

EURADA-NEWS  
Périodique Mensuel  
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**LOBBYING / ADVOCACY CAMPAIGN TO MAKE SURE THAT SYNERGIES BETWEEN STRUCTURAL FUNDS AND OTHER EU PROGRAMMES SUCH AS HORIZON 2020, COSME, ERASMUS+ AND CREATIVE EUROPE ARE FORESEEN IN THE 2014-2020 OPERATIONAL PROGRAMMES**

There have been a lot of discussions and thoughts to make sure that there will be synergies between EU programmes during the new 2014-2020 programming period.

Past experience shows that this is not easy and my involvement in helping regions draft their RIS<sup>3</sup> action plans reveals that this was a difficult issue to address.

This is why I advise you to lobby your managing authorities and any other stakeholders involved in drafting and negotiating the Operational Programme (OP) to make sure that considerations such those below are reflected in it, so that anyone will be able to access complementary funding from relevant EU programmes.

***In relation with the Common Provisions Regulation (CPR) of the ESIF, funding will be dedicated to enhance cooperation with the other funding sources in line with the strategic aims of the smart specialization strategy. Therefore, the Operational Programme will foresee that:***

- ***the cost models of the ESIF (not only ERDF, but also ESF, EAFRD and EMFF as relevant) will be aligned with Horizon2020 (and COSME, Erasmus+, Creative Europe ...) cost models;***
- ***spending OP money in other EU Member States will be ensured in order to foster internationalisation of innovation and SME activities;***
- ***besides for research infrastructure and research investments, funding will also be provided for:***
  - o ***a comprehensive and coherent set of R&I capacity building measures = "up-stream" measures in the sense of the CPR Annex 1***
  - o ***close-to-the market innovation and business support = "down-stream" measures in the sense of the CPR Annex 1***
- ***implementation modalities and selection methods will be fixed so that the timing of the R&I ESIF funding decisions are in line with the Horizon2020 (and COSME, Erasmus+, Creative Europe ...) time-lines***
- ***resources will be made available to support the implementation of partnership projects, i.e. public-private partnerships, public-public partnerships, ERA-Net and Article 185.***

In order to document your lobby/advocacy actions, you will find three documents enclosed:

- Synergies between European Structural and Investment Funds (ESIF), Horizon 2020 and other EU programmes related to innovation – Guidance for ESIF negotiators
- *Guidance on Synergies between European Structural and Investment Funds, Horizon2020 and other innovation-related EU Funds* – PPT presentation by Katja Reppel of DG Regio in the Workshop on Synergies of European Structural and Investment Funds (ESIF) and Horizon 2020 for Public-Public Partnerships held in Brussels on 13 February 2014
- *Horizon 2020: Synergies with Structural Funds* – PPT presentation by Joerg Niehoff of DG Research and Innovation in the Workshop on Synergies of European Structural and Investment Funds (ESIF) and Horizon 2020 for Public-Public Partnerships held in Brussels on 13 February 2014



# Synergies between European Structural and Investment Funds (ESIF), Horizon 2020 and other EU programmes related to innovation

## Guidance for ESIF negotiators

### Content:

1. Basic principles and concepts for synergies and combination of grants
2. Recommendations for negotiators
3. Overview of Horizon2020, COSME, Erasmus+ and digital services CEF
4. Linked issues: state aid, financial instruments
5. Acronyms

## 1. Basic principles and concepts for synergies

### Legal basis – Common Provisions Regulation on the ESIF (CPR)<sup>1</sup>:

Art. 15(1)b(i): Partnership Agreements (PAs) are to contain arrangements, in line with the institutional framework of the Member States, that ensure coordination between ESIF and other Union and national funding instruments and with the EIB.

Art. 65(11): provides for a possibility of cumulating grants from different EU funding instruments (or from one or more ESIF programmes and from other Union instruments) for the same beneficiary or the same project, provided that there is no cumulation in the same expenditure item (from the same Fund under different programmes, from another Fund or from other Union instruments).

Art. 67(5)b & 68(1)c: allows for an alignment of cost models (scales of unit costs, lump sums and flat rates) to rules for corresponding costs and similar types of operations and beneficiaries in Horizon2020 and other EU programmes.

Art. 70(2): stipulates a possibility of up to 15% of the support from the European Regional Development Fund (ERDF), Cohesion Fund (CF) and European Maritime and Fisheries Fund (EMFF) at the level of the priority (up to 5% of the support from the European Agricultural Fund for Rural Development (EAFRD) at the level of the programme), and up to 3% of the budget of a European Social Fund (ESF) operational programme (Art. 13(3) ESF) may be allocated to operations located outside the programme area<sup>2</sup>.

<sup>1</sup> Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 (OJ L 347/320 of 20.12.2013)

<sup>2</sup> Art. 13(3) of the ESF Regulation (Regulation (EU) N°1304/2013 of the EP and of the Council of 17/12/2013- OJ L 347/470 of 20.12.2013) allows that up to 3% of the budget of an European Social Fund (ESF) operational programme or ESF part of a multi-fund OP may be allocated to operations located outside the programme area, provided that it concerns the thematic objective 'promoting sustainable and quality employment and supporting labour mobility' or 'investing in education, training and vocational

Art. 96(6)a: Operational Programmes (OPs) are to set out the mechanisms that ensure coordination between ESIF and other Union and national funding instruments, and with the EIB.

Art. 96(3)d: OPs shall describe arrangements for interregional and transnational actions within the (mainstream) OPs with beneficiaries located in at least one other Member State.

CPR ANNEX I - Common Strategic Framework, sections 3 and 4, foresees the Commission and MS to foster synergies, effective coordination and complementarity between the different programmes.

**Scope of the LTT:** Research, Innovation and competitiveness related parts of the PA and OPs funded from ERDF<sup>3</sup>, CF, EAFRD<sup>4</sup>, EMFF, ESF, European Union Programme for Employment and Social Innovation ("EaSI"). Horizon2020, Competitiveness of Enterprises and SMEs (COSME), Erasmus+, Creative Europe and the digital services part of the Connecting Europe Facility.

Not covered: the broadband, energy and transport parts of CEF and financial instruments that are covered in other guidance notes.

A Staff Working Document will be published with recommendations to national and regional authorities involved in the implementation of the different funding programmes, including the recommendations listed below. The SWD will also chart out the actions by other Directorate Generals to facilitate synergies in the course of the implementation of the Union programmes for which they are in charge.

### 1.1. Concept of Synergies

- ✓ Synergies are about **amplifying the research, innovation and SME competitiveness investments and their impact, about combining different forms of innovation<sup>5</sup> and competitiveness support<sup>6</sup>, or about carrying innovative ideas further along the innovation cycle to bring them to the market.** Synergies are thus about obtaining more impacts on competitiveness, jobs and growth in the regions by combining ESIF and H2020 and other EU instruments in a strategic and also cohesion-oriented manner. They do **not** aim at **substituting national/regional or private co-funding** to H2020 projects by ESIF money or vice-versa.
- ✓ In order to achieve such synergies, a **strategic approach** with a medium to long-term perspective is necessary, starting at the stage of the **entrepreneurial discovery process** to shape the **smart specialisation strategies (RIS3)**. The RIS3 strategies will set out the national or regional frameworks for investments in

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training for skills and life-long learning", and provided that the relevant monitoring committee has given its agreement to the operation or types of operations concerned.

<sup>3</sup> IP1a + 1b, IP2b+c, IP3a-d, IP4f, Urban Innovative Actions (art. 8 of the ERDF Regulation) as well as regarding innovative procurement: potentially all other IPs, including the Cohesion Fund investments in transport and environment.

<sup>4</sup> To be noted that under the EAFRD the correct wording for OPs is rural development programme (RDP). For the purpose of convenience, in this guide OPs will cover also RDPs where relevant.

<sup>5</sup> E.g. also social innovation, process innovation, work place innovation, user-driven innovation, public sector innovation, etc.

<sup>6</sup> E.g. by fostering SME internationalisation, the development of innovation and competitiveness support services and improved policy-making and analysis.

research and innovation not only from ESIF, but also from national funding sources. Authorities directly concerned by H2020 in the given territories shall be associated in this process<sup>7</sup>.

- ✓ Synergies can be achieved through **bringing together H2020 and ESIF money in the same project** (that could be a single action or a group of coordinated actions/operations, but always provided that there is no double funding in the same expenditure item). It is also possible to aim for synergies through **successive projects** that build on each other or **parallel projects<sup>8</sup>/roadmaps** that complement each other. If the ESIF programmes are designed and implemented<sup>9</sup> accordingly, they could be used for funding high quality **H2020 project proposals (evaluated with a score above the threshold) for which there is not enough H2020 budget available** (e.g. SME Instrument type of proposals or proof of concept projects).

## 1.2. Derogation of non-cumulative principle for combination with Horizon2020

The **Horizon2020 Rules for Participation** (Article 37) and the **Common Provisions Regulation on the ESIF** (Article 65(11)) **allow for the funding of the same project (action/operation) through several grants from different Union instruments, including from different ESI Funds, subject to the absence of double funding.**

To ensure the latter, H2020 and ESIF funding shall **not cover the same expenditure item.**

The right to combine ESIF and H2020 does not waive the obligation for the beneficiary to provide the necessary **national/regional/private co-funding** for each cost/expenditure item.

### Expenditure item = Cost item

ESIF	Horizon2020
<p><b>Art. 65(11) CPR:</b> "An <b>operation</b> may receive <b>support</b> from one or more European Structural and Investment Funds or from one or more programmes and from other Union instruments, provided that the <b>expenditure item</b> 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."</p>	<p><b>Article 37 Rules for Participation:</b> "Cumulative funding: An <b>action</b> for which a <b>grant</b> from the Union budget has been awarded may also give rise to the award of a grant on the basis of Regulation [Horizon 2020] provided that the grants do not cover the same <b>cost items.</b>"</p>

- ✓ The non-cumulative principle of the Financial Regulation applies only to grants. Hence, the derogation can only apply to grants and must be authorised in the relevant basic acts. For ESIF the derogation is foreseen in CPR Art. 65(11) and for H2020 in Rules for participation, Art. 37 of Regulation 1290/2013.
- ✓ There is no derogation from the non-cumulative principle in the Regulations on **Erasmus+, Creative Europe, CEF and COSME<sup>10</sup>**. That means that for these

<sup>7</sup> The same goes for the digital growth strategies as regards ICT-based innovation.

<sup>8</sup> For the purposes of this LTT, we consider as "projects" *operations that can consist of different actions* (ref. footnote 14), *contracts or groups of projects that are managed in a coherent manner. Temporary endeavours designed to produce predefined results with a defined beginning and end, with identified and qualified projects managers and identified project costs.*

<sup>9</sup> Notably in compliance with Art. 125(3) CPR as regards the selection processes and criteria for operations.

<sup>10</sup> Note however that Art. 10(2) COSME regulation allows the following: "*The Enterprise Europe Network may also be used to deliver services on behalf of other Union programmes such as Horizon 2020. This may include dedicated advisory services encouraging SME participation in other Union programmes*".

programmes a combination of funds within the same project is not possible. There need to be clearly different and not interdependent actions with separate grants.

- ✓ **Eligible cost/expenditure** is specific expenditure incurred and eligible in a project, i.e. the amount declared as eligible for Union funding under a budget category. What exactly can be eligible cost (including indirect cost, flat-rates, and depreciation costs, etc.) and thus a cost/expenditure item differs under H2020 depending on the project format with their different grant agreement types (e.g. Marie Skłodowska-Curie fellowships, classic multi-country R&I actions, EIT-KIC funding, grants for pre-commercial public procurement or public procurement of innovative solutions, ERA Chairs, etc.). Details can be found in the work programmes of H2020<sup>11</sup>).
- ✓ **Project ≠ grant agreement:** in the context of this line to take, **projects** are to be understood as operations<sup>12</sup> that can consist of different actions<sup>13</sup>, contracts, or groups of projects that are managed in a coherent manner. A project is a temporary endeavour designed to produce predefined results with a defined beginning and end and has an identified and qualified project manager, as well as identified project costs. A project combining ESIF with H2020 funding will contain (several) separate grant agreements (e.g. one for H2020 and one per involved programmes for the ESIF components).

### 1.3 How to enable combination of funds in the same project:

**Synchronisation of the timing of funding decisions** under H2020 and ESIF is a crucial issue.

- ✓ A solution to facilitate this could be the **delegation of implementation of ESIF budgets** to bodies that also manage H2020 budgets (e.g. actions to coordinate national research programmes or private RDI) provided that the mandate of the body concerned specifically allows it or can be interpreted as such (e.g. Dedicated Implementation Structures of public-public partnerships (P2P), the EUREKA secretariat, Joint Technology Initiatives (JTI), Dedicated Implementation Structures, ERA-NET participants, Marie Skłodowska-Curie COFUND

Project ≠ grant agreement!

Concept & planning

- Coherent **project concept** and with identified **work packages** (Ideally geographically attributable) or **cost / activity categories** attributed clearly to either H2020 or an ESIF OP.
- Includes at least partners from **3 Member States**
- **Content & purpose** of the project is related to **RIS3 specialisations & OP priorities** (apart from H2020 themes)
- **Available possible budgets** identified (H2020 work programme/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.



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services directly delivered to SMEs by the Enterprise Europe Network project might also be covered by objectives of the OPs and could therefore possibly be separated at ESIF conditions. (DG ENTR)

<sup>11</sup> See first calls under H2020:

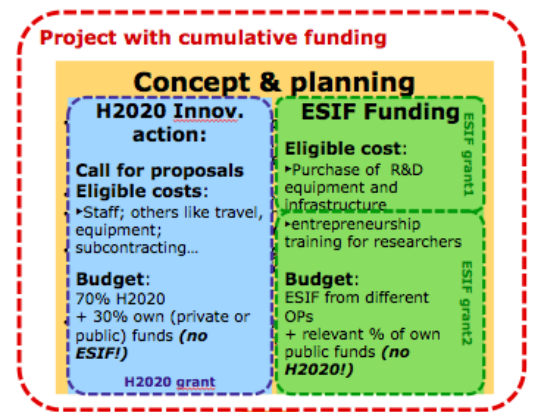
<http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/index.html>

<sup>12</sup> **Operation** is under ESIF a "project, contract, action or group of projects selected by the Managing Authorities of the programmes concerned, or under their responsibility, that contributes to the objectives of a priority or priorities" of the operational programme from which it is funded. (Art.2(9)CPR)

<sup>13</sup> **Action in the ESIF context** means a type of operation to be supported by the ESIF to achieve the objectives of a programme. **Action in the Horizon2020 context** means a project supported by a H2020 grant.

beneficiaries).

- ✓ If such a full delegation to intermediary bodies is not accepted, the **delegation of the evaluation of ESIF proposals** to such bodies could be envisaged, while the grant procedure remaining with the ESIF Managing Authority (MA).
- ✓ As the H2020 grant agreements are in many cases<sup>14</sup> signed 6 to 8 months after the deadline for proposal submission, the MA could set up a **system of conditional approval** for ESIF grants that allows reserving ESIF budgets until the results of the evaluation of the H2020 project proposals are known (in many cases 5 months after the submission deadline). If an MA had agreed to cumulative support to a specific project before the submission to a H2020 call, such conditional approvals should then allow the signature of the ESIF grant in less than 3 months.
- ✓ At the project conception stage, MAs should remind potential applicants to identify what are the **different work packages** (e.g. a test series), or **types of activity** (e.g. costs of training activities), or **types of cost** (e.g. personnel costs) and **where** the actions will be implemented and unfold their benefit (in the sense of Art. 70(2) CPR) so that the costs can from the beginning be attributed to the different EU funding sources that beneficiaries envisage for a project. Applicants should be reminded that they will have to monitor costs/expenditure accordingly.
- ✓ MAs should be reminded to foresee budget and **proposal templates** that allow identification and description of parts of a project supposed to be funded from H2020 (or of related projects if sequential or parallel projects are funded from other EU programmes).
- ✓ Also a system to alleviate the administrative workload for beneficiaries in terms of **financial**



### Practical implementation issues to be considered by ESIF MA

#### ESIF parts = self-standing grant agreements

- Dependence of funding decision on success of H2020 application; possible mutual dependence of approval for co-financing
- Degree of mutual dependence of work packages
- Possible synchronisation of ESIF grant decisions with H2020
- Coherent management of ESIF and H2020 grants; coordination of costs
- Possible coordination of audits, shared reporting, etc.
- Territoriality principle (Art.70(2)) and different funding rates and eligibility rules per OP must be respected

Recommendation to applicants:

Define precisely

**HOW MUCH IS SEPARATE &**

**HOW MUCH IS SHARED**

**between the H2020 and the ESIF grants**

<sup>14</sup> Depending on the H2020 project type this can be longer or shorter.

**management, reporting<sup>15</sup> and audits** should be set-up. MAs should consider not only alignment of the cost models to the H2020 standards, but also of their reporting requirements (i.e. accept a single report on the overall project progress) and coordination of the audits and on-site controls with H2020 project reviews.

## 2. Recommendations for negotiators

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To achieve synergies, **all levels and stages** of the programming and implementation need to be addressed, i.e. starting with awareness and understanding of the opportunities offered under the other EU programmes, the development of smart specialisation strategies, the development of the PA and of OP priorities, specific objectives and intervention logic, to conclude with the set-up of the implementation mechanisms, project selection processes, information services, guidance to potential beneficiaries, monitoring of the implementation, etc.

### 2.1. At the stage of the design of the Smart Specialisation Strategy (RIS3)

#### DO's:

Remind the authorities involved in designing RIS3/PA/OPs to:

- Work together with authorities and bodies involved in designing **SME and industry policy and research and innovation policies**, e.g. **Horizon2020 actors** (members of the H2020 programme committee, participants from their territory in [European Innovation Partnerships](#) (EIP), [European Technology Platforms](#) (ETP), Public-Private Partnerships (PPP), [Knowledge and Innovation Communities](#) (KIC) under the European Institute for Innovation and Technology (EIT), [National Contact Points of Horizon2020](#) (NCP), research institutions with success in FP7 or EUREKA and consult National Roadmaps for research infrastructures linked to the [ESFRI Roadmap](#), with COSME Supported entities (e.g. the [Enterprise Europe Network](#) (EEN) consortia members, participants in [cluster/innovation platforms and large scale demonstrator projects](#), in projects for pre-commercial procurement and [public procurement of innovative solutions](#), participants in the [large-scale pilot projects for interoperable e-government solutions](#), etc.).

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<sup>15</sup> See for Horizon2020 reporting requirements: Annotated model grant agreements of Horizon2020: [http://ec.europa.eu/research/participants/data/ref/h2020/grants\\_manual/amga/h2020-amga\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf)

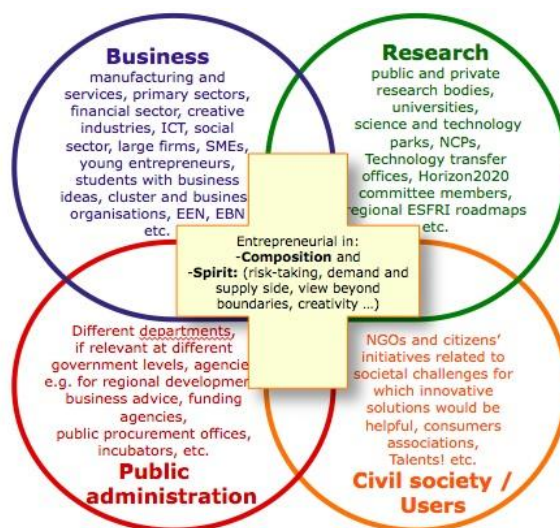


## Use entrepreneurial discovery process towards more synergies

Detect different stakeholders/interest groups, new innovative entrepreneurs, hidden champions among existing enterprises or persons with an entrepreneurial potential and an international outlook and capacity to create cooperation between the different groups. *“The authorities directly concerned by Horizon 2020 shall be closely associated with this process”* (see CPR, annex 1, 4.3.2.1).

See annex III of RIS3 Guide: <http://s3platform.jrc.ec.europa.eu/s3pguide>

- Consult **international** research AND business networks<sup>16</sup> (not only the players from their own region/MS).
- **Evaluate the needs of industry, public procurers & private organisations running public procurements** as part of the smart specialisation process, (e.g. hospitals, facility companies - water, waste, urban transport, etc. - and research for innovative solutions).
- Focus their preparatory work for synergies on what is the **strategic aim of their RIS3 in terms of economic transformation and the fields that emerges as smart specialisation priorities** and on **what they can influence**, i.e.:
  - **Strengthen research and innovation capacity building**, including research infrastructures (e.g. in universities, competence, centres, etc.), innovation infrastructures and equipment (e.g. pilot lines, LivingLabs, FabLabs, Creative Factories, advanced manufacturing capabilities, science and technology parks) and skills (including in creative thinking, design, e-commerce), advisory services for potential H2020 applicants to increase chances to succeed in H2020 project proposals. The new Twinning and Teaming actions under H2020 can help conceiving such infrastructure projects. The new ERA-Chair actions can help attracting leading professors and their research teams.
  - **Strengthen the capacity to provide innovation support services** to facilitate getting innovations into the market. The **Enterprise Europe Network** (under the COSME programme) is invited to proactively transfer new and better practices in innovation and SME support to the region. This aims at strengthening the services of organisations that are partners in the network but also at other services providers in the region (like incubators, cluster organisations and others). Support services to be strengthened in this way include but are not limited to: Innovation management, IPR management, advice for business plan development and investor readiness, technology audits to help SMEs detect needs and technology absorption potentials, etc.



<sup>16</sup> E.g. the EBN for business and innovation centres, Enterprise Europe Network for support to SMEs, etc.

Also support for picking up the results of promising FP7/H2020 and CIP/COSME projects is recommended.

- The implementation of substantial parts of the H2020 budget will be delegated to [public-public-partnerships \(Art. 185 TFEU, e.g. EUREKA-Eurostars\)](#) and [public-private-partnerships \(in particular Joint Technology Initiatives under Art. 187 TFEU\)](#). Since MAs of ESIF OPs are often linked to the managers of the national/regional programmes (e.g. units within the same ministry) that for instance join up their programmes via Art. 185 TFEU, this offers opportunities to use the governance mechanisms of the P2P to optimise synergies with the RIS3 and OP via shaping the annual work plans. The same applies to the ECSEL JTI. MAs should be reminded to **seek coordination** with their colleagues in charge of P2Ps and envisage teaming up with other MS (e.g. via macro-regional strategies) to mobilise support for possible additional Art. 185 TFEU initiatives.
- **Get internationally connected** to be faster in the development of multi-country proposals for H2020 and ETC calls for transnational cooperation. Team up with other MA that will invest in smart specialisation areas that are related to theirs (also via macro-regional strategies and the above-mentioned types of platforms and networks) or have related public procurement needs (e.g. need for innovative solutions for environment, health, e-government, e-learning, or transport). **Remind MA that they can identify the smart specialisation intentions of other MS and regions via the S3Platform** and that they should join the S3Platform and flag their specialisation fields in order to be identifiable for other MA in search of cooperation partners.<sup>17</sup>

MA should be reminded to foresee **close-to-market support** in the OPs, e.g. for [technology readiness levels](#) (TRL) 4-7<sup>18</sup> industrial research, development (including via contract or collaborative research actions linking SMEs and universities/public research bodies), demonstration and experimentation grants. Also TRLs 8 and 9, i.e. market introduction and expansion of productive capacities can be supported (in particular through suitable financial instruments), e.g. via early product validation and first production actions, certain innovation infrastructures (e.g. LivingLabs, FabLabs, Creative Factories), value-chain and cross-sectoral cluster cooperation support, large scale demonstrators or public procurement of innovative solutions, support to the development of advanced manufacturing capabilities.

... and **draw MA's attention to the relevant thematic guides while** promoting express references to them in the OPs parts to impact on the *guiding principles for the selection of operations* and on the choices for the types of projects and support mechanisms<sup>19</sup>.

<sup>17</sup> See: <http://s3platform.jrc.ec.europa.eu/eye-ris3>

<sup>18</sup> Measure to assess the maturity of evolving technologies during its development (TRL scale from 1 – basic principles to 9 – first production); Horizon2020 can support actions until TRL 8. ESIF can support actions until TRL 9 and beyond, subject to state aid rules.

<sup>19</sup> Guides are available on service innovation, innovation-based incubators, entrepreneurial skills, advanced SME support policies, connecting universities to regional growth, cultural and creative industries in smart specialisation, energy efficient innovation through procurement, eco-innovation, converting research into commercial success and on social innovation (see:

## DON'Ts:

Remind the authorities involved in designing RIS3/PA/OPs that they should:

- **NOT** design their RIS3 to fit artificially the Horizon2020 priorities, outside the smart specialisation fields i.e. where they do not have competitive advantages and R&I strengths. They are better served to **focus their synergies efforts on the RIS3 fields**, as only there they stand a chance to win in the fierce competition for H2020 funding.
- **NOT** focus on acquisition of funding from H2020 for "normal" transnational cooperation R&I projects or use the amount of H2020 grants as a target/indicator. There is **no guarantee to get H2020 funding!** Remind them also that the mere acquisition of H2020 funding is not sufficient for the aims of Cohesion Policy and not really suitable as result indicator (high risk of not reaching the targets!). What counts is the **socio-economic impact** including sustainable development, strengthening endogenous potential for research, technological development and innovation, structural adjustment of regional economies, conversion of declining industrial regions and regions lagging behind.

## 2.2. At operational programme level (OP)

### DOs:

Remind MAs and other authorities involved in designing OPs to make sure that **the operational programme** is fit to seize opportunities for synergies, i.e. to:

- **Open OPs for transnational activities:** insist on express references to Art. 70(2)b and push for naming more than 1 MS in the Art.96(3)d CPR section of the OPs to ensure that cooperation potential with other Member States can be fully exploited (e.g. through making use of macro-regional and sea-basin strategies). Also remind of INTERREG and of the need for links and mutual support with the mainstream OP investments in R&I through creating “docking stations” for international cooperation.
- Seize the opportunity to **align the eligibility rules** in their OPs to the H2020 (or COSME, Creative Europe, Erasmus+, etc.) models, in particular to use the same unit costs for similar operations and beneficiaries without restriction<sup>20</sup>.

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<http://s3platform.jrc.ec.europa.eu/guides> ). Guidance on science and technology parks, clusters in less favoured regions, ICT and digital entrepreneurship support, and innovative public procurement will be available soon.

<sup>20</sup> See Art. 65(11) and 68 CPR. Article 68 offers 3 possible ways of calculating indirect costs on a flat rate basis: a flat of up to 25% of eligible direct costs (with a methodology to underpin it), a flat rate of up to 15% of eligible direct staff costs (without methodology) and a flat rate applied to eligible direct costs based on existing methods and corresponding rates applicable in Union policies for a similar type of operation and beneficiary. Under the latter, the same flat rate for indirect costs as for Horizon2020 can be applied. A delegated act will set out the EU policy areas where flat rates for indirect costs under the ESI Funds can be drawn from.

## Box on **COST MODELS**

Under **Horizon2020** eligible costs and co-financing rates are defined in the different work programmes and vary depending on the project format (e.g. for research and innovation actions, and fundamental research under the European Research Council, 100% of the direct eligible cost is reimbursed; for innovation activities like demonstration and market replication 70% is reimbursed; for public procurement of innovative solutions 20% is reimbursed; for pre-commercial procurement 70% is reimbursed, under ERA Chair calls the staff costs are eligible, but not the costs for their research activities). Horizon2020 also accepts unit costs and flat-rates according to certain calculation rules<sup>21</sup> or sets unit costs, e.g. for Marie Skłodowska-Curie actions for different categories of researchers<sup>22</sup>.

For more info check on: <http://ec.europa.eu/programmes/horizon2020/>

**COSME** for Enterprise Europe Network:

Conditions of funding for the Enterprise Europe Network (EEN) are described in the call and guide for applicants.

[http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/index\\_en.htm](http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/index_en.htm)

The EU funding rate for each partner in the EEN and therefore for each consortium as a whole may vary between 40% and 60%. It shall never exceed 60% of the total eligible costs.

**Erasmus+** for student mobility:

In order to promote greater harmonisation and simplification and in conformity with Article 124 of the Financial Regulation, the Commission has opted to make an extensive use of simplified forms of grants in Erasmus+. Simplified forms of grants cover all the education, training and youth sectors under the different activities. Unit costs are widely used in Key Action 1 (learning mobility), which benefits from the biggest share of the overall programme budget. The use of real costs under Erasmus+ is limited to an absolute minimum, mainly to contribute to the additional costs of persons with special needs and other limited exceptional costs for which there is currently insufficient data available to develop a simplified grant model.<sup>23</sup>

**Digital services CEF** for interoperability of e-government services –

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:348:0129:0171:EN:PDF>

- In order to facilitate synergies, insist on a strong reference in the relevant OP sections to the alignment to the H2020, COSME, etc. cost models and ask for **justification in case of absence of such commitment to the alignment of the cost models**.
- Foresee **types of priorities, implementation and project selection methods** that allow for combinations and synergies in the course of the OP implementation, e.g. :
  - The possibility for applications for funding is more or less permanently **open in order to react timely** to a H2020 or other call/opportunity for combined funding;
  - The **type of operations** allows not only research activities or infrastructure and student mobility measures, but also innovation type of activities (pilot lines, testing, value-chain networking, marketing, IPR and innovation management support, technology adoption/acquisition, etc.) and non-

<sup>21</sup> See for calculation of unit costs and flat-rates the Annotated model grant agreements of Horizon2020: [http://ec.europa.eu/research/participants/data/ref/h2020/grants\\_manual/amga/h2020-amga\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf)

<sup>22</sup> See funding rates per person month for Living allowance (country coefficient), Mobility allowance, Family allowance rates: [http://ec.europa.eu/research/participants/data/ref/h2020/wp/2014\\_2015/msca/h2020-wp1415-msca-if\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/wp/2014_2015/msca/h2020-wp1415-msca-if_en.pdf)

<sup>23</sup> See Erasmus+ Programme Guide: [http://ec.europa.eu/programmes/erasmus-plus/index\\_en.htm](http://ec.europa.eu/programmes/erasmus-plus/index_en.htm)

technology driven innovation (e.g. design, creative thinking, demand tools like public procurement of innovation, etc.). MAs should be **reminded to get familiar with the types of eligible costs and project formats under the different EU programmes** in order to be able to design complementary support types;

- Make sure that **international cooperation** is recognised as a major driver of innovation and valued as a positive criterion for ESIF project selection. Using also **international evaluators** to assess the quality of the ESIF project applications should be recommended – DG RTD may be able to recommend evaluators from their database of experts. MA should also be informed that they may benefit from the new “synchronisation actions” under H2020 that allow for an evaluation of purely national/regional R&I project proposals under national/regional programmes (incl. those with ESIF support) by external experts from the H2020 database, provided the calls are coordinated and the proposals come in English.<sup>24</sup>
  - **Alignment of the content and selection criteria** for funding to H2020 type of activities (e.g. Marie Skłodowska-Curie actions for researchers mobility, EUREKA-Eurostars type of projects for SME R&D, knowledge-triangle projects like in the EIT-KICs, ERC proof-of-concept, SME feasibility study support, etc.) to be able to give ESIF support to **projects that have passed successfully the Horizon2020 evaluation**, but could not be funded for lack of H2020 budget<sup>25</sup>. Ideally these projects might be prioritised in the selection procedures as the H2020 evaluation procedures guarantee impartial results and high-quality proposals (provided that they fit into the relevant RIS3 and OP);
  - Providing R&I support service measures (possibly in cooperation with the NCPs and EENs to facilitate international R&I partners finding) to **advise potential applicants on H2020** procedures and requirements.
- **Install a “Horizon2020 watch”**, i.e. consult regularly H2020 Work Programmes and calls to identify forthcoming ones and initiatives. The same should go for the COSME, digital services CEF, Erasmus+ and CreativeEurope calls. It could be organised via the relevant [NCPs](#) that would digest and send the information to the relevant MA.
- **Improve capacities and services of business and innovation support structures** (including via linking up to NCPs, EENs, BICs), in line with international quality standards, such as the EBNs or the European Cluster Excellence Initiatives so that they can deliver the relevant high-quality services (see above).

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<sup>24</sup> See for example INSO-8-2014: Synchronised Call initiatives:

[http://ec.europa.eu/research/horizon2020/pdf/work-programmes/societies\\_draft\\_work\\_programme.pdf](http://ec.europa.eu/research/horizon2020/pdf/work-programmes/societies_draft_work_programme.pdf)

<sup>25</sup> This is in particular promising for proposals submitted by a single SME for support by the SME instrument. A very high oversubscription of available funds is expected and ‘the European added value’ will likely become a decisive factor for support. Project proposals failing for phase 2 support simply because of a lack of European dimension will be awarded a ‘label of excellence’ by the EC services and will be supported by Enterprise Europe Network to find alternative sources of funding. An easy entrance to regional programmes, potentially making use of the existing results of expert evaluations, could deliver high impact.

- Foresee **full cost models** to allow private co-funding without being conditional on public budgets. This would avoid hampering private R&I support for lack of national/regional co-funding.

### **DON'Ts**

Remind the authorities involved in designing OPs that they should:

- **NOT earmark specific OP amounts for cumulative funding with Horizon 2020.** There is no guarantee that the Horizon2020 applications will be successful and that these ESIF funds will be used.

### **2.3. At implementation level**

#### **DOs:**

Remind the authorities involved in the implementation of OPs that they should:

- In case of intention to apply Art. 65(11) for combining ESIF with Horizon2020 grants in the same project, install a system of **conditional commitment of funding**, including the development of standard letters for conditional commitment of ESIF (DG RTD, ENTR and CNECT will propose examples) that can be systematically provided to prove the financial viability of a project proposal as regards the ESIF co-funded expenditure items/parts. Install a mechanism to reserve the relevant funds until the results of the H2020 project evaluation are available (in general 5 months after the deadline for project submission, which might fall into the next financial year). The final commitment can be made dependent on successful H2020 evaluation. There are usually 3 months between the communication of the results of the H2020 evaluation and the obligation to give proof for co-financing. During this time a MA should be able to give the final commitment for the grant agreement under ESIF.
- **Train ESIF auditors** on the options for synergies, extra-territorial funding and Horizon2020 rules on eligibility of costs, to avoid problems if combined funding occurs.
- **Install a tracking system** for synergies with H2020 and other EU programmes, e.g. by asking in applications or implementation reports for funding of previous H2020 or other EU support received or parallel actions under another EU instrument that lead to cross-fertilisations with the ESIF support.
- Analyse the information provided by the Commission/NCPs on **Horizon2020 results and participants in their territory** in the light of their usefulness for their smart specialisation fields and inform the R&D&I support providers about the results and participants.
- **Offer H2020 participants information sessions/material** on the R&I support schemes available in the territory (e.g. via the Enterprise Europe Network or NCPs). MA could consider the following activities:
  - Sign-posting pre-information regarding future H2020 and other calls
  - Spreading information about calls: feedbacks from information events and assistance in participation to info days on calls
  - Awareness raising, information and advice to access H2020
  - Creation of sectoral or cross-sectorial interest groups

- Promotion of local academia-industry cooperation and their cross-border networking
- Advice and quick check of project ideas
- Support to international partners search
- Grants for exploring project feasibility and validation of project ideas
- Grants for expert advice services
- Provision of training to potential EU project managers
- Support to ERA-Net projects on strategic topics. These projects are excellent springboards for regional actors' participation in FP7/Horizon 2020
- Provide mentoring and coaching to potential EU project partners.

### 3. Overview of Horizon2020, COSME, Erasmus+ and digital services CEF

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#### 3.1. Horizon 2020

[Horizon 2020](#) supports the implementation of the [Innovation Union](#), a [Europe 2020](#) flagship initiative aimed at securing Europe's global competitiveness. Running from 2014 to 2020 with a EUR 70.2 billion budget (in constant prices), this R&I Framework Programme is part of the drive to create new growth and jobs in Europe.

**H2020 Programme:** 3 main priorities:

1. [Excellent Science](#) includes:
    - European Research Council ([ERC](#))
    - Future and Emerging Technologies ([FET](#))
    - [Marie Skłodowska-Curie Actions](#) fellowships for trans-national mobility of researchers
    - [Research infrastructures](#) (including e-infrastructures) – support to feasibility study and building (incl. for large infrastructures above EUR 20 million).
- } Fundamental research; proof of concept grants for ERC projects that proved to be successful
2. [Industrial Leadership](#) (applied research projects up to TRL 8) includes:
 

Key Enabling Technologies (KET) such as:

    - ICT (including photonics and micro- and nanoelectronics), nanotechnologies, advanced materials, biotechnology, advanced manufacturing and processing, and space
    - Access to risk finance; and
    - Support for innovation in SMEs (SME investment with feasibility and implementation plan).

3. [Tackling societal challenges](#)

Horizon 2020 reflects the policy priorities of the [Europe 2020](#) strategy and addresses major concerns shared by citizens in Europe and elsewhere. It will include establishing links with the activities of the European Innovation Partnerships (EIP).

All Work Programmes and ancillary documents can be found at:  
[http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference\\_docs.html](http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference_docs.html)

See also: Horizon2020 Official Website:  
<http://ec.europa.eu/programmes/horizon2020/h2020-sections>

### **New focus areas of Horizon2020**

- Stronger emphasis on **impacts** - not only in scientific terms, but also in terms of innovation results.
- **More innovation:** an innovation action is primarily consisting of activities directly aiming at producing plans and arrangements or designs for new, altered or improved products, processes or services. For this purpose they may include prototyping, testing, demonstrating, piloting, large-scale product validation and market replication.
- **Support for demand driven innovation** mainstreamed across Horizon 2020 such as pre-commercial procurement (PCP) Cofund actions that support groups of procurers to share the cost of public procurement of research, development and validation of innovative solutions that can bring significant quality and efficiency in areas of public interest, whilst opening market opportunities for industry and researchers active in Europe and procurement of innovative solutions (PPI) Cofund actions that support groups of procurers to share the risks of acting as early adopters of innovative solutions.
- **Two-year work programmes**, and more specific guidelines provided in each call for proposals. Info on:  
<http://ec.europa.eu/research/participants/portal/desktop/en/home.html>
- **More synergies:**
  - with other centralised EU programmes
  - with national & regional programmes (Art.185 TFEU: JPI, P2P, [ERA-NET](#) )
  - with private R&I investors (Art.187 TFEU: PPP)

### **Leverage on national and regional R&I programmes and private funds**

- **Joint Technology Initiatives:** private R&I actors team up in a Joint Undertaking; Horizon 2020 significantly contributes to the JTI total budget
- **Public-Public-Partnerships:** national & regional R&D programmes & organisations team up; Horizon 2020 contributes up to 50% for joint calls/activities budget (EUREKA Eurostars is such programme coordination for SME R&D support)
- **ERA-Nets:** national & regional R&D programmes launch a joint call for proposals, Horizon 2020 tops-up joint call with up to 33%
- **European Innovation Partnerships:** bring together enterprises, researchers, civil society to chart out R&D roadmaps - **No substantial funding, but important for strategy design & with impacts on H2020 work programmes.**
- **More delegation** and outsourcing of financial management to:



- PPPs and P2Ps: Joint Undertakings (JU/JTI Art. 187 TFEU), Dedicated Implementation Structures (DIS) for Joint Programming Initiatives ([JPIs](#), [Article 185 TFEU initiatives](#))
- European Research Council (ERC): frontier research
- Research Executive Agency; Marie Skłodowska - Curie Agency
- Financial instruments: EIB
- **Shorter time to contract:** average target: 8 months, for "Fast Track to Innovation" 6 months, and **no/less negotiation** of proposals
- **Reduce red-tape:** possibility for 2-stage procedures (1<sup>st</sup> concept, 2<sup>nd</sup> implementation, budget and consortium details)
- **Minimum 3-country principle** prevails, but **more grants for individual** firms (SME instrument) or research teams (frontier research)
- **New tools:** prizes, innovation procurement (pre-commercial & procurement of innovative solutions)
- **New/expanded contents:** [research Infrastructures](#) include large projects (EUR 20 million), integration of the knowledge-triangle ([EIT-KICs](#))

#### **Widening participation & spreading excellence**

- **ERA Chairs:** bring in outstanding researchers to research institutions with potential for research excellence. These institutions should mobilise support from different funding sources (incl. ESIF) to invest in facilities and infrastructures and commit to institutional change and broader innovation support.
- **Teaming:** create new (or significant upgrades of existing) Centres of Excellence & encourage pan-European networking in low performing countries<sup>26</sup> to close the R&I gap. Minimum 2 partners: one from low performing country, one centre of R&I excellence.
- **Twinning: staff exchanges, expert visits, short-term on-site or virtual trainings,** workshops, organisation of joint summer school type activities, outreach activities. Minimum 3 partners: 2 leading centres of R&I, one research centre in a low performing Member State.
- **NOTE:** Regions of Knowledge actions (cluster cooperation) moved to INTERREG V C!

#### **More for innovation & SMEs**

- **SME instrument (in areas foreseen in the work programme):** Phase 1 – EUR 50.000 lump sum for technical feasibility, Phase 2 – Innovation action grant (up to EUR 2.5 million), Phase 3 - support services towards commercialisation of innovative products or services, e.g. for finding additional funding or relevant customers. (no direct funding for SME, EEN, quality label for financial instruments, etc.).

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<sup>26</sup> Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

- **Fast-track to innovation:** max. time to grant 6 months; innovation actions in LEIT and Societal Challenges; from 2015 onwards continuously open call (1<sup>st</sup> cut-off date in 2015); no more than 5 legal entities; grant of not more than EUR 3 million.
- **Knowledge and Innovation Communities (KICs)** are the European Institute of Technology's (EIT) operational units combining universities-research-enterprises working in cross-disciplinary areas (existing: Energy, ICT, Climate Change; new KICs 2014: “Healthy living and active ageing”, “Raw materials”; 2016: “Food4Future”, “Added-value manufacturing”; 2018: “Urban mobility”).
- **Pre-Commercial Procurement (PCP) COFUND actions:** aim at encouraging public procurement of research, development, and validation of innovative solutions that can bring significant quality and efficiency in areas of public interest, whilst opening market opportunities for industry and researchers active in Europe. They provide Union co-funding for a group of procurers (buyers group) to undertake together one joint PCP procurement so that there is one joint call for tender, one joint evaluation of offers and a lead procurer awarding the R&D service in the name and on behalf of the buyers group (maximum co-funding rate 70%).
- **Public Procurement of Innovative Solutions (PPI) COFUND actions:** the objective is to enable groups of procurers to share the risks of acting as early adopters of innovative solutions.
- Solutions, whilst opening market opportunities for industry. A PPI COFUND action provides Union co-funding for a group of procurers (buyers group) to undertake together one joint PPI procurement, so that there is one joint PPI call for tender launched by the lead procurer and one joint evaluation of offers. Each PPI COFUND action focuses on one concrete unmet need that is shared by the participating procurers and requires the deployment of innovative solutions (maximum co-funding rate 20%).

Horizon 2020	ESIF – European Structural and Investment Funds
<b>DIFFERENCES:</b>	
<b>Non-territorial</b> , mainly transnational approach based on excellence and impact; H2020 does not take into account geographic specificities in allocating funding	<b>Place-based</b> approach supporting economic and social cohesion
<b>Individual (R&amp;I) Projects</b> tackling the whole cycle of innovation, taking into account strategic approaches at EU level, e.g. through European Innovation Partnerships and the Strategic Energy Technology plan; Co-Fund actions: focus on co-funding specific R&I Calls or programmes (PCP/PPI, PPP, P2P, ERA-NETs, etc.)	<b>Largely focused on improving the R&amp;I capacities and R&amp;I eco-systems</b> with the objective of regional growth and place-based economic transformation towards higher added-value and more knowledge-intensive activities (RIS3). There is also an increase of support to R&I activities as such, e.g. business-university cooperation.

<p><b>Directly managed</b> (European Commission/executive agency) and <b>awarded directly to final beneficiaries</b> or managed by a Union body or multi-country entity; in case of Programme Co-Funding, with Dedicated Implementation Structure (indirect management)</p>	<p><b>Shared management</b> with national and regional public intermediaries (managing authorities, implementing agencies and intermediate bodies) <b>which define the implementation details and allocate the funding to final beneficiaries</b></p>
<p><b>Competitive calls for proposals</b> addressed to <b>multi-country consortia</b> (participation beyond the EU is possible) without geographic pre-allocation. (European Research Council and Marie Skłodowska-Curie research mobility also concerns individuals; SME instrument also addresses single SME)</p>	<p>Policy-related <b>prioritisation based on cohesion considerations and RIS3 priorities to individual firms/bodies and consortia within the territory covered by the operational programme</b><sup>27</sup> (and only within the EU). Use of competitive attribution through calls and aid schemes based on project selection criteria are also increasingly used (depending on MS)</p>
<p><b>OPPORTUNITIES:</b></p>	
<p><b>Horizon 2020</b> will focus on: industrial leadership and tackling major societal challenges, maximising the competitiveness impact of research and innovation and raising and spreading levels of excellence in R&amp;I. <b>Horizon 2020</b> includes actions to close the research and innovation divide: ERA Chairs, EIT Regional Innovation Scheme networks, teaming and twinning, research infrastructure development, etc. Horizon2020 has the objective of spreading excellence and widening participation compared to FP7</p>	<p>Besides improving the innovation ecosystems, <b>Cohesion policy</b> will partly increase the capacity of regions and Member States to participate in Horizon 2020 ("Stairway to Excellence") and partly fund R&amp;D&amp;I activities in a MS/region that can build on FP7 and Horizon2020 projects.</p>
<p><b>Similar cost options</b> that may facilitate combining funds: lump sums, flat rates, unit costs etc. (Art 67 and 68 CPR &amp; H2020 Rules for Participation)</p>	

Calls for proposals and advice on applications may be found at: <http://ec.europa.eu/programmes/horizon2020/>

### 3.2. COSME

The new Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (**COSME**) will run from 2014 to 2020 with a budget of

<sup>27</sup> ESIF/S3 can support (to a limited extent) cooperation with actors outside the programme territory: up to 15% for the ERDF, the CF and the EMFF [Art.70(2)b CPR] – 5% in case of EAFRD.

EUR 2.3 billion, of which 60% shall support instruments on financial markets via the EIB/EIF and 350 million shall support the operations of the Enterprise Europe Network in all regions.

COSME	ESIF – European Structural and Investment Funds
<b>DIFFERENCES:</b>	
Non-territorial, COSME does not take into account geographic specificities in allocating funding, except for the Enterprise Europe Network where ‘informal pre-allocation of funds to MS/regions takes place’	Place based approach supporting economic and social cohesion
Focus on projects strengthening the competitiveness and sustainability of the Union’s enterprises, particularly SMEs and encouraging, entrepreneurial culture and promoting the creation and growth of SMEs (no support to individual SME’s projects)	<b>Largely focused on improving the R&amp;I capacities and R&amp;I eco-systems</b> with the objective of regional growth and place-based economic transformation towards higher added-value and more knowledge-intensive activities (RIS3)
<b>Directly managed</b> (European Commission / executive agency) and <b>awarded directly to final beneficiaries</b>	<b>Shared management</b> with national and regional public intermediaries (managing authorities, implementing agencies and intermediate bodies) <b>which define the implementation details and allocate the funding to final beneficiaries</b>
<b>Competitive calls for proposals</b> addressed to <b>legal entities</b> without geographic pre-allocation	Policy-related <b>prioritisation based on cohesion considerations and RIS3 priorities</b> to <b>individual firms/bodies and consortia mainly within the territory covered by the operational programme</b> (and only within the EU).  Use of competitive attribution through calls and aid schemes based on project selection criteria are also increasingly used (depending on MS)
<b>OPPORTUNITIES:</b>	
Financial instruments operated with the aim of facilitating access to finance for SMEs, in their start-up, growth and transfer phases. The financial instruments for SMEs may be combined and complement financial instruments funded in the context of ESIF	Financial instruments can be focused on specific regions and themes (e.g. smart specialisation fields)
Enterprise Europe Network provides business support services with a trans-national dimension directly to SMEs and shall catalyse the transfer of better practices in business support to the region	Business support services are customised to the needs of SMEs in a territory and focus on place-based support

Improvement of cluster management, and international cooperation (incl. beyond the EU)	Funding cluster secretariats and activities, science and technology parks and other innovation infrastructure
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Calls for proposals and advice on applications may be found at:

[http://ec.europa.eu/enterprise/initiatives/cosme/index\\_en.htm](http://ec.europa.eu/enterprise/initiatives/cosme/index_en.htm)

### 3.3. Erasmus+

Erasmus+ is the EU's new programme for education, training, youth and sport with a budget of around EUR 14.5 billion. It will support three main types of activities:

- Learning opportunities for individuals.
- Cooperation between educational institutions, youth organisations, businesses, local and regional authorities and NGOs, to encourage the development and implementation of innovative practices in education, training and youth activities and to promote employability, creativity and entrepreneurship.
- Support for policy reform in Member States and cooperation with non-EU countries, with a focus on strengthening the evidence-base for policy-making and exchange of good practices.

The Erasmus+ Programme Guide can be found at:

[http://ec.europa.eu/programmes/erasmus-plus/documents/erasmus-plus-programme-guide\\_en.pdf](http://ec.europa.eu/programmes/erasmus-plus/documents/erasmus-plus-programme-guide_en.pdf)

ERASMUS+	ESIF – European Structural and Investment Funds
<b>DIFFERENCES:</b>	
Differences: 1: Mainly <b>indirectly managed</b> , awarded directly to final beneficiaries through <b>National Agencies</b> . 2. Knowledge Alliances (Key action - KA2), Sector Skills Alliances (KA2), Policy experimentations and Forward Looking Projects (KA3 managed centrally via the Executive Agency (EACEA)	<b>Managed by Managing Authorities in Member States in the framework of shared management</b>
Supports mainly transnational mobility actions (KA1) and transnational cooperation projects (KA2)	<b>Place-based</b> approach supporting economic and social cohesion
<b>Focus on mobility actions (KA1) and individual projects (KA2 and 3)</b> to improve education and skills, modernise education and training systems and foster cross-sector cooperation. <b>Competitive call for proposals, also</b> including non-EU countries	<b>Focus on improving education and training systems</b> , including through grant schemes. <b>Focus on improving the R&amp;I capacities and R&amp;I eco-systems</b> with the objective of regional growth and place-based economic transformation towards higher added-value and more knowledge-intensive activities

<b>OPPORTUNITIES:</b>	
Focus on improvement of skills level through (transnational) mobility (KA1). Cooperation in the fields of education, training and youth to promote knowledge exchange, employability and innovation (including education institutions, public bodies, enterprises youth organisations etc.) (KA2). Supporting policy reforms through policy support and experimentation (KA3).	Focus on improvement of skills levels and increasing the labour market relevance of education and training Mainstreaming and upscaling successful policy experimentations and innovative practices funded by Erasmus+
<b>ERASMUS+</b>	<b>ESIF – European Structural and Investment Funds</b>
<b>DIFFERENCES:</b>	
Differences: 1: Mainly <b>indirectly managed</b> , awarded directly to final beneficiaries through <b>National Agencies</b> . 2. Knowledge Alliances (Key action - KA2), Sector Skills Alliances (KA2), Policy experimentations and Forward Looking Projects (KA3 managed centrally via the Executive Agency (EACEA)2:	<b>Managed by Managing Authorities in Member States in the framework of shared management</b>
Supports mainly transnational mobility actions (KA1) and transnational cooperation projects (KA2)	<b>Place-based</b> approach supporting economic and social cohesion
<b>Focus on mobility actions (KA1) and individual projects (KA2 and 3)</b> to improve education and skills, modernise education and training systems and foster cross-sector cooperation. <b>Competitive call for proposals, also</b> including non-EU countries	<b>Focus on improving education and training systems</b> , including through grant schemes. <b>Focus on improving the R&amp;I capacities and R&amp;I eco-systems</b> with the objective of regional growth and place-based economic transformation towards higher added value and more knowledge-intensive activities
<b>OPPORTUNITIES:</b>	
Focus on improvement of skills level through (trans-national) mobility (KA1). Cooperation in the fields of education, training and youth to promote knowledge exchange, employability and innovation (including education institutions, public bodies, enterprises youth organisations etc.) (KA2). Supporting policy reforms through policy support and experimentation (KA3).	Focus on improvement of skills levels and increasing the labour market relevance of education and training Mainstreaming and upscaling successful policy experimentations and innovative practices funded by Erasmus+

Calls for proposals and advice on applications may be found at:

[http://ec.europa.eu/programmes/erasmus-plus/index\\_en.htm](http://ec.europa.eu/programmes/erasmus-plus/index_en.htm)

### 3.4. Creative Europe

[Creative Europe](#) plans to help the cultural and creative sectors to seize the opportunities of the ‘digital age’ and globalisation while safeguarding and developing European cultural and linguistic diversity. The programme has a budget of EUR 1.47 billion for the period 2014-2020. It builds on the former Culture, MEDIA and MEDIA mundus programmes, adding a new component which strives to facilitate an access to finance for cultural and creative sectors. It aims at enabling the sectors to reach their potential so that they can contribute to the Europe 2020 goals for sustainable growth, jobs and social cohesion and to open up new international opportunities, markets and audiences.

CREATIVE EUROPE	ESIF – European Structural and Investment Funds
<b>DIFFERENCES:</b>	
Foster European cultural and linguistic diversity and promote European heritage	Foster socio-economic development, incl. redressing the main regional imbalances through structural adjustments, etc.
<b>OPPORTUNITIES:</b>	
Support artists and cultural professionals to develop their skills, competences and know-how that contribute to strengthening the cultural and creative sectors (e.g. encouraging adaptation to digital technologies, testing innovative approaches to audience development and testing of new business and management models). Support artists and cultural professionals to work across borders. Funding for transnational cultural activities within and outside of the EU	Possibility of mainly place-based support of SMEs active in the cultural and creative sector and potential support for digitisation

Calls for proposals and advice on applications may be found at:

[http://ec.europa.eu/culture/creative-europe/calls/index\\_en.htm](http://ec.europa.eu/culture/creative-europe/calls/index_en.htm)

### 3.5. Connecting Europe Facility – digital services

The [Connecting Europe Facility](#) is specifically designed to promote growth, jobs and competitiveness through targeted infrastructure investment at European level. It will support the roll-out of high-performing, sustainable and joined-up trans-European networks in the fields of transport, energy, and broadband & digital services.

For more details see [brochure](#) and amended proposal for a Regulation on guidelines for trans-European telecommunications networks (COM(2013)329 final):

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0329:FIN:EN:PDF> )

Connecting Europe Facility – digital services	ESIF – European Structural and Investment Funds
<b>DIFFERENCES:</b>	
Facilitate the deployment and operation of trans-European digital services, e.g. for public procurement	At national or regional/local level: Foster e-skills, e-commerce and establishment of new businesses and business models based on ICT. Foster e-government, e-health, e-procurement, etc.
<b>OPPORTUNITIES:</b>	
Platforms will facilitate interoperability of public IT services and applications in a transnational perspective	Public sector IT solutions funded from ESIF could be designed to be interoperable with CEF digital services

For info new EU rules on public procurement and concession contracts approved by EP:

<http://www.europarl.europa.eu/news/en/news-room/content/20140110IPR32386/html/New-EU-procurement-rules-to-ensure-better-quality-and-value-for-money>

#### 4. Summary of State aid and financial instruments issues

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##### 4.1. Basics on State Aid rules for research and innovation

EU funding managed by the EC either directly or indirectly (i.e. by the EC, by its Executive Agencies, by Joint Undertakings (Art 185 and 187 TFEU) or by any other implementing bodies where the Union funding is not directly or indirectly under the control of Member States) does not constitute State aid. Where such Union funding is combined with other public funding, only the latter shall be considered for determining whether notification thresholds and maximum aid intensities are respected.

=> Horizon 2020: not considered as State aid

=> ESIF/national/regional funding: subject to State aid rules: maximum aid intensities and individual notification thresholds apply

**NB: State aid rules are currently reviewed. The State aid modernisation process will bring** changes that can boost competitiveness, growth and jobs. At this stage, only few State guidelines/regulations are finalised. The majority of the new State aid legislation will only be finalised in the first half of 2014. New developments in State aid should be checked and can be found at:

[http://ec.europa.eu/competition/state\\_aid/overview/index\\_en.html](http://ec.europa.eu/competition/state_aid/overview/index_en.html) and

<http://ec.europa.eu/competition/consultations/open.html>



The following parts of State aid legislation are already updated:

### **(1) The de-minimis regulation**

Support that fulfils the criteria of the de-minimis regulation does not constitute "State aid" in the meaning of EU rules and therefore does not need to be notified to the Commission for approval.

The main criteria of the previous de-minimis regulation, which exempts aid amounts of up to €200 000 per undertaking over a three year period, remain unchanged. However, it has been clarified that the de-minimis threshold applies per Member State. Also, the definition of what constitutes a single "undertaking" has been clarified and simplified.

[http://ec.europa.eu/competition/state\\_aid/legislation/block.html](http://ec.europa.eu/competition/state_aid/legislation/block.html)

### **(2) Regional Aid Guidelines (RAG)**

Key features of the new RAG are:

- The overall share of regions where regional aid can be granted is increased
- Fewer aid measures are subject to Commission scrutiny as more aid categories will be exempted from the obligation of prior notification to the Commission, allowing Member States to spend smaller aid amounts with limited administrative burden. This is expected to facilitate the absorption of EU funds in cases where aid measures are co-funded by structural funds.
- Large aid measures will be subject to in-depth assessment of their incentive effect, proportionality, contribution to regional development and effects on competition.
- Stricter approach on aid for investments made by large enterprises in the more developed assisted areas ('c-regions').
- In outermost regions and sparsely populated areas, the possibility for Member States to grant operating aid to companies is maintained and simplified.
- The maximum levels of aid (so-called "aid intensities") remain unchanged for the least developed regions. For other assisted regions, intensities are slightly lowered by 5 percentage points.
- Anti-relocation provisions are strengthened and regional aid that has caused a same or a similar activity to relocate within the European Economic Area (EEA) will not be allowed.

### **(3) Risk Finance Guidelines (RFG)**

The RFG replace the former Risk Capital Guidelines. They set out the conditions under which Member States can grant aid to facilitate access to finance by European SMEs and midcaps. Certain SMEs and midcaps, in particular innovative and growth-oriented SMEs in their early development stages have difficulties to get funding, independently of the quality of their business potential. State aid can help address this funding gap, not by replacing existing funding channels but by attracting fresh money into new ventures through well-designed financial instruments and fiscal measures.

[http://ec.europa.eu/competition/state\\_aid/modernisation/index\\_en.html#risk\\_finance](http://ec.europa.eu/competition/state_aid/modernisation/index_en.html#risk_finance)

#### **(4) Broadband Guidelines**

The new Broadband Guidelines contain in particular a reinforcement of open access obligations and improved transparency rules. They also follow the principles of the Commission's State Aid Modernisation (SAM) initiative, which aims at facilitating well-designed aid targeted at market failures in order to achieve growth-enhancing priorities, while simplifying the rules to allow for faster decisions.

[http://ec.europa.eu/competition/state\\_aid/legislation/specific\\_rules.html#broadband](http://ec.europa.eu/competition/state_aid/legislation/specific_rules.html#broadband)

#### **(5) Services of General Economic Interest (SGEI)**

The rules on Services of General Economic Interest were updated in 2011.

[http://ec.europa.eu/competition/state\\_aid/legislation/sgei.html](http://ec.europa.eu/competition/state_aid/legislation/sgei.html)

#### **4.2. Synergies among and with financial instruments**

Financial instruments provide support to investments through loans, guarantees and equity investments. They will be used for H2020/COSME and other Innovation programmes and can also be used by Managing Authorities to deliver ESIF objectives. With regard to innovation and research support, they are primarily geared at SMEs to improve their competitiveness. Development of the EU level financial instruments under H2020 and COSME (including the SME initiative) is ongoing and it is expected that these instruments will be ready for roll-out during the course of 2014, with the SME initiative as priority.

General information on ESIF Financial Instruments including on synergies with EU-level financial instruments and combination of support (financial instruments with financial instruments, financial instruments with grants) is dealt with in the specific guidance on financial instruments for desk officers validated by the Board of Directors in October 2013 and in the forthcoming guidance on financial instruments for ESIF managing authorities which is scheduled for presentation at the EGESIF meeting in February 2014.

For more info: [GUIDANCE FICHE ON FINANCIAL INSTRUMENTS](#) and [http://ec.europa.eu/regional\\_policy/thefunds/fin\\_inst/index\\_en.cfm](http://ec.europa.eu/regional_policy/thefunds/fin_inst/index_en.cfm)

**Think towards strategy & impact,  
not project!**

## 5. Acronyms

Acronym	Name	Explanation (if appropriate)
<a href="#">CC</a>	Co-location Centres (of KICs)	
CE	Creative Europe	New programme for creative and cultural industries in Europe
<a href="#">CEF</a>	Connecting Europe Facility	New programme to promote growth, jobs and competitiveness through targeted infrastructure and digital service investment at European level
<a href="#">CF</a>	Cohesion Fund	Fund to reduce the economic and social shortfall of MS with GNI of less than 90% of EU average
<a href="#">CIP</a>	Competitiveness and Innovation Framework Programme	Supports innovation activities (including eco-innovation), provides better access to finance and delivers business support services in the regions, targeting mainly Small and medium-sized enterprises (SMEs)
COFUND	COFUND stand for the co-funding principle between Union funds (H2020) an public and/or private funds	Can be found in H2020 in MSCA, PPP and P2P
<a href="#">COSME</a>	Programme for the Competitiveness of Enterprises and SMEs	Follow-up programme of CIP-EIP
COCOF	Coordination Committee for ESIF	
<a href="#">CP</a>	Cohesion Policy	
CPR	Common Programme Regulation	For ESIF
<a href="#">CSF</a>	Common Strategic Framework	EC document setting strategic direction for the next financial planning period from 2014 to 2020 in Member States and their regions
	Delegated Act	The new Treaty introduces a distinction between legislative acts and non-legislative ones. Article 290 allows Parliament and the Council to delegate to the Commission the power to adopt "non-legislative acts of general application to supplement or amend certain non-essential elements of a legislative act". Non-legislative acts adopted by the Commission in this way are called "delegated acts".
CSP	Corporate Social Responsibility	New concept within Social Innovation

DG	Directorate General	Directorates of the European Commission
<a href="#">EAFRD</a>	European Agricultural Fund for Rural Development	
<a href="#">ECSEL</a>	Electronic Components & Systems Initiative	
<a href="#">EEN</a>	Enterprise Europe Network	SME support network, Europe and worldwide acting
<a href="#">EGTC</a>	European Grouping of Territorial Cooperation	Cohesion policy legal instrument; executioner of tasks in the competence of MSs
<a href="#">EIF</a>	European Investment Fund	
<a href="#">EIT</a>	European institute of Innovation and Technology	
<a href="#">EMFF</a>	European Maritime and Fisheries Fund	
ERA	European Research Area	
<a href="#">ERDF</a>	European Regional Development Fund	
<a href="#">ERIC</a>	European Research Infrastructure Consortium	
<a href="#">ESFRI</a>	European Strategy Forum on Research Infrastructures	
<a href="#">ESIF</a>	European Structural and Investment Funds	These include: ERDF, CP, ESF, EAFRD and EMFF
<a href="#">ESF</a>	European Social Fund	
ESR	Evaluation Summary Report	Communication in FP7 of the EC to the proposal coordinator about the result of the evaluation process. While the ESR is a legally binding document, the cover letter to it may include some reference to ESIF opportunities.
<a href="#">ETP</a>	European Technology Platforms	Industry-led stakeholder platform that develop short to long-term research and innovation agendas and roadmaps for action at EU and national level to be supported by both private and public funding
EU-12	“New” Member States	LT, LV, EE, PL, CZ, SK, SI, RO, BG, MT, CY, HU; now actually EU-13 with the accession of Croatia
EU-15	“Old” Member States	DE, FR, IT, BE, NL, LUX, DK, SE, GR, ES, PT, IRE, UK, FI, AT

FAQ	Frequently Asked Questions	
<a href="#">FP7</a>	Seventh Framework Programme for Research and Development	From 2007 to 2013
FTI	Fast Track to Innovation	H2020 project scheme that facilitates participation on SMEs and speeds up time from submission to contract; as from 2015
<a href="#">GPC</a>	High Level Group on Joint Programming (Groupe de Programmation Conjointe)	Established group to identify Joint Programming areas
<a href="#">H2020</a>	Horizon 2020	Research and Innovation framework programme 2014-2020
HE	Higher Education	
<a href="#">JASPERS</a>	Joint Assistance to Support Projects in European Regions	To promote the efficient use of EU Structural Funds, thereby stimulating future investment
<a href="#">JPI</a>	Joint Programming Initiative	For details see chapter 3.8
<a href="#">JTI</a>	Joint technology Initiatives	Public/private partnerships in R&I areas essential for Europe's competitiveness
KA	Key Action	Parts of the Erasmus+ programme
<a href="#">KICs</a>	Knowledge and Innovation Communities	Created by the EIT; currently, three KICs are active: energy, ICT and climate change
<a href="#">LEIT</a>	Leadership in Enabling and Industrial Technologies	Priority 2 of the H2020 programme ("Industrial leadership")
<a href="#">LLP</a>	Lifelong Learning Programme	2007-2013 programme of DG EAC for education: Schools, Higher Education, Vocational Training and horizontal issue such as languages and ICT.
<a href="#">MA</a>	Managing Authorities	National/regional authorities that monitor ESIF implementation, inform potential beneficiaries and select projects
MS(s)	Member State(s) of the EU	
MSCA	Marie Skłodowska-Curie Actions	
<a href="#">NA</a>	National Agencies	National agencies implementing the Lifelong Learning programme
<a href="#">NCP</a>	National Contact Points	Support network for R+I

<a href="#">NPC</a>	National Projects Coordinator	Network for EUREKA/Eurostar projects
OH	Overheads; also called “indirect costs” in H2020	Costs that are needed to run an organisation, e.g. rent, electricity, ICT costs, office supply, PCs, etc. For H2020, a lump sum of 25% of direct costs is envisaged.
<a href="#">OP</a>	Operational programme	Regional development programmes of MSs (7 years). Next period will be 2014-2020.
<a href="#">PA</a>	Partnership Agreement	National level strategy document for all different ESI Funds for 2014-2020
PCP	pre-commercial procurement	New “close to market” and “demand of innovation” driven instruments
PPI	public procurement of innovation	
PSCI	<a href="#">Programme for Social Change and Innovation</a>	
PPP and P2P	Public-Private Partnerships (PPP) and Public-Public-Partnership (P2P)	Instruments in H2020 to foster Innovation and growth in Europe; PPPs can be based on the TFEU (Art. 185 for P2P and Art. 187 for PPP), or can be contractual PPPs (e.g. in Factories of the Future or Future Internet)
R+I or R+D+I	Research and Innovation or Research, development and innovation	
<a href="#">RI</a>	Research Infrastructures	
<a href="#">RIS3</a>	Research and Innovation Strategies for Smart Specialisations	MSs must determine their specialisation together with key stakeholders, e.g. industry. This is an ex ante conditionality.
<a href="#">SBIR</a>	Small Business Innovation research	US model for the SME instrument in H2020
<a href="#">SET</a>	The European Strategic Energy Technology Plan	
<a href="#">SGEI</a>	Services of General Economic Interest	Block exemption under State Aid Rules for such services. Examples are: postal services, care for elderly, etc.
<a href="#">SIA</a>	Strategic Innovation Agenda of EIT	
<a href="#">SIP</a>	Social Investment Package	
<a href="#">SMEs</a>	Small and Medium-sized Enterprises	The EU definition determines when an enterprises if considered of micro, small, or medium size

<a href="#">TFEU</a>	Treaty on the Functioning of the European Union	
TO	Thematic Objectives	<p>11 Thematic Objectives for ESIF developed around the Europe 2020 objectives</p> <ol style="list-style-type: none"> <li>1) Research and innovation (ex-ante conditionality:RIS3)*</li> <li>2) Information and Communication Technologies (part of RIS3)*</li> <li>3) Competitiveness of Small &amp;Medium-Sized Enterprises (SME)</li> <li>4) Shift to a low-carbon economy</li> <li>5) Climate change adaptation and risk management</li> <li>6) Environmental protection and resource efficiency</li> <li>7) Sustainable transport and major network infrastructure</li> <li>8) Employment and support for labour mobility</li> <li>9) Social inclusion and poverty reduction</li> <li>10) Education, skills and lifelong learning</li> <li>11) Institutional capacity &amp; effectiveness of public administration</li> </ol>
ToF	Terms of Reference	In relation to procurement rules (PCP and PPI)
VET	Vocational Education and Training	







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

## State of Play

**Disclaimer:** These PPTs reflect the views only of the author and are not the official Commission position. The interpretation or the regulations may differ from the final guidance.

**Katja Reppel**  
Deputy Head of Unit  
CC Smart and Sustainable Growth  
DG Regional and Urban Policy



# Structure

- 1. Basics on Cohesion Policy and ESIF management**
- 2. What are the basic rules for synergies with Horizon2020**
- 3. Why are ERA-Nets and Art 185 initiatives interesting for Managing Authorities**



In the future:  
"European Structural  
and Investment  
Funds"

# Basics on Cohesion Policy

## COHESION POLICY

- **Regional & Urban Policy** (DG REGIO)
  - **ERDF**: European Regional Development Fund (→ productive investments, R&I, SME, ICT, certain infrastructures, territorial cooperation ...)
  - **Cohesion Fund** (→ "basic" infrastructures (transport, environment, energy ...), not for R&I, only in less developed countries)
- **Social Policy** (DG EMPL)
  - **ESF**: European Social Fund (→ people / workers)

Innovation

Procurement  
of Innovation

Innovation

## OTHER POLICIES RELATED TO COHESION

- **Common Agricultural Policy** and **Rural Development** (DG AGRI)
  - **EAFRD**: European Agricultural Fund for Rural Development
- **Common Fisheries Policy** (DG MARE)
  - **EMFF**: European Maritime and Fisheries Fund

Innovation

Innovation

## Basic

€347 b

- Convergence
- GDP per capita
- average
- on this
- Region
- and em

### Disbursed via:

- **Grants** – to individual recipients and consortia
- **Financial instruments** (loans, VC, guarantees) = €12 billion = around 5.5% of ERDF (in the future: 10%)
- **Public procurement**: around 46% = some €160 billion
- **Support services**, feasibility studies, platforms & networks ...
- **Public-Private Partnerships**
- **Technical assistance**

Of which:

### € 86 billion for research and innovation :

- **R&I capacity-building** and activities: over **€50 billion**
- **Entrepreneurship**: over **€8.3 billion**
- **ICT capacities, research and take-up**: over **€13 billion**
- **Human capital** for innovation: over **€14.5 billion**

**Distributed in over 200 operational programmes!**

**455**  
**Operational Programmes**  
... and almost as many  
**Managing Authorities.**

**OPs are more or less 50/50**  
**at national vs. regional**  
**level**

# Basics on Cohesion Policy

## Shared management

- **Managing Authorities:**
  - ✓ Draft Operational Programmes SWOT & impact assessments
  - ✓ manage implementation of Operational Programmes
  - ✓ payments, audits
- **Commission:**
  - ✓ negotiates Operational Programmes
  - ✓ monitors implementation
  - ✓ financial control, evaluation
  - ✓ *If requested: policy advice & tech.assistance*

See list of Operational Programmes and Managing Authorities  
[http://ec.europa.eu/regional\\_policy/manage/authority/authority\\_en.cfm](http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm)





## State of Play: Cohesion Policy achievements since 2007

### Outputs:

- More than **53 200 RTD projects** many of them infrastructure and purchase of equipment, but also R&D activities
- More than **15 900 cooperation project enterprises – research institutions.**
- More than **20 700 Research jobs created**
- More than **20 800 ICT projects**
- More than **78 000 start-ups**

**Impact** on structural changes, rejuvenating industries .... ?  
**Sustainability** after project funding?  
**Coordination** with other policy developments (administrative reforms, IPR legislation, administrative burden, tax incentives ...)?



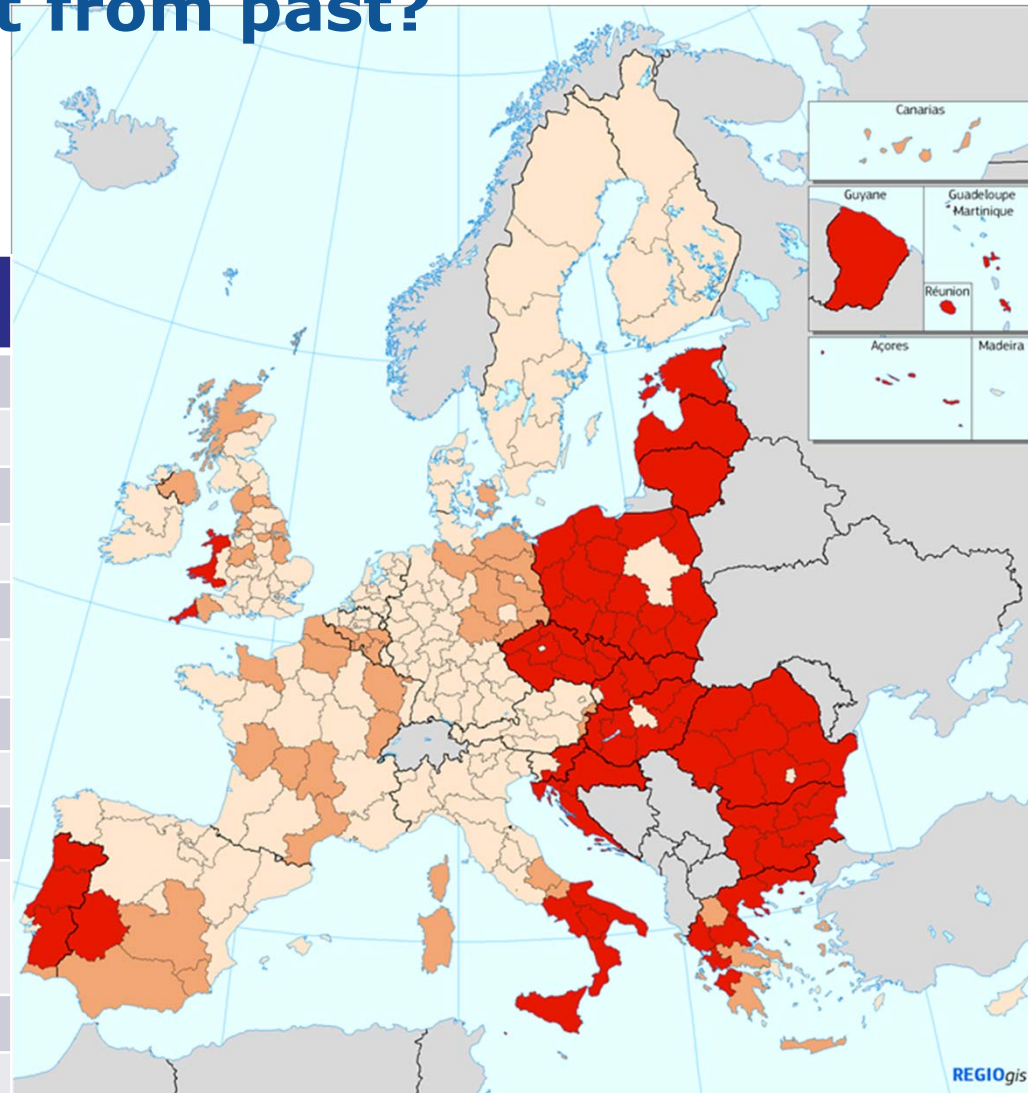
European  
Commission

# ESIF: What's different from past?

## Eligibility map 2014-20

- Less developed region (GDP/head: less than 75%)
- Transition regions (GDP/head between 75% and 90%)
- More developed region (GDP/head: more than 90%)

	Billion EUR
<b>Less developed regions</b>	164.3
<b>Transition regions</b>	31.7
<b>More developed regions</b>	49.5
<b>Cohesion Fund</b>	66.4
<b>European territorial cooperation</b>	8.9
<i>Of which</i>	
<i>Cross border cooperation</i>	6.6
<i>Transnational cooperation</i>	1.8
<i>Interregional cooperation</i>	0.5
<b>Outermost regions and northern sparsely populated regions</b>	1.4
<b>Youth Employment initiative</b>	3.0
<b>TOTAL</b>	<b>325.1</b>



Regional  
Policy

REGIOgis



## New Cohesion Policy 2014-2020

- ✓ Deliver the **Europe 2020** strategy objectives of smart, sustainable and inclusive growth (*"the power of the purse"*)
- ✓ Strengthen **partnership**
- ✓ **Simplification**
- ✓ Focus on **results**, not spending
- ✓ **Maximise the impact** of EU funding (*"do more with less"*)





# New Cohesion Policy 2014-2020

## Consequences:

- **Thematic concentration** to maximise the impact of investments: around €100 billion for R&I ,SME competitiveness and ICT
- **Ex ante conditionalities** to ensure effective implementation: smart specialisation strategies
- **Common Strategic Framework:** coherence across funds (ERDF, ESF, CF, EAFRD, EMFF); clarify synergies with Horizon 2020 etc.

## 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

# Innovation concept in Cohesion Policy

**EAFRD:** knowledge transfer and innovation in agriculture, forestry and rural areas, EIP for agricultural productivity and sustainability

## SME competitiveness: ERDF IP3

(a) promoting **entrepreneurship**, in particular by facilitating the **economic exploitation of new ideas** and fostering the creation of new firms, including through **business incubators**;  
 (b) developing and implementing **new business models** for SMEs, in particular for **internationalisation**;  
 (c) supporting the creation and the extension of **advanced capacities for product and service development**;  
 (d) supporting the capacity of SMEs to engage in growth in regional, national and international markets, and in **innovation processes**;

**Investment priorities 5-7** procurement of innovative transport and environment solutions

## RTD and innovation: ERDF IP 1

(a) **research and innovation infrastructure and capacities**, centres of competence;  
 (b) **business investment in innovation and research**, synergies between enterprises, R&D centres and higher education, product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters, technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in Key Enabling Technologies and diffusion of general purpose technologies,

## Low carbon economy: ERDF IP4

(a) production and distribution of energy derived from renewable sources;  
 (b) energy efficiency and renewable energy use in enterprises;  
 (c) energy efficiency & renewable energy in public infrastructures & housing sector;  
 (d) smart distribution systems  
 (e) low-carbon strategies for urban areas, sustainable multi-modal urban mobility  
 (ea) research & innovation and adoption of low-carbon technologies;  
 (g) co-generation of heat and power

## Human Capital, Skills & Mobility: ESF

Art.3(2)c) post-graduate studies, training of researchers, networking activities, partnerships between higher education institutions, research & technological centres and enterprises;  
 (d) adaptability of enterprises and workers and increased investment in human capital.  
 Etc.

## Cohesion Fund:

procurement of environmental and transport infrastructures

## Access, use & quality of ICT: ERDF IP 2

(a) extending broadband deployment and the rollout of high-speed networks, adoption of emerging technologies and networks for the digital economy;  
 (b) developing **ICT products and services, e-commerce and enhancing demand for ICT**;  
 (c) strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health;

**EMFF:** innovative, competitive and knowledge based fisheries and aquaculture including related processing



## What may the ERDF fund? Art.3(1) ERDF

(a) **productive investment**, which contributes to creating and safeguarding sustainable jobs, **via direct aid to investment in SMEs**

(d) investments in **business**, social, health, **research, innovation and educational infrastructure**

(e) development of **endogenous potential** through fixed investment in **equipment and small-scale infrastructure**, ... services to enterprises, **support to research and innovation bodies** and investment in **technology and applied research in enterprises**

(f) **Networking, cooperation and exchange of experience**, ... studies, preparatory actions and capacity building

**+ Skills and capacities support:** e.g. graduate and student placements (innovation assistants), training, innovation management (IPR, etc.), training for researchers: **up to 10% ESF-type actions under an ERDF OP priority axis** (Art 98(2) CPR).

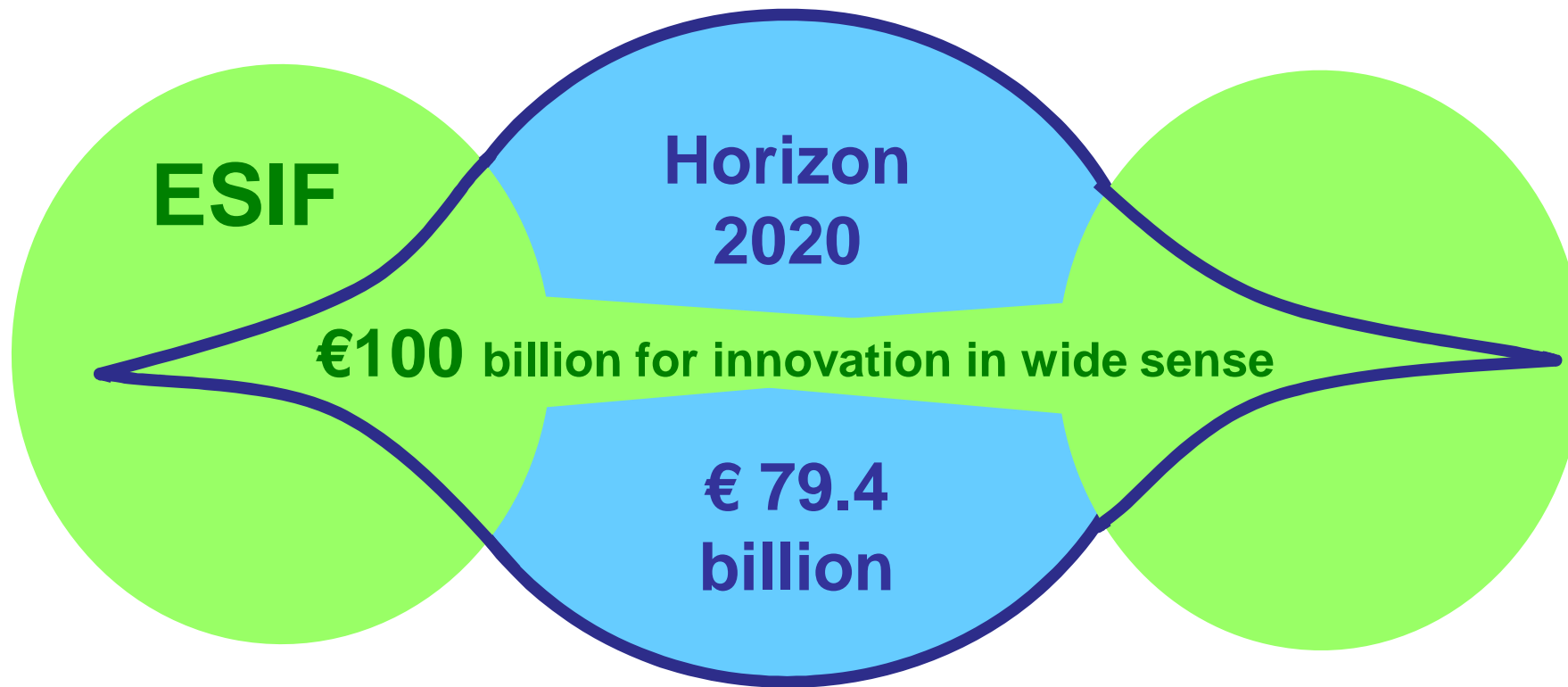


# Structure

- 1. Basics on Cohesion Policy and ESIF management**
- 2. What are the basic rules for synergies with Horizon2020**
- 3. Why are ERA-Nets and Art 185 initiatives interesting for Managing Authorities**



## Overall concept for complementarity: Emphasis of programmes



**"Stairway to Excellence"**

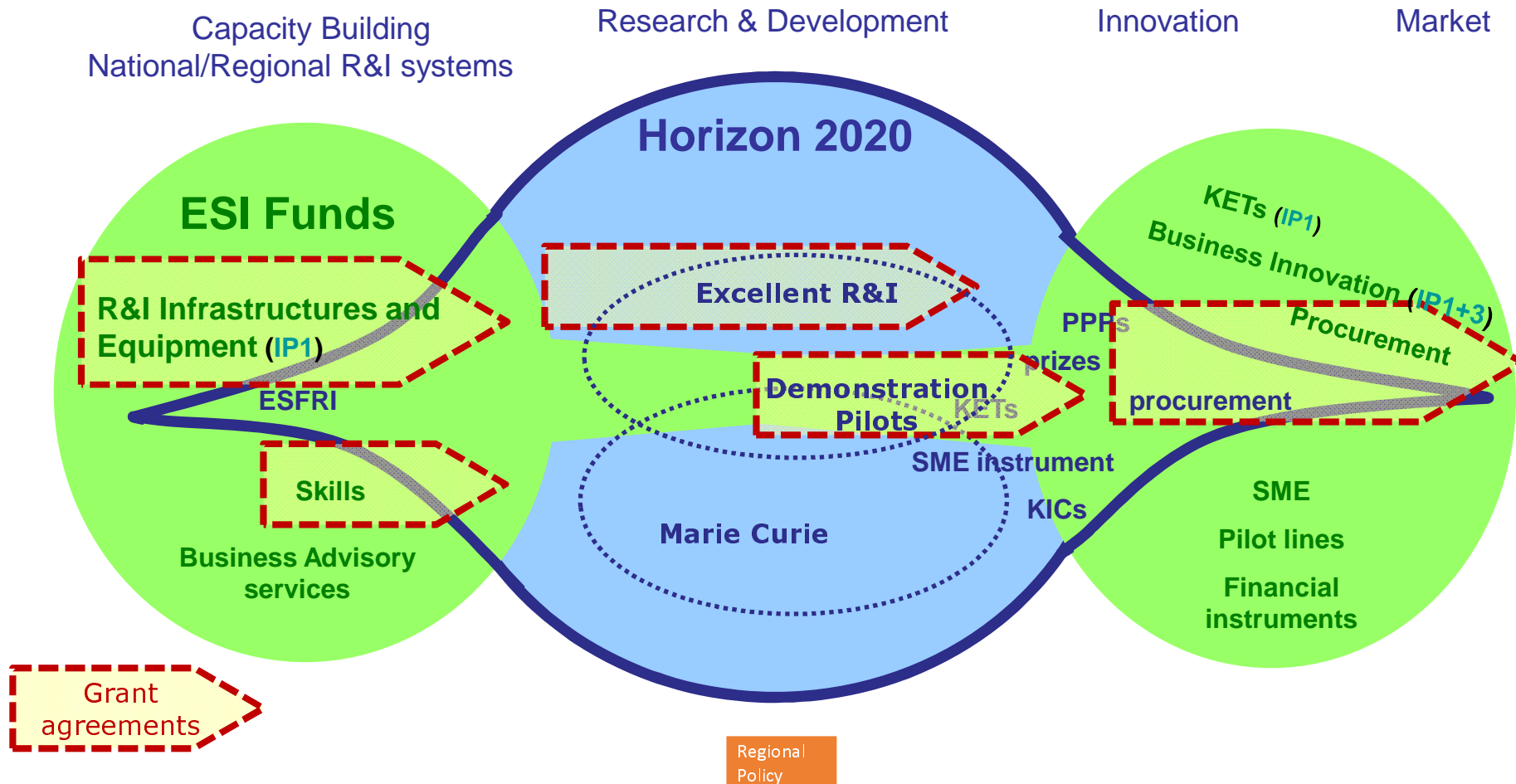
**"Research Excellence"**

Hopefully also excellence, but  
**"Innovation Excellence"**





# Combining "normal" H2020 projects & ESIF ... through sequential or parallel projects





## Novelties for synergies btw. H2020 and ESIF (1)

- **More ESIF can be spent outside operational programme territory** (e.g. to pool funding for technology parks, clusters, research infrastructures or for contract research abroad, ...) if for the benefit of the programme area: Article 70(2) CPR
- **Stronger obligation to work with innovation actors in other regions & Member States:** 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 seek synergies and complementarity** with Horizon2020 and other centrally managed EU programmes: Annex 1 to CPR





## Novelties for synergies btw. H2020 and ESIF (2)

- **Possibility to combine H2020 and ESIF money in the same project** via an exemption from the non-cumulative principle of Art. 129 Fin. Regulation that prohibits a beneficiary to receive 2 EU grants for a project:

### ESIF

**Art. 65(11) CPR:** "*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.**"*

## Project ≠ grant agreement!

A project in the synergies context is an operation with several components or actions with several grant agreements / contracts

# What are synergies? What is cumulative funding?

## Basic principle 1:

**NO substituting of national or regional or private co-funding** to centrally funded EU projects or programmes by ESIF money!

- **Synergies** are about obtaining **more impacts** on competitiveness, jobs and growth by combining ESIF and Horizon2020,
- about **amplifying** projects of the other fund or
- **carrying further** the projects of the other fund
- MA should **not focus on acquisition of additional funding from H2020**, but on what are the **strategic aims** of their smart specialisation strategy & OP, i.e. **impacts** on place-based socio-economic development and structural adjustment of regional economies, conversion of declining industrial regions ...!

# What are synergies? What is cumulative funding?

## Basic principle 2:

**NO double funding:** an ESIF grant and a Horizon2020 grant may not cover the same cost item.

- **Cumulative funding** is the possibility to use different public funding sources, including EU funding sources, within a programme, project or a group of projects (*Art 129 Financial Regulation prohibits giving 2 EU grants to the same beneficiary for the same project, however Art 65(11) CPR and 37 Horizon RfP give a derogation*).
- It seeks to **exploit complementarities and synergies** while at the same time needs to **avoid overlaps** and **exclude double-financing** (fraud).



# What are synergies? What is cumulative funding?

## Basic principle 3:

**Synergies means more than combining ESIF and other Union grants in the same project!**

Synergies **can** be about bringing together **Horizon2020** and **ESIF money in a same project** (Art 65(11) CPR + Art 37 H2020 RfP), but:

- Accounting-, synchronisation- and organisation-wise it is **easier to use successive projects** that build on each other or **parallel projects**.
- For the other EU centrally managed Union programmes, the non-cumulative principle applies, i.e. combination of grants in same project for same beneficiary is not possible.

# *Issues to watch for cumulative funding in same project*

# Cumulation in same 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 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 with cumulation

## Concept & planning

### Horizon2020 innov. action:

#### Call for proposals

#### Eligible cost:

- ▶ Staff ; equipment; consumables ; sub-contracting; coordination

#### Budget:

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

H2020 grant

### 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!**)

ERDF grant1

ESF grant2

**Nota bene: not all operational programmes provide for such complementary support!**

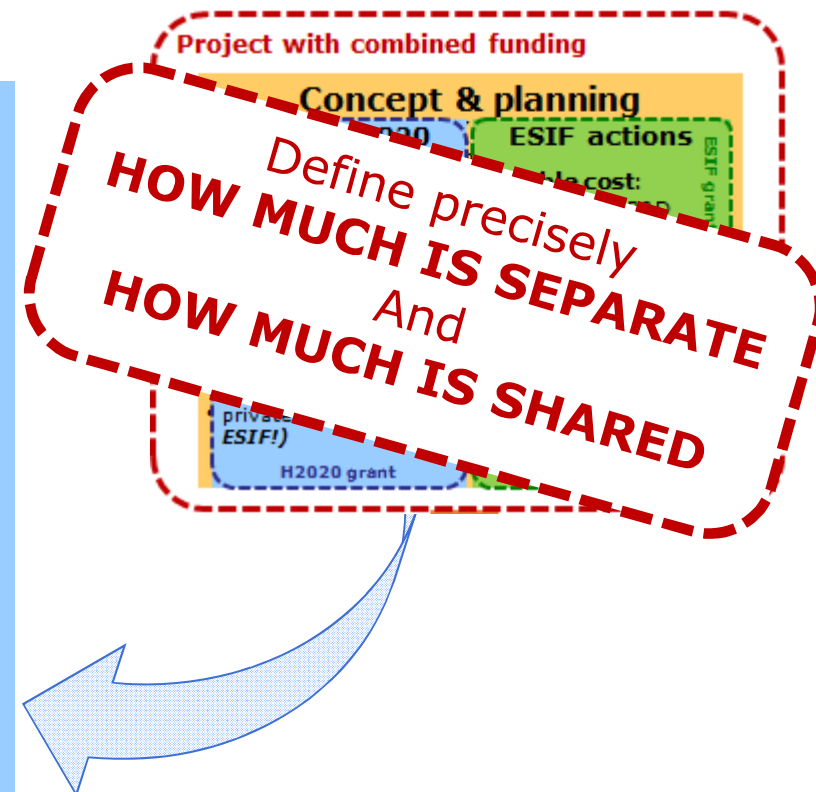
**That depends on the choices of the Managing Authorities in the OP's priorities and implementation methods.**

# Cumulation in same project

## Practical implementation issues to be considered by H2020 programmers:

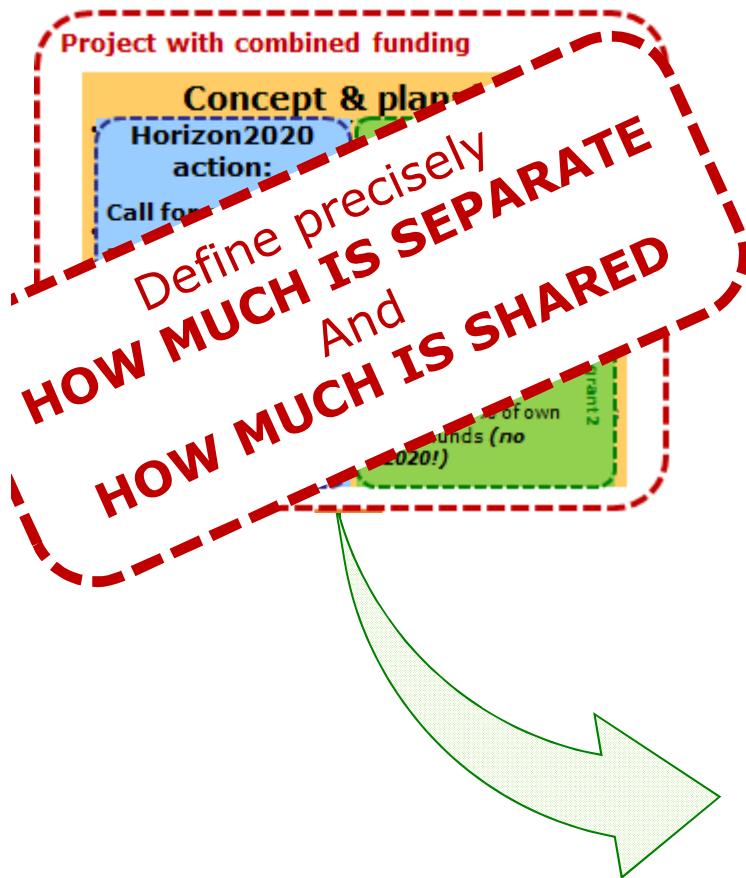
### *Horizon 2020 part = self-standing grant agreement*

- ▶ How take the overall project concept into account for the assessment of the quality or impact of the proposal? (points for "impact"?)
- ▶ Modalities on proof for existence of ESIF funding sources?
- ▶ What degree of inter-dependence with the ESIF funded parts?
- ▶ Coordination of audits, shared reporting etc.?
- ▶ Consortium agreement incl. ESIF part???
- ▶ Accept ESIF funded equipment (share of depreciation value) as in-kind contribution?[no]





## Cumulation in same project



### Practical implementation issues to be considered by ESIF MA

*ESIF parts = self-standing grant agreements*

- ▶ Dependence of funding decision on success of H2020 application? Possible mutual dependence of approval for financing?
- ▶ Degree of inter-dependence of work packages?
- ▶ Possible synchronisation of ESIF grant decisions with H2020?
- ▶ Coherent management of ESIF and H2020 grants? Coordination costs?
- ▶ Possible coordination of audits, shared reporting etc.?
- ▶ Territoriality principle (Art.70(2)) and different funding rates and eligibility rules per OP must be respected
- ▶ Deprecation of purchased equipment only for H2020 action duration?



**Example:**

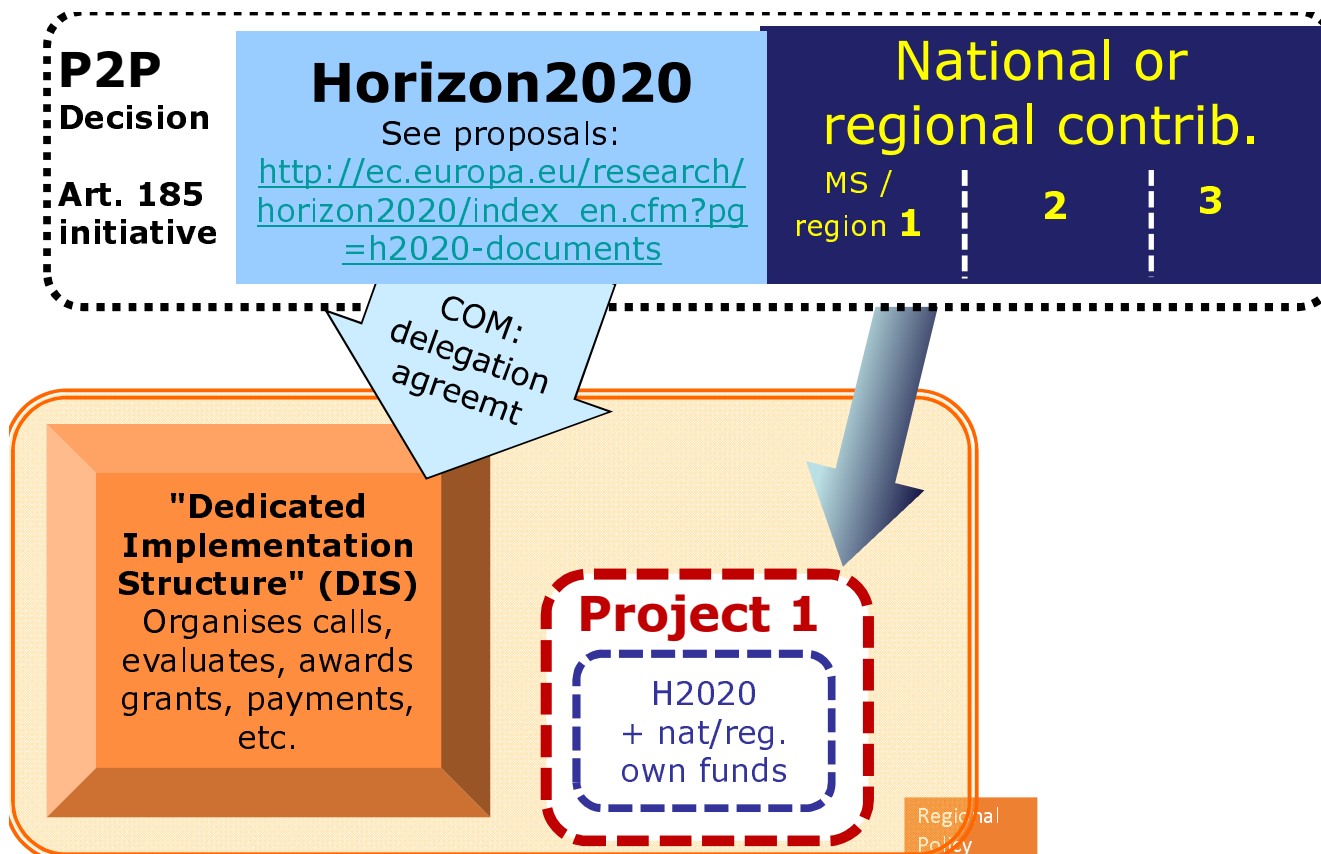
*Art. 185 TFEU*  
*Public-Public-Partnership*



## Example: Hypothetical Art. 185 Public-Public-Partnership

There are 3 levels of legal agreements:

- (1) EP and Council **Decision on the set-up** P2P, incl. "Dedicated Implementation Structure" and a Joint programme. At this level H2020 and ESIF cannot be combined (to ensure leverage)
- (2) Commission concludes a **delegation agreement** with DIS (this is no grant, but a programme contribution)
- (3) **Projects**: these are grants, i.e. the different cost items can be funded by H2020 or ESIF

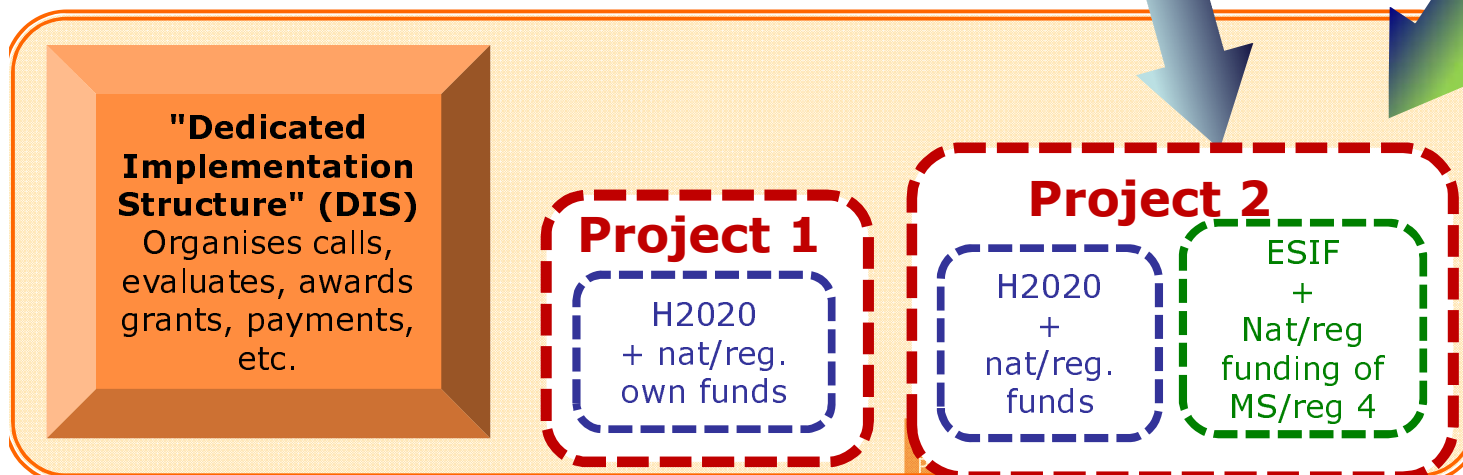




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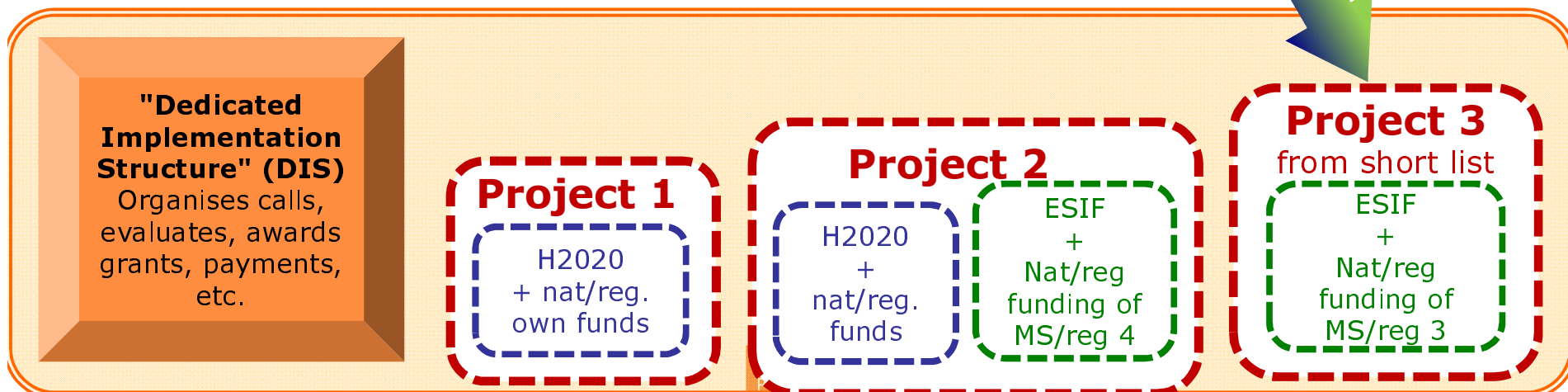
*A DIS might receive a delegation from a MA and act as intermediary body for ESIF management*



## Example: Hypothetical Art. 185 Public-Public-Partnership

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# Structure

- 1. Basics on Cohesion Policy and ESIF management**
- 2. What are the basic rules for synergies with Horizon2020**
- 3. Why are ERA-Nets and Art 185 initiatives interesting for Managing Authorities**

## Why should MA and bodies responsible for RIS3 be interested in Horizon2020 ERA-Nets and P2Ps?

Because:

1. they allow to **deepen trans-national cooperation** on innovation.

*... and might be useful for implementing the out-wards orientation of your smart specialisation strategy.*

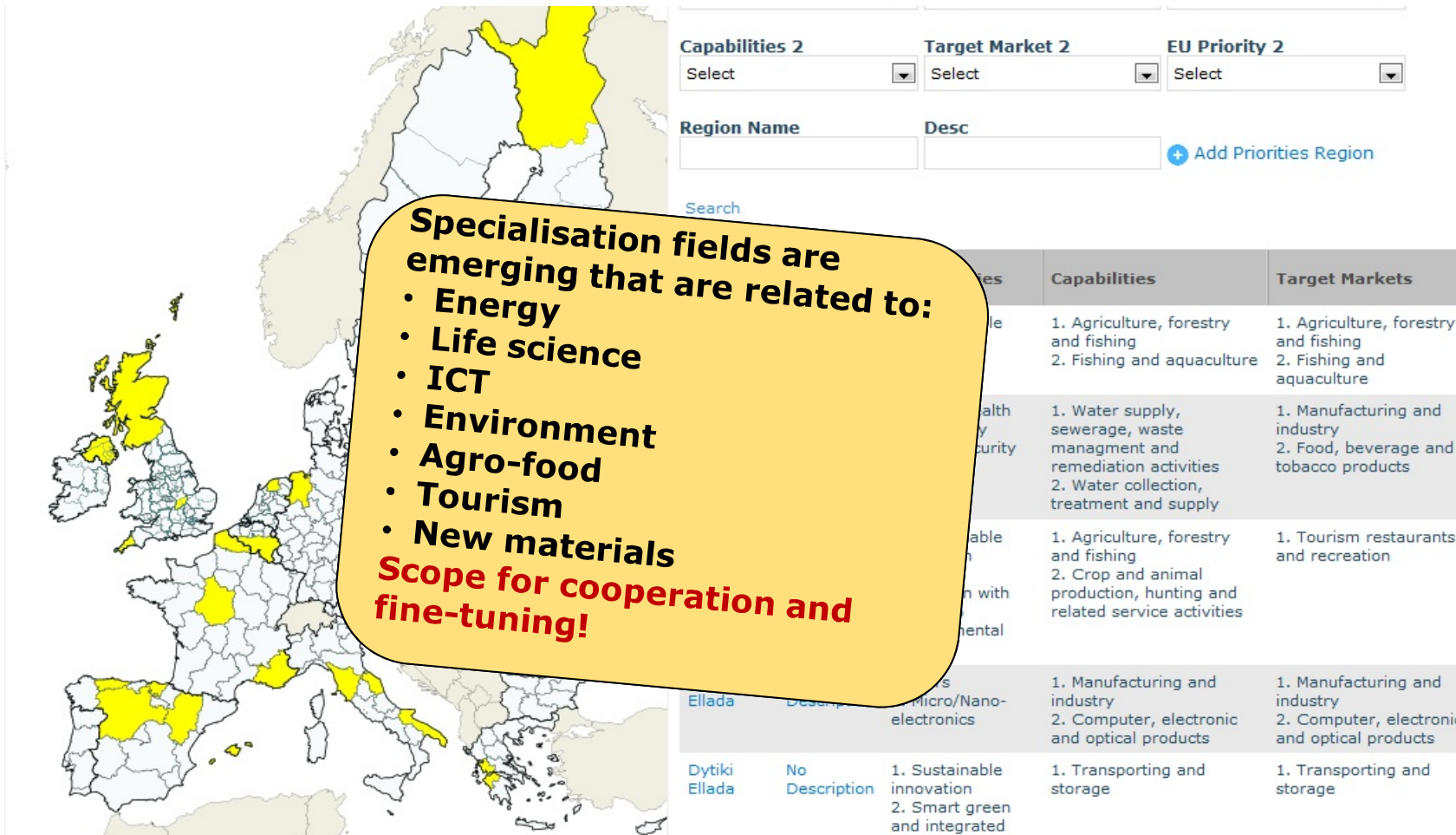
2. the implementing structures of P2Ps will **decide on work plans, call details and timing of calls.**

*.... And being part of them will thus allow you to bring your region / MS' RIS3 priorities and roadmap on to the table ....*



## Why is smart specialisation interesting for ERA-Nets?

Because the RIS3 mapping of regions' and MS intentions in terms of smart specialisation fields allows to detect possible partners:



The image shows a map of Europe with several regions highlighted in yellow. Overlaid on the map is a search interface for smart specialisation fields. The interface includes three dropdown menus for 'Capabilities 2', 'Target Market 2', and 'EU Priority 2', each with a 'Select' option. Below these are input fields for 'Region Name' and 'Desc', and a '+ Add Priorities Region' button. A 'Search' button is also present. The search results are displayed in a table with columns for 'Region Name', 'Capabilities', and 'Target Markets'.

**Specialisation fields are emerging that are related to:**

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

**Scope for cooperation and fine-tuning!**

Region Name	Capabilities	Target Markets
	1. Agriculture, forestry and fishing 2. Fishing and aquaculture	1. Agriculture, forestry and fishing 2. Fishing and aquaculture
	1. Water supply, sewerage, waste management and remediation activities 2. Water collection, treatment and supply	1. Manufacturing and industry 2. Food, beverage and tobacco products
	1. Agriculture, forestry and fishing 2. Crop and animal production, hunting and related service activities	1. Tourism restaurants and recreation
Ellada	1. Manufacturing and industry 2. Computer, electronic and optical products	1. Manufacturing and industry 2. Computer, electronic and optical products
Dytiki Ellada	No Description 1. Sustainable innovation 2. Smart green and integrated	1. Transporting and storage

**See:** <http://s3platform.jrc.ec.europa.eu/eye-ris3.jsessionid=87skR80JmqXZLIW/hxL8ZvYH9XyKGRtq6212k1YkctXQR0tRvWqQ1105817762011362916436845>



## When will the synergies guidance be published?

- **Guidance for the programme designers and implementers: March**
- **Guidance for the potential beneficiaries: mid 2014 \***
- Guidance for end beneficiaries in 2007-13 period:  
Practical guide to EU funding opportunities for research and innovation:  
[http://ec.europa.eu/research/regions/documents/publications/new\\_practical\\_guide.pdf](http://ec.europa.eu/research/regions/documents/publications/new_practical_guide.pdf)



# Links and documents

- Common Provisions Regulation for the European Structural and Investment funds:  
[http://ec.europa.eu/regional\\_policy/what/future/proposals\\_2014\\_2020\\_en.cfm](http://ec.europa.eu/regional_policy/what/future/proposals_2014_2020_en.cfm)
  - **ERDF, ETC & Cohesion Fund** Managing Authorities  
([http://ec.europa.eu/regional\\_policy/indexes/in\\_your\\_country\\_en.cfm](http://ec.europa.eu/regional_policy/indexes/in_your_country_en.cfm) )
  - Research and innovation support under ESIF ([http://ec.europa.eu/regional\\_policy/activity/research/index\\_en.cfm](http://ec.europa.eu/regional_policy/activity/research/index_en.cfm) )
  - **ESF, Youth initiatives & PSCI**: <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](http://enrd.ec.europa.eu/general-info/whos-who/implementing-authorities/managing-authorities/en/managing-authorities_en.cfm)
  - **EMFF**: [http://ec.europa.eu/fisheries/reform/emff/index\\_en.htm](http://ec.europa.eu/fisheries/reform/emff/index_en.htm)
- Horizon 2020 regulations & rules for participation, PPP & P2Ps:  
[http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference\\_docs.html](http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference_docs.html)
- COSME regulation: <http://ec.europa.eu/cip/cosme/>
- Erasmus plus regulation: [http://ec.europa.eu/education/news/20130719-erasmus-plus-preparation\\_en.htm](http://ec.europa.eu/education/news/20130719-erasmus-plus-preparation_en.htm)
- Creative Europe: [http://ec.europa.eu/culture/creative-europe/index\\_en.htm](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>
- For end beneficiaries in 2007-13 period: Practical guide to EU funding opportunities for research and innovation:  
[http://ec.europa.eu/research/regions/documents/publications/new\\_practical\\_guide.pdf](http://ec.europa.eu/research/regions/documents/publications/new_practical_guide.pdf)



# Horizon 2020

## Synergies with Structural Funds

**Joerg Niehoff**  
DG Research & Innovation  
Dir. B – Innovation Union and  
European Research Area  
Unit B2 – ERA policy and reform

*Research &  
Innovation*



# Public-Public Partnerships

## JPIs

- National funds
- Use of ESIF in joint calls and other joint actions

## ERA-NET Co-fund

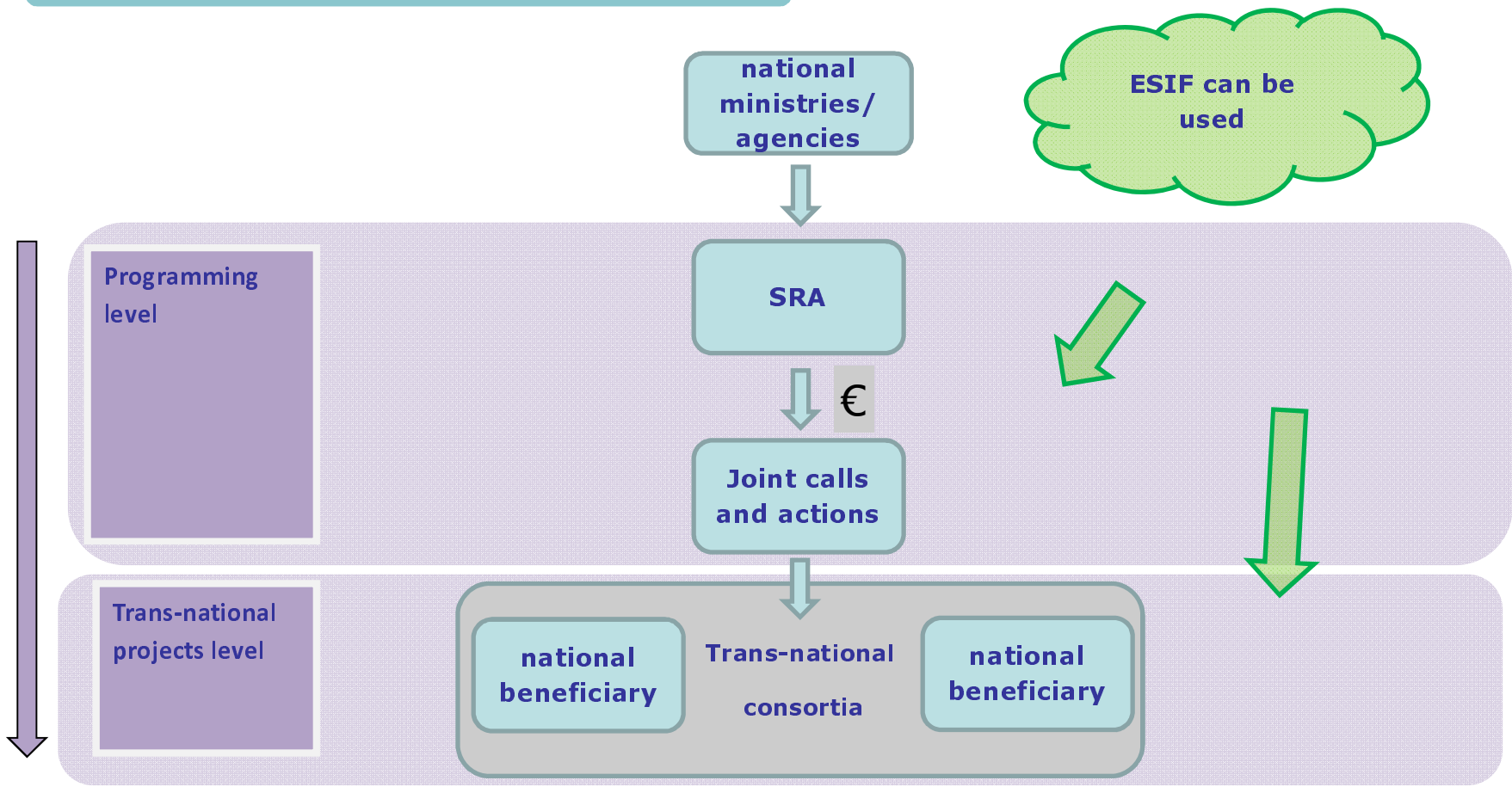
- H2020 grant
- Where ESIF can/cannot be combined

## Art 185

- EU contribution based on national contributions
- Where ESIF can/cannot be combined



# Use of ESIF in JPIs





## Use of ESIF in JPIs

### **No limitations**

- in compliance with national and ESIF funding rules.

Possible use in relation to

- national/regional contribution to joint calls
- research infrastructure (RIs) in relation to JPIs' SRA

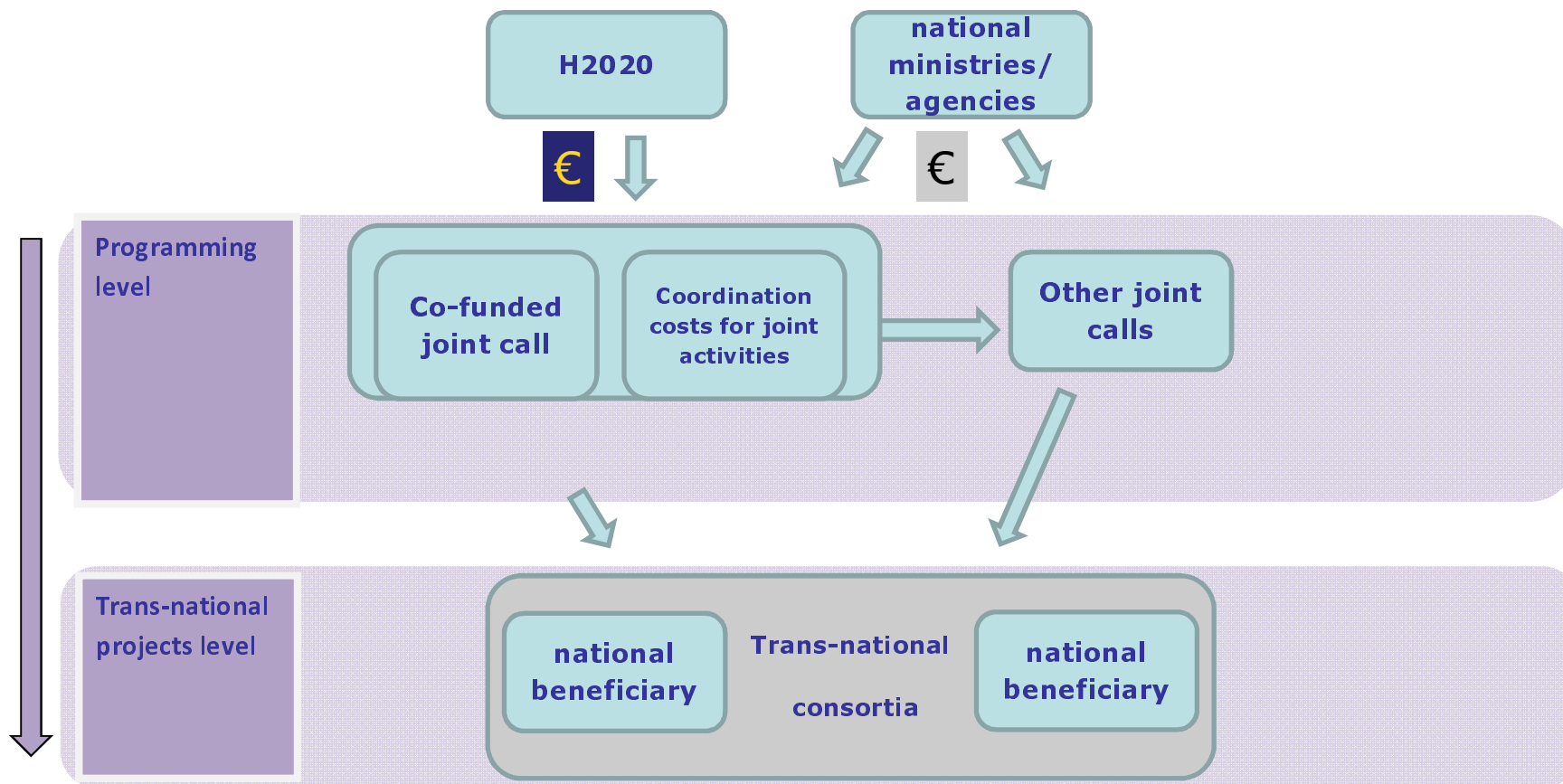
**Except if** ERA-NET Cofund or Art 185 are used to implement the respective part of the SRA



## Use of ESIF in the context of ERA-NET Cofund actions

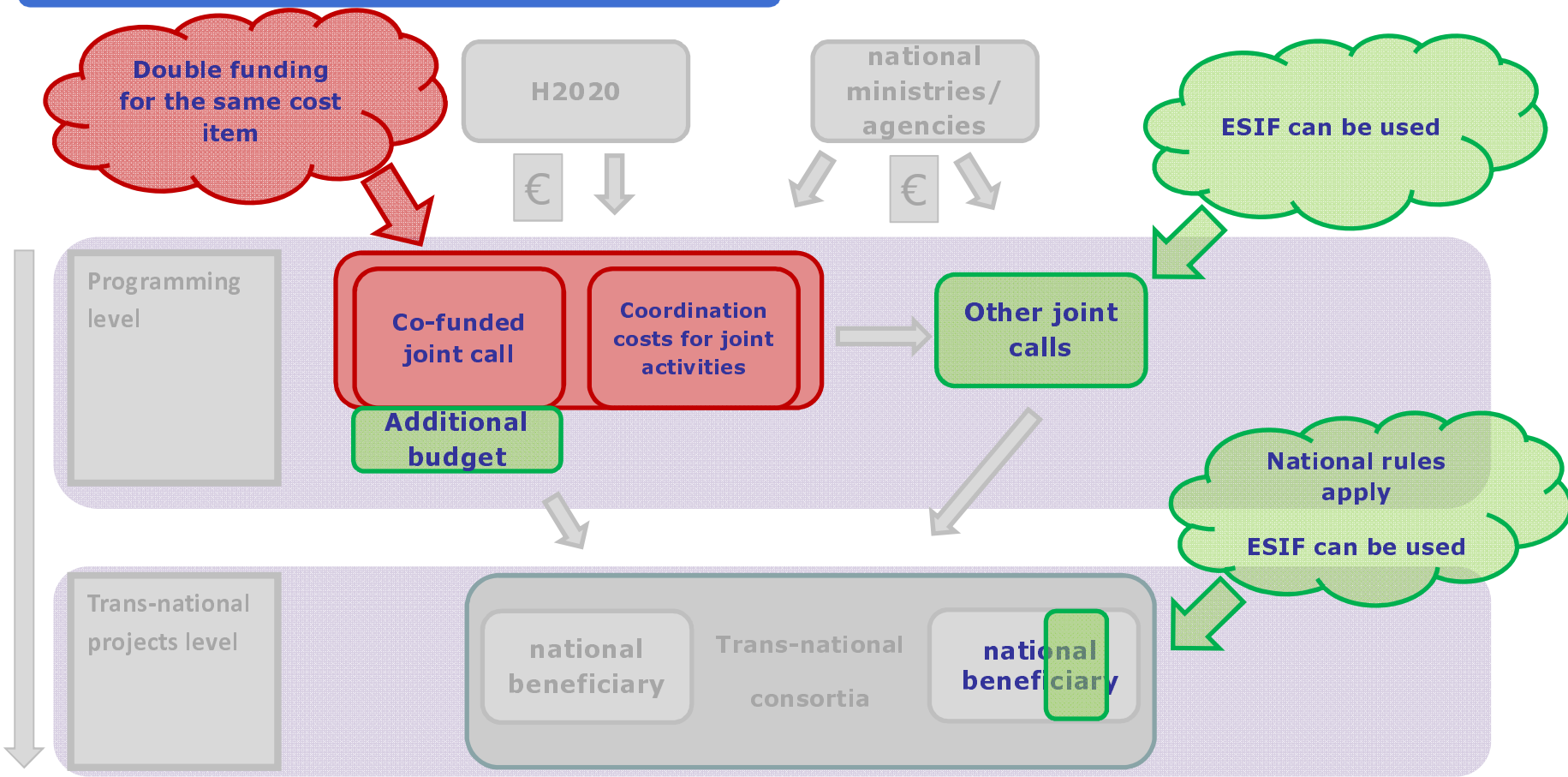
- Horizon 2020 and European Structural and Investment Funds (ESIF) rules allow for the funding of the same action by two different Union funding sources provided **there is no double funding of the same cost-item.**
- MS may use structural funds for their contribution to the call, but only those MS contributions to the call budget that use **purely national contributions will qualify for co-funding from H2020.**
- **Any call contribution a MS makes that is co-financed by structural funds does not qualify for additional funding from H2020.**
- MS that have access to structural funds have to decide if they
  - A. use their national contribution in order to receive the H2020 funding (33% of the total funding = 50% of their national contribution), or
  - B. choose to participate in the call without H2020 funding and use the leverage they get from ESIF (50 or 75% funding rate, resulting in 100 or 300% ESIF contribution for their national contribution).
- Combination is possible if H2020 is used to fund some projects and ESIF others.

## ERA-NET Co-fund



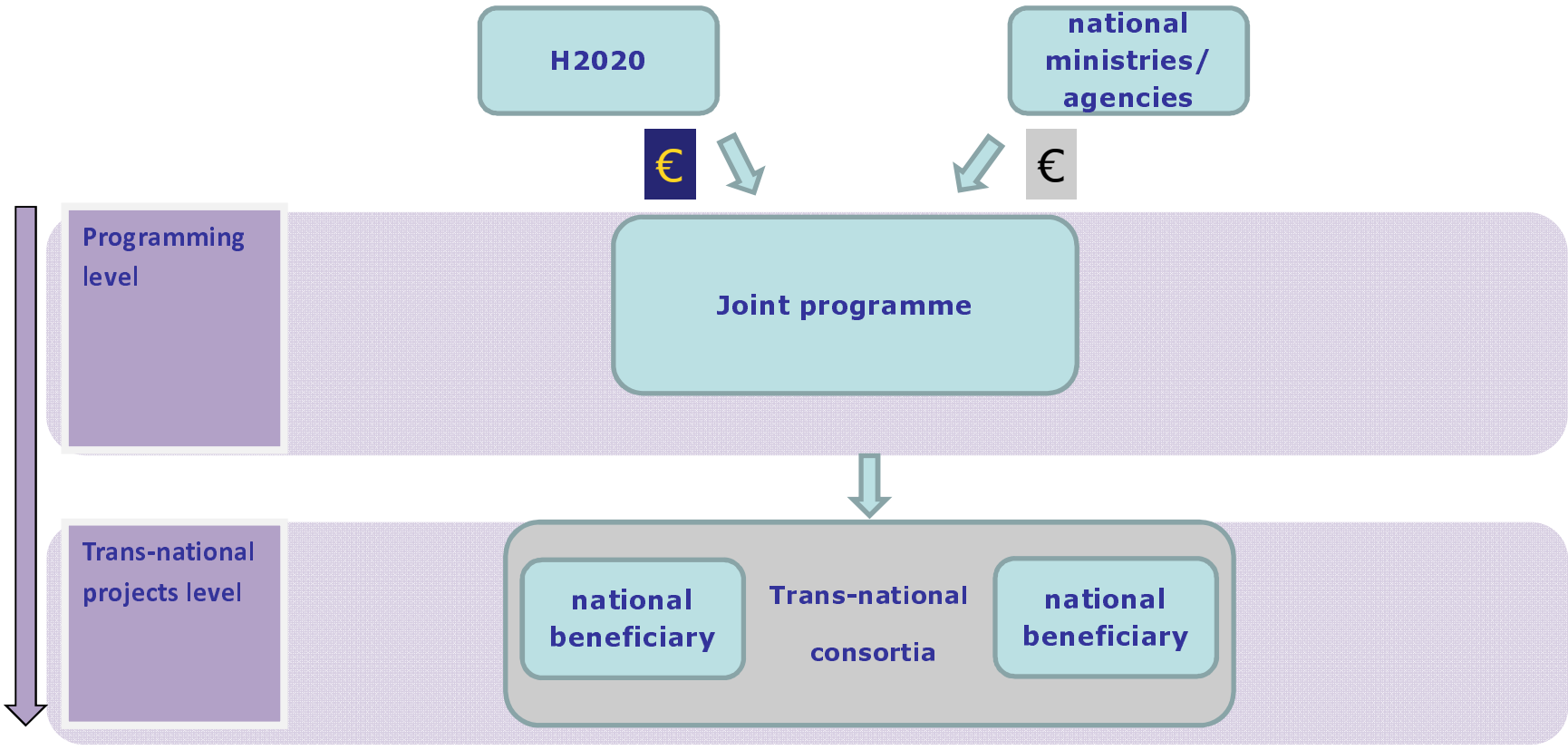


## Use of ESIF in ERA-NET Co-fund

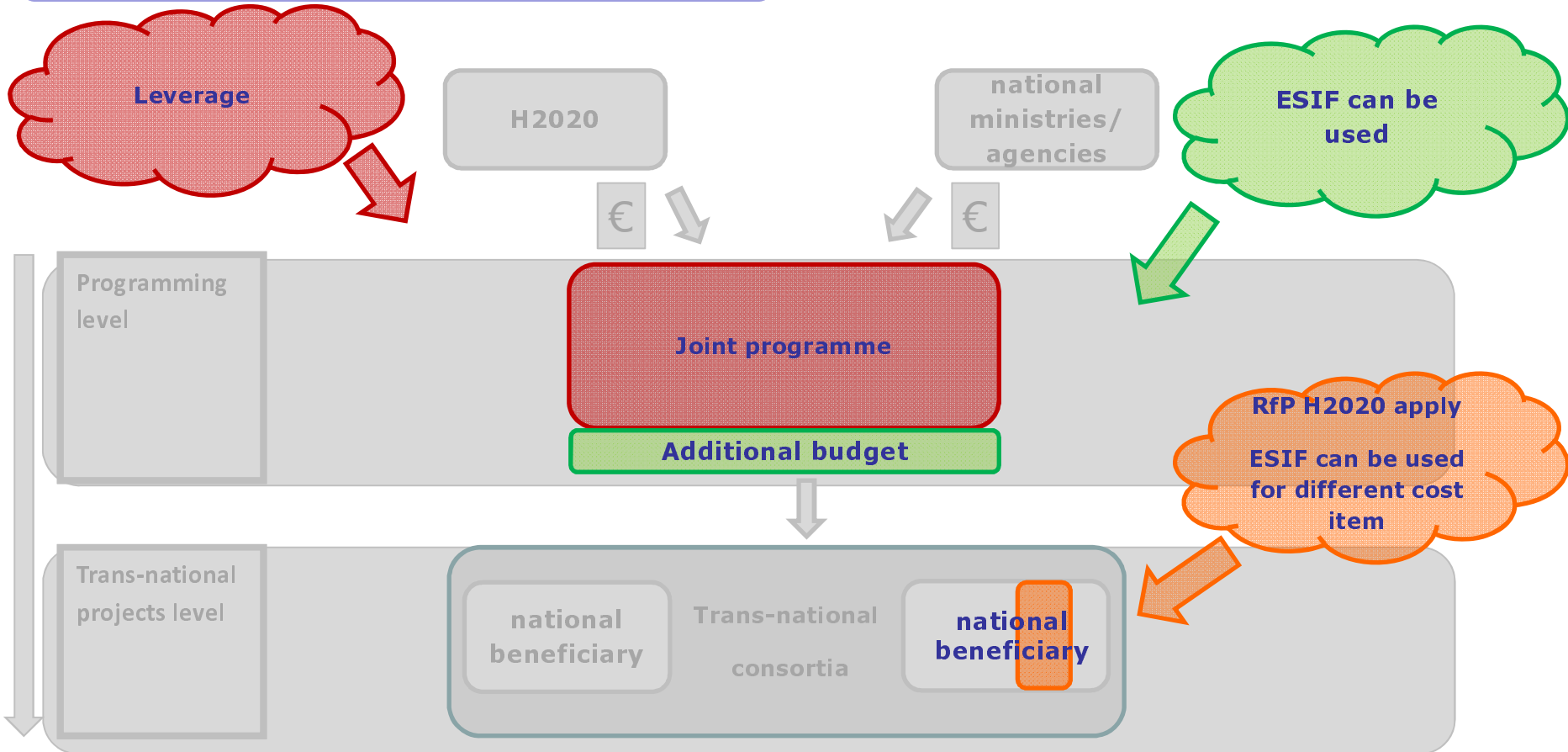




# Art 185



## Use of ESIF in Art 185





# Thank you for your attention!

## Any questions?

### **Contact**

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[joerg.niehoff@ec.europa.eu](mailto:joerg.niehoff@ec.europa.eu)

DG Research & Innovation

Unit B2 – ERA Policy and Reforms

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