The European Structural and Investment Funds and Horizon 2020: interactions and synergies

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The European landscape of research funding
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Our objective: exiting the crisis and heading for a sustainable recovery

Europe faces:
- Lack of growth, bleak economic climate;
- Increasing imbalances across the continent;
- Declining public confidence and high social costs of adjustment;
- Increased competition from other parts of the world;
- Debate on the EU and its future

Europe needs:
- Sound public finances > Public deficits need to shrink
- Structural reforms > Restoring competitiveness of MS (e.g. flexible labour markets) > Reaping synergies from the world’s largest Single Market
- Smart investment > Stepping-up efforts to protect, at national level, pro-growth public spending in consolidation processes
- Pro-growth EU budget (e.g. Horizon 2020 to support objectives of Europe 2020 Strategy
Europe 2020 strategy

- Towards smart, sustainable and inclusive growth

- Headline targets, including 3% of GDP invested in R&D

- 7 flagship initiatives:
  - Innovation Union
  - Digital Agenda for Europe
  - Resource Efficient Europe
  - Industrial policy for the era of globalisation
  - Youth on the move
  - An agenda for new skills and jobs
  - European platform against poverty
Turning the European Union into an Innovation Union

- Innovation Union flagship initiative aims at creating the best conditions for Europe’s researchers and entrepreneurs to innovate

- A broader approach to innovation: meshing research and technological development with
  - Product innovation, service innovation, innovation in design etc., including process and organisational innovation
  - Social innovation, public sector innovation, eco-innovation etc.
  - Exploration of new business models > Both technological & non-technological > Both incremental & disruptive innovation

- Improving framework conditions for innovation to flourish

- 34 commitments: Speeding up standardisation, Making better use of and 'modernising' public procurement procedures, Creating a real internal market for venture capital, Agreeing on a unified European patent, Completing the European Research Area (ERA)
Investing in R&D and Innovation helps exiting the crisis faster
The promise of Horizon 2020

- Initial Commission proposal for a 80 billion euro research and innovation funding programme (2014-2020); now just over 70 billion euro;

- A core part of Europe 2020, Innovation Union & European Research Area:
  - Responding to the economic crisis to invest in future jobs and growth > Addressing people's concerns about their livelihoods, safety and environment > Strengthening the EU’s global position in research, innovation and technology

Novelties

- A single programme bringing together three separate programmes/initiatives
- Coupling research to innovation – from research to retail, all forms of innovation
- Focus on societal challenges facing EU society, e.g. health, clean energy and transport
- Continuation of investment in frontier research
- Simplified access, for all companies, universities, institutes in all EU countries and beyond.
The promise of new Cohesion policy (ESIF)

- ESIF will focus on Europe 2020 objectives for **smart, sustainable and inclusive growth** / **list of 11 thematic objectives** for ESIF developed around the Europe 2020 priorities
- New regulatory provisions for thematic concentration (R&I part of the minimum 80% concentration for ERDF funds in more developed regions - 50% in less developed regions)
- Support to applied research and innovation for the purpose of regional socio-economic development
- Capacity building for innovation and growth through the promotion of innovation friendly business environments
- **Smart Specialisation** – strategic approach to economic development through strategic support for R&I / **Ex-ante Conditionality** for the use of the European Regional Development Fund (ERDF) for any kind of R&D&I investments
The need for Synergies

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<th>EU R&amp;D Policy – future Horizon 2020</th>
<th>EU Cohesion Policy</th>
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<td><strong>Differences</strong></td>
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<td>non-territorial approach, no pre-defined geographical distribution of funding</td>
<td>place-based approach: defined financial envelope for different eligible categories of regions</td>
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<td>Based mainly on individual R&amp;D Projects (to a certain extent also co-funding activities of programmes are supported) tackling the whole cycle of innovation from pre-competitive, leading edge basic research to demonstration projects, pilot activities, market replication as well as innovative public procurement and the award of prizes for the achievement of pre-specified targets.</td>
<td>Based on multiannual Programmes aiming at increased competitiveness through close to the market competitive R&amp;D and innovation efforts</td>
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<td>In general awarded directly to final beneficiaries like firms, public and private R&amp;D centers, universities or research funding organisations (for ERA-net activities, Joint Programming etc.).</td>
<td>Awarded through shared management to national and regional public intermediaries</td>
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<td>Mostly competitive calls addressed to international groupings (exception ERC and MC that also address individuals) through peer-review based on excellence criteria</td>
<td>Mostly non-competitive attribution addressed to regional players based on strategic planning negotiation (however increasingly competitive processes at national or regional level)</td>
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**Complementarities**

- **Horizon 2020** will focus on tackling major societal challenges, maximising the competitiveness impact of research and innovation and raising and spreading levels of excellence in the research base.
- **Cohesion policy** will focus on galvanising smart specialisation that will act as a capacity building instrument, based on learning mechanisms and the creation of critical skills in regions and Member States. One of the expected results will be better ability to participate in Horizon 2020.
What do we mean by Synergies

• A Greek word meaning that a complex result is accomplished through mutual positive interactions between a number of distinct but interrelated processes

• Thus the Research and Innovation Framework Programme will have increased interactions with Cohesion policy, although each policy will keep its distinct features

• The result should normally be reinforced competitiveness for Europe
How Synergies will be identified

- We will achieve increased synergies between Horizon 2020 and the Structural Funds if we could identify after a few years of parallel operation, concrete results on the ground in the supported Member States and regions, such as:
  - **Increased** investments in research infrastructures of all kinds, including those of the ESFRI List
  - **Increased** support to innovation, especially with regard to high growth companies and to small innovative ones
  - **Increased** research and innovation activities in a few priority thematic areas that would have been freely selected by the MS and regions, in an overall context of innovation strategies for **Smart Specialisation**.

- **All this will be systematically planned and monitored through performance indicators**
Keys to Synergies

✓ Smart Specialisation
✓ ex-ante conditionality
✓ Thematic Concentration
The Synergies and Smart Specialisation Matrix

| HORIZON 2020 TOP DOWN RESEARCH AND INNOVATION PRIORITIES INFLUENCING NATIONAL AND REGIONAL PRIORITIES | THEMATIC CONCENTRATION FOR MOST ADVANCED AND TRANSITION REGIONS FOR ALLOCATING 80% OF THE ERDF MONEY FOR 4 OBJECTIVES: R&I, ICT, SME COMPETITIVENESS AND LOW CARBON ECONOMY | THEMATIC CONCENTRATION FOR LESS ADVANCED REGIONS FOR ALLOCATING 50% OF THE ERDF MONEY FOR 4 OBJECTIVES: R&I, ICT, SME COMPETITIVENESS AND LOW CARBON ECONOMY |
| EXCELLENCE | SMART SPECIALISATION EX-ANTE CONDITIONALITY based on a SWOT analysis to concentrate resources on a limited set of research and innovation priorities in compliance with the NRP; measures to stimulate private RTD investment; a monitoring and review system; a framework outlining available budgetary resources for research and innovation; a multi-annual plan for budgeting and prioritisation of investments linked to EU research infrastructure priorities (European Strategy Forum on Research Infrastructures - ESFRI) |
| INDUSTRIAL LEADERSHIP |
| SOCIETAL CHALLENGES |
Funding synergies are also possible

- Specific articles foreseen in the Horizon 2020 Rules of Participation as well in the Common Provisions Regulation of ESIF
- However beware of not funding the same Cost Item twice (> Rule of Thumb: distinct work-packages for distinct funding> but increased impact on the ground by the planned combined action)
Final word on synergies

- Responsibility lies now with the Member States and regions’ planning authorities > need to create the appropriate “space” in the Operational Programmes for synergy actions with Horizon 2020

- The Commission prepares a concise Guide on Synergies
Spreading excellence and widening participation through Horizon 2020

- New **Part III-a** in Horizon 2020 (budget circa EUR 800M)
- Main actions on **Teaming** (Centres of Excellence), **Twinning** (institutional networking), **ERA Chairs** (bringing excellence to institutions); also **Policy Support Facility** and a special action from **COST** on Widening actions
Learn more:

http://ec.europa.eu/research/horizon2020/index_en.cfm

Thanks a lot for your attention