



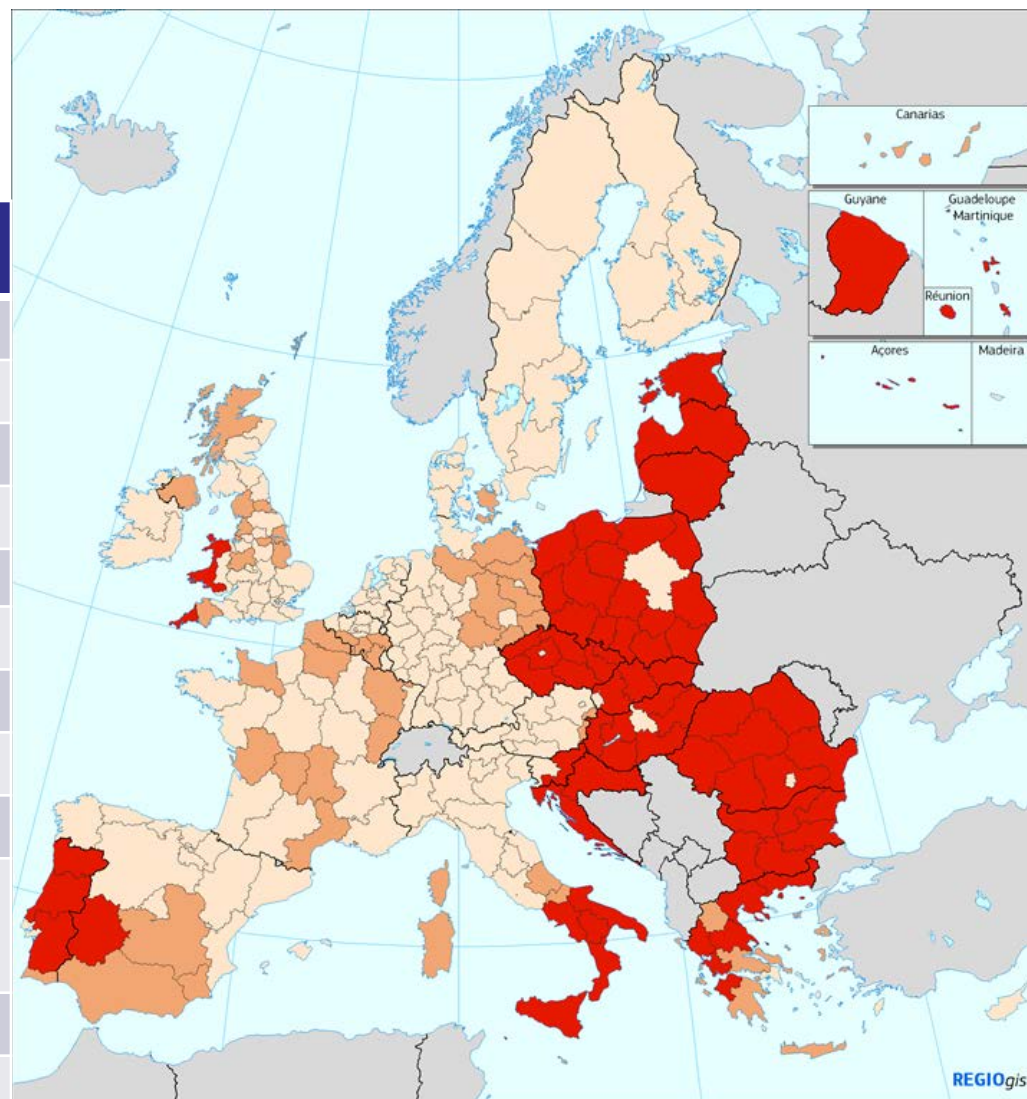
EIT: Synergies and complementarities with EU regional policy

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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
Less developed regions	164.3
Transition regions	31.7
More developed regions	49.5
Cohesion Fund	66.4
European territorial cooperation	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
Outermost regions and northern sparsely populated regions	1.4
Youth Employment initiative	3.0
TOTAL	325.1



Eligibility map 2014-20



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 ...
- Technical assistance

Outermost regions and northern sparsely populated regions

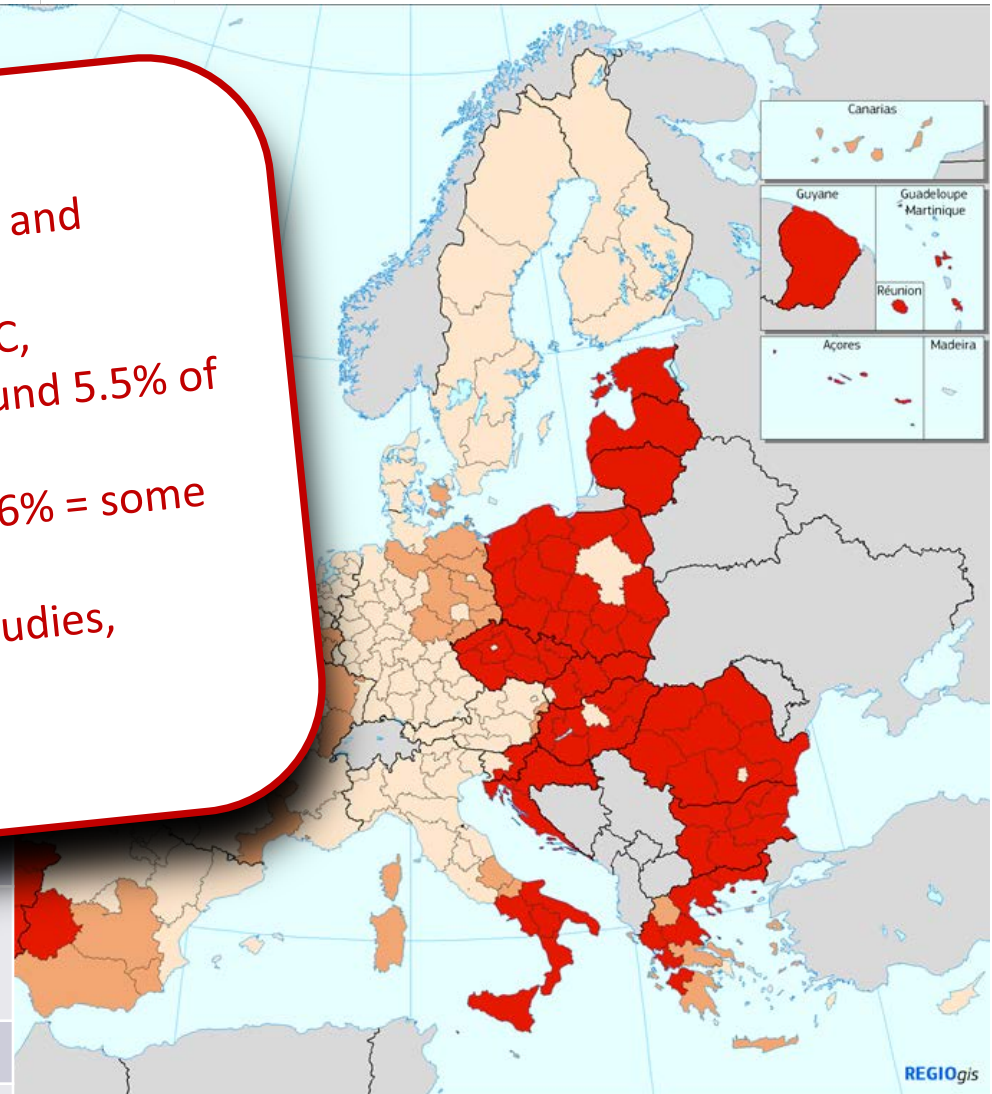
1.4

Youth Employment initiative


3.0


TOTAL

325.1




Thematic concentration of the ERDF

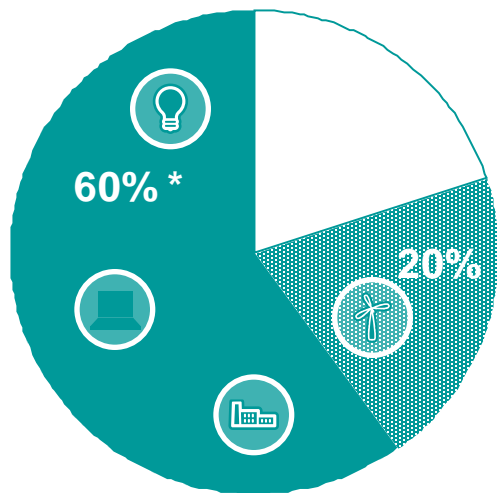
 Research and Innovation

 Access and use of ICTs

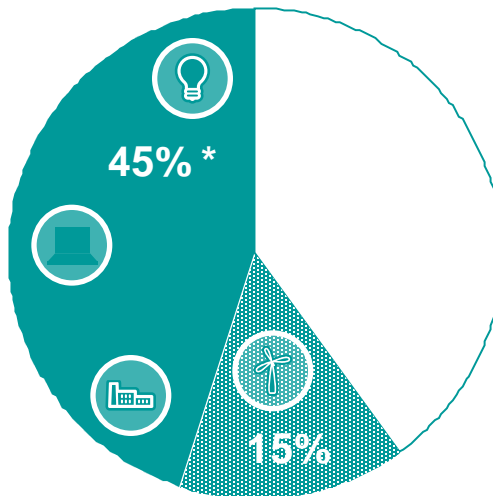
* At least two of four themes must be selected

 SMEs competitiveness

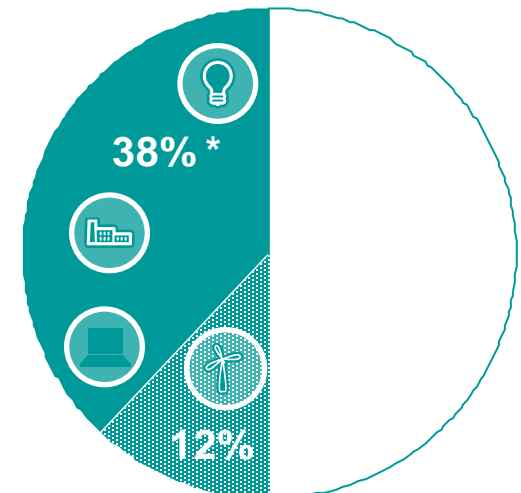
 Energy efficiency and renewable energy (compulsory)



Developed regions: 80%



Transition regions: 60%

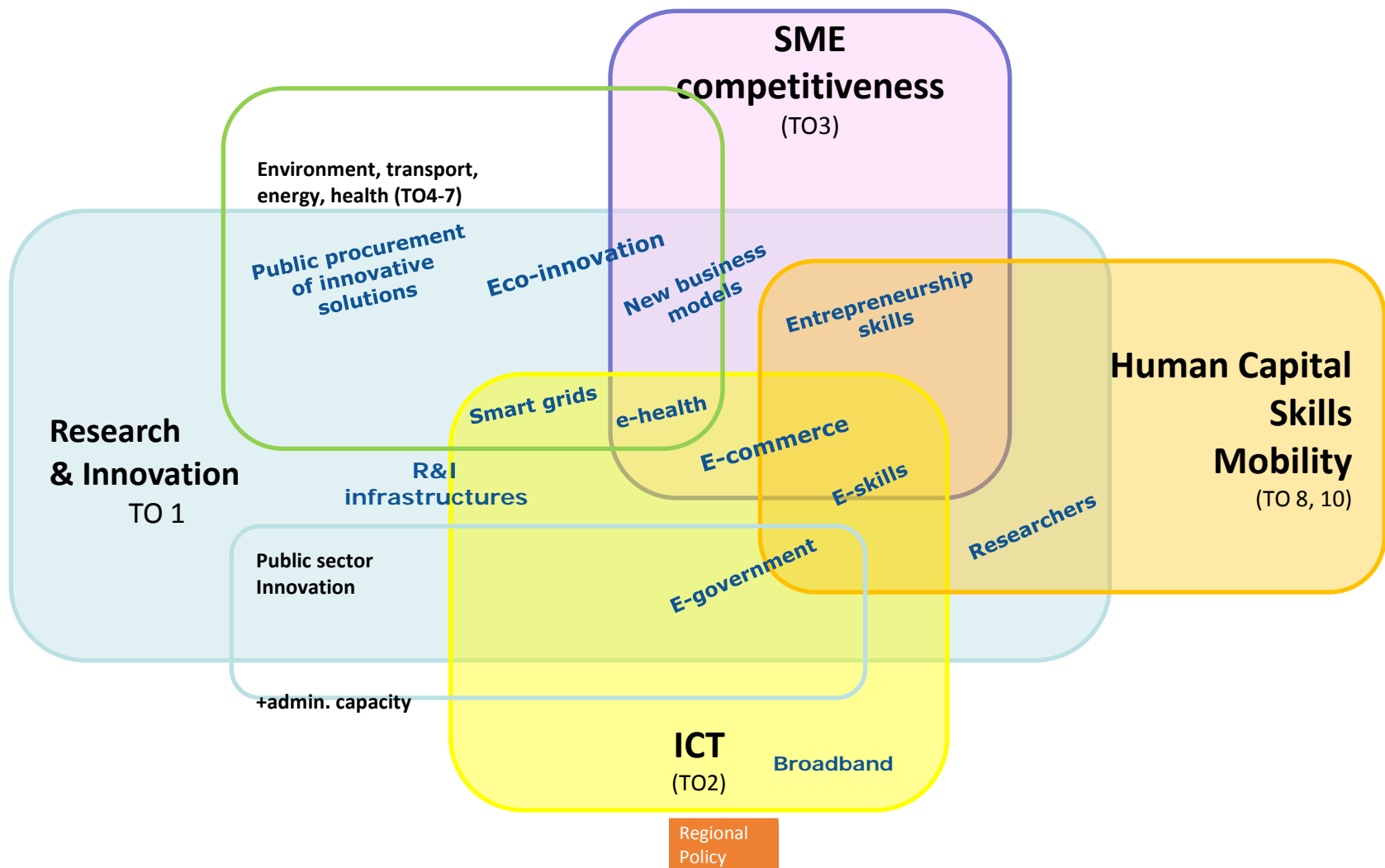


Less developed regions: 50%
(and all island regions in Cohesion MS)

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



Regulatory frame for synergies

Common Provisions Regulation:

Recital (30): In order to optimise the added value from investments funded wholly or in part through the EU Budget in the field of research and innovation, **synergies will be sought in particular between the operation of the ESIF and Horizon 2020** whilst respecting their distinct objectives.

Article 13 - Guidance for beneficiaries on how to exploit complementarities with other EU programmes (by 30 June 2014)

Article 65(11): enables **cumulative funding** from different EU programmes

Articles 67 and 68: enable **alignment to standard cost models**, flat rates and lump sums in other EU programmes

Article 70(2): allows for **investments outside OP territory**

Article 96(3)d : Operational Programmes shall set out **arrangements for interregional and transnational actions**, within the operational programmes, with beneficiaries located in at least one other Member State;

Article 96(6) : Operational Programmes shall set out **mechanisms to ensure coordination** between the Funds and other EU and national programmes

Annex I (Common Strategic Framework), 4. Coordination and Synergies between ESI Funds and other Union policies and Instruments:

2. Member States and the Commission shall...**ensure coordination between the ESI Funds and other relevant Union instruments at Union and Member State level... ensure consistency...**between interventions supported by the ESI Funds and the objectives of other Union policies. To this end, they shall seek to take into account...:

- (a) **enhancing complementarities and synergies** between different Union instruments at Union, national and regional level, both in the planning phase and during implementation;
- (b) **optimise existing structures** and where necessary, establish new structures ... for coordination at Union and national level that **avoid duplication of effort** and identify areas where additional financial support is needed;
- (c) make use of the potential to **combine support from different instruments** to support individual operations ...

3. EC and MS to foster **synergies and complementarity of Horizon 2020 and other centrally managed EU programmes in the areas of research and innovation..**

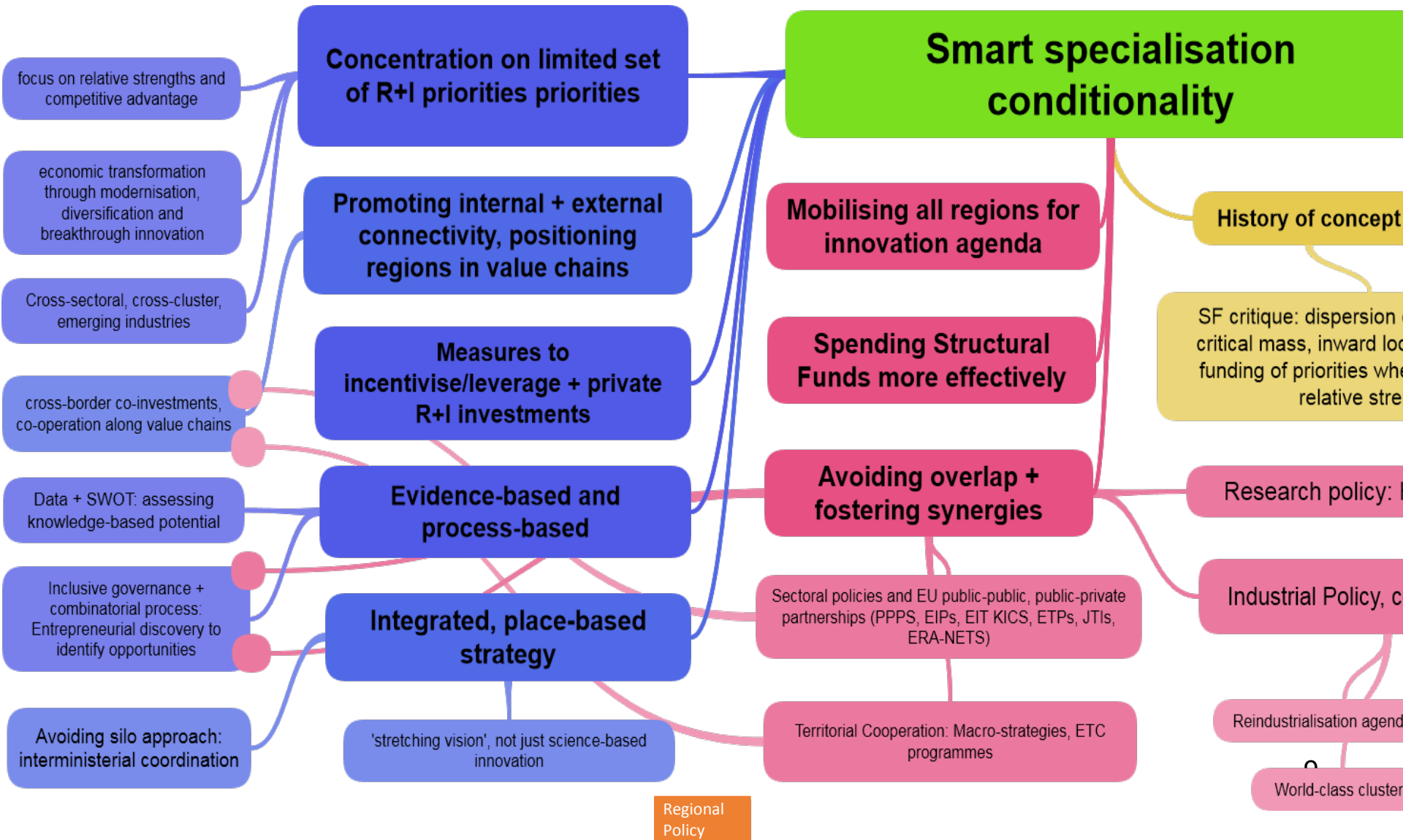
Smart specialisation strategies shall include **upstream and downstream actions** to prepare R&I players to participate in Horizon 2020+ capacity-building+ actions to exploit and diffuse R&I results into the market...

Smart Specialisation Conditionality

CPR, Article 2 (3): 'smart specialisation strategy' means the **national or regional innovation strategies** which **set priorities** in order **to build competitive advantage by developing and matching research and innovation own strengths to business needs** in order to address emerging opportunities and market developments in a coherent manner, while **avoiding duplication and fragmentation of efforts**; ...

CPR, Article 4.3. (2): **Member States shall develop national and/or regional 'smart specialisation' strategies** in line with the National Reform Programme, where appropriate. Such strategies may take the form of or be included in a national or a regional research and innovation strategic policy framework for 'smart specialisation'. **Smart specialisation strategies shall be developed through involving national or regional managing authorities and stakeholders such as universities and other higher education institutions, industry and social partners in an entrepreneurial discovery process.**

Thematic objectives ¹⁰¹	Investment priorities	Ex ante conditionality	Criteria for fulfilment
1. Strengthening research, technological development and innovation (R&D target) (referred to in Article 9(1))	<u>Political Agreement</u> <u>ERDF:</u> <u>-All investment priorities under thematic objective no. 1</u>	<u>Political Agreement</u> <u>1.1. Research and innovation:</u> The existence of a national or regional smart specialisation strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well-performing national or regional research and innovation systems. ¹⁰²	<u>Political Agreement</u> – A national or regional smart specialisation strategy is in place that: – is based on a SWOT or similar analysis to concentrate resources on a limited set of research and innovation priorities; – outlines measures to stimulate private RTD investment; – contains a monitoring [...] mechanism . – [...] A framework outlining available budgetary resources for research and innovation has been adopted.
	<u>Political Agreement</u> <u>ERDF:</u> <u>- Enhancing research and innovation infrastructure (R&I) and capacities to develop R&I excellence and promoting centres of competence, in particular those of European interest</u>	<u>Political Agreement</u> <u>1.2. Research and innovation infrastructure.</u> The existence of a multi-annual plan for budgeting and prioritization of investments.	<u>Political Agreement</u> – [...] An indicative multi-annual plan for budgeting and prioritization of investments linked to EU priorities, and, where appropriate, the European Strategy Forum on Research Infrastructures - ESFRI has been adopted.



Smart specialisation conditionality

**Mobilising all regions for
innovation agenda**

**Spending Structural
Funds more effectively**

**Avoiding overlap +
fostering synergies**

Sectoral policies and EU public-public, public-private
partnerships (PPPS, EIPs, EIT KICS, ETPs, JTIs,
ERA-NETS)

Territorial Cooperation: Macro-strategies, ETC
programmes

History of concept

New academic concepts on what drives
growth and competitiveness (e.g. Knowledge
for Growth group 2006)

SF critique: dispersion of funds, lack of
critical mass, inward looking strategies,
funding of priorities where regions lack
relative strength

Concentration,
result-orientation, monitoring
system, strategic
programming, conditionalities

Research policy: Horizon 2020:

Upstream: R&I capacities, 'staircase
to excellence'

Downstream: technology absorption,
bringing to market

sequential projects and
co-investments

PI. note: ESIF focus is on applied
research, not fundamental research,
no operational costs only
project costs, contingent on RIS3

Industrial Policy, competitiveness

Reindustrialisation agenda: KETs

World-class clusters

Sectoral initiatives

Regional
Policy

RIS3 assessment

Self-assessment by MS/region (criteria CPR, Annex I)

EC compliance check following PA/OP submission

Common weaknesses

Negotiation ongoing, PA deadline, 22.4, OPs: 22.7

Earmarking: 110 bn, ca. 1/3 for innovation, ICT, SME competitiveness and low-carbon (energy efficiency + renewables)

support: RIS3 platform

peer-review

Benchmarking, learning, good practice

mapping: eye@ris

promotes cross-border synergies

RIS3 guide

hands-on assistance

on demand: experts

hands-off assistance

JRC/IPTS, DG Steering Team, 146 regions + 14 MS

priority setting too top-down, weak entrepreneurial discovery

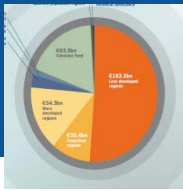
Broad priorities, vague policy mix and measures

Weak cross-border synergies

On-paper exercise: a lot depends on leadership + good governance of regions/MS, change management

Possibility to use ESI outside programming area is so far hardly used for transnational joint investments, but opportunity for synergies during implementation

Cross-border platforms can stimulate joint R&I projects



ESIF & H2020



Synergies

€352 billion

ESIF

Transnational Cooperation

synergies

- Strengthening Research, Technological Development of innovation
- Enhancing access to and use of ICT
- Enhancing the competitiveness of SMEs
- Supporting the shift towards a low carbon

80% of funding
In developed regions



SMEs

€79 billion

Innovation
& impact

EIT/
KICs
KETs

- Climate KIC; Inno-Energy; ICT Labs
- New KICs - health, raw materials, food...

JTIs

- Biotech, nanotech, ICT, photonics, advanced manufacturing, advanced materials

PPPs

- Electronic components & system; Clean Sky; Fuel Cells & Hydrogen; Bio-based Industries; Innovative Medicines

EIPs

- Factories of the Future; Energy efficient Buildings; Green vehicles; Future Internet; Sustainable Process Industry; Robotics; Photonics; High Performance Computing

Art. 185

- Healthy Ageing; Water, Smart Cities ; Sustainable Agriculture; Raw materials

JPIs

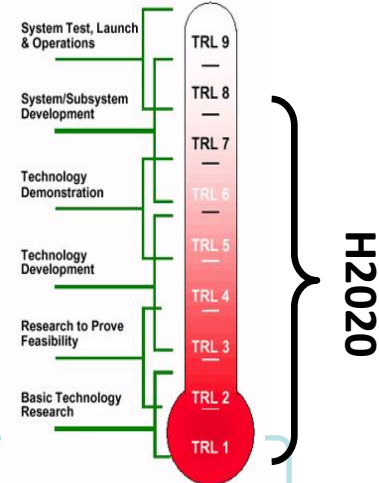
- Eurostars; Ambient assisted living, ...

FETs

- Clik'EU; FACCE; Urban Europe; Water; More years...; Healthy diet...etc.

- Human brain, Graphene, + (Future ICT Knowledge Accelerator and Crisis-Relief System: Guardian Angels for a Smarter Life: IT Future of Medicine; and Robot Companions for Citizens)

Regional
Policy



Emerging fields of Specialisation

Mapping of regions' and MS inter specialisation fields has started (with RIS3):



synergies

- Climate KIC; Inno-Energy; ICT Labs
- New KICs - health, raw materials, food...

- Biotech, nanotech, ICT, photonics, advanced manufacturing, advanced materials

- Electronic components & system; Clean Sky; Fuel Cells & Hydrogen; Bio-based Industries; Innovative Medicines

- Factories of the Future; Energy efficient Buildings; Green vehicles; Future Internet; Sustainable Process Industry; Robotics; Photonics; High Performance Computing

- Healthy Ageing; Water, Smart Cities ; Sustainable Agriculture; Raw materials

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synergies

Most-wanted:

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

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

Capacity Building

National/Regional R&I systems

Research & Development

Innovation

Market

ESI Funds

R&I Infrastructures and
Equipment (IP1)

ESFRI

Skills

Business Advisory
services

Horizon 2020

Excellent R&I

Demonstration
Pilots

Marie Curie

SME instrument

KICs

KETs (IP1)

Business Innovation (IP1+3)
Procurement

PPPs

prizes

procurement

SME

Pilot lines

Financial
instruments

Grant
agreements

Regional
Policy





Bringing together 2 different worlds ... ?

Horizon2020

Non-territorial, mainly transnational approach based on excellence; Horizon 2020 does not take into account geographic specificities in allocating funding.

Focus on individual R&I projects

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 (although some programme co-funding for research coordination like ERA-NETs, etc.)

Centrally managed (EC) and awarded directly to final beneficiaries or managed by a multi-country entity;

In the case of Erasmus+, partially decentralised and awarded through National Agencies

Competitive calls for proposals addressed to international groupings

(including beyond the EU) without geographic pre-allocation.

(European Research Council and Marie Skłodowska-Curie as well as Erasmus+ actions for learning mobility also address individuals)

ESIF

Place-based approach supporting economic and social cohesion

Largely focused on improving the R&I capacities and R&I eco-systems

with the objective of regional growth and place-based economic transformation towards higher added value and more knowledge-intensive activities (smart specialisation strategies).

Shared management with national and regional public intermediaries (managing authorities, implementing agencies and intermediate bodies) which define the implementation details and allocate the funding to final beneficiaries

Policy-related prioritisation based on cohesion considerations and RIS3 priorities with allocation

to individual firms/bodies and consortia within the territory covered by the operational programme (and only within the EU).

Use of competitive attribution through calls and aid schemes based on project selection criteria is also increasingly used (depending on MS).

Summing up

- *Smart specialisation enables strategic synergies at upstream and downstream level*
- *KICs should be involved in RIS3 development + entrepreneurial discovery*
- *If a country/region is active in a KIC this field should show up in RIS3 a specialisation area and in OP to facilitate ESIF co-funding of joint cross-border innovation projects*
- *If the intention is to pool H2020 and ESIF in same project specific rules apply (e.g. no funding of the same cost item).*
- *These will be outlined in a specific guide to be published beginning of April*

