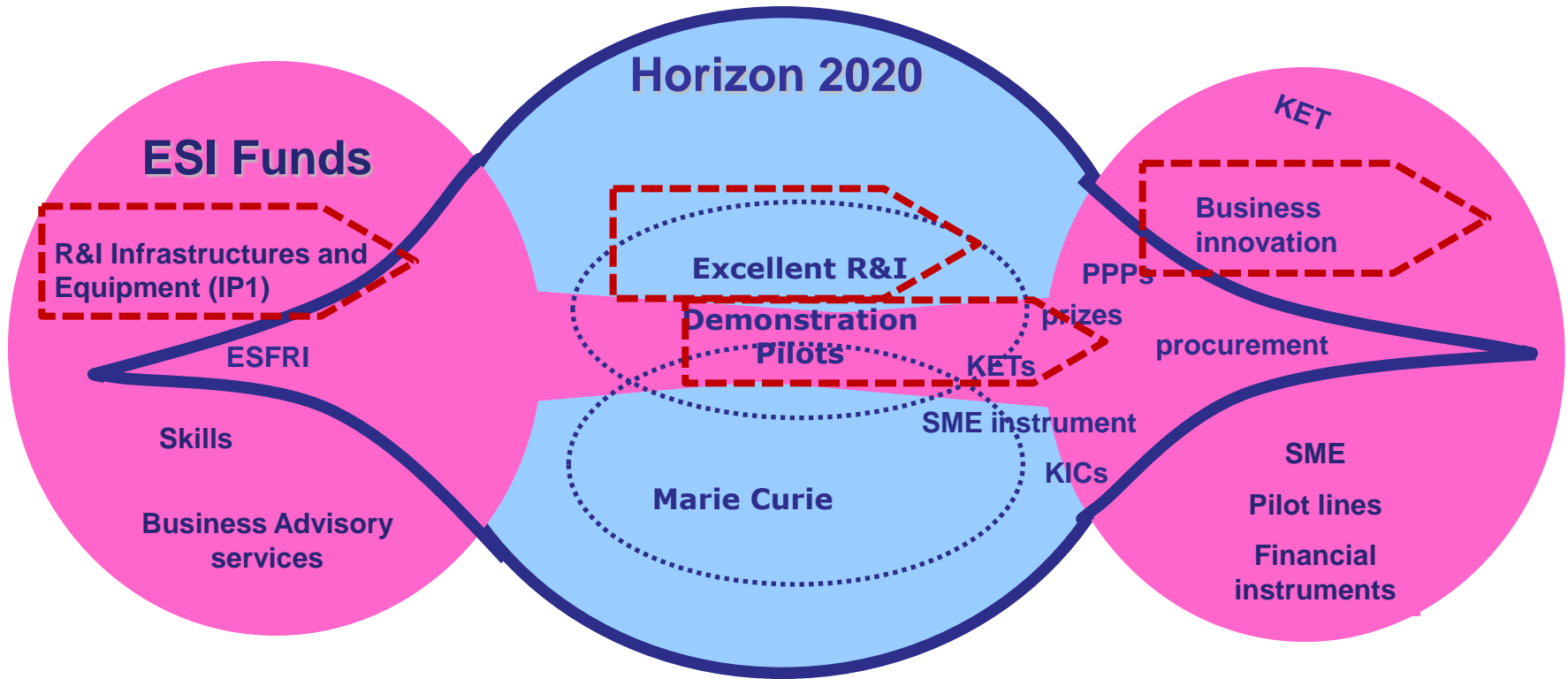
Possible ways to combine Horizon 2020 & ESIF

- ❑ **Simultaneous / additional / parallel use of different public funds** for the same project
e.g. H2020 money and ESIF that are used together to fund different cost items within a single project
Implications:
 - >Identifying work-packages to share between instruments
 - >Identifying cost items to share
 - >Identifying the operation's total cost that would form the calculation basis for intervention by the different funds

- ❑ **Sequential use of different public funding sources in separate successive projects (transnational ->national/reg activities)**
e.g. first ESIF for R&I infrastructure, then Horizon 2020 for innovation activities

IN ANY CASE: NEED TO BE AWARE OF H2020 ACTIVITIES OF INTEREST TO YOUR REGION

Synergies via Combination of funds



"Staircase to Excellence"

"Research Excellence"

"Innovation Excellence"





S.O.S !

ON SMART SPECIALISATION:

RIS3 Platform

- Established by the Joint Research Centre (IPTS) in Seville
- <http://ipts.jrc.ec.europa.eu/activities/research-and-innovation/s3platform.cfm>

Expert contracts

- Supported by the Commission for specific assistance to regions and Member States

ON SYNERGIES (COMBINATION OF FUNDS)

A GUIDE ON SYNERGIES is being finalised by DG REGIO and RTD



Thank you for your attention!

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HORIZON 2020

The logo for Horizon 2020, featuring the word "HORIZON" in large, white, sans-serif capital letters, with a globe of the Earth in the center of the letter "O". The word "2020" follows in the same font. The background is a blue gradient with light rays emanating from behind the globe.