Synergies: all aspects

Mutual Learning Exercise on National Practices in Widening Participation and Strengthening Synergies under the Horizon 2020 Policy Support Facility

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Prof. Lena Tsipouri
Outline

- Background (types of synergies and types of barriers)
- Main messages from the ‘Structured Dialogue” and “Synergies at Operational level”
- Main messages from “Synergies at Strategic level”
- Overview of good practices
- Lessons learned
## Stylised facts

<table>
<thead>
<tr>
<th></th>
<th>ESIF</th>
<th>FP5</th>
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</thead>
<tbody>
<tr>
<td><strong>Mission</strong></td>
<td>Convergence (place-based budget distribution)</td>
<td>Excellence-based budget distribution</td>
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<tr>
<td><strong>EU Budget appropriations €</strong></td>
<td>43.7 bn</td>
<td>80 bn</td>
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<td><strong>Distribution mechanisms</strong></td>
<td>Major role by MAs (in partnership with the Commission and cooperation with national institutions)</td>
<td>Major role Commission services</td>
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<td><strong>Implementation</strong></td>
<td>MAs and intermediaries implement programmes</td>
<td>European Commission</td>
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<td><strong>Support activities, facilitators (information, awareness raising etc.)</strong></td>
<td>MAs and intermediaries</td>
<td>NCPs, ERA support mechanisms, ministries, agencies, intermediaries</td>
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<td><strong>Final recipients</strong></td>
<td>Research and innovation teams (direct beneficiaries or following competitive calls)</td>
<td>Research and Innovation teams following competitive calls</td>
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<tr>
<td><strong>Accounting rules</strong></td>
<td>ESIF plus national rules</td>
<td>FP plus (occasionally) national rules</td>
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History of synergies

- Good to have
- Suggestions, reports, examples
- A clear mandate
- Systematic efforts from the EU side (relaxing rules in the past and on-going)

After that Policy Makers at national and regional level started trying
Taxonomies

Using the combination of funding
- Sequential funding (upstream or downstream)
- Parallel funding (separate but mutually supportive projects)
- Simultaneous/cumulative funding (supporting the same project)
- Alternative funding (Seal of Excellence)

Using the policy content
- Effective and Structured Dialogue (at national level)
- Strategy and policy design
- Common operations
Barriers (real and perceived)

- State Aid rules (type and magnitude)
- Reluctance to experiment (GBER unintended effects: “total new GBER cases as % of total new cases with reported expenditure amounting to 90%” and the corresponding “total GBER cases as % of total cases with reported expenditure” rising from 50% in 2010 to 80% in 2016)
- Accounting for economic activities by publicly funded research centres
- Differences in accounting rules
- Uncoordinated timing
- Legal uncertainty (precautionary principle/attitude)
- Silos may be very powerful in individual countries (legal framework; origin; age; hierarchy; scope; share of funding; overall governance efficiency)
Effective and Structured dialogue: strong cases

Good practices need time, persistence and synergies “champions”

- Ireland has organized coordination and consultations for a long time; in this process focus has become a key ingredient (thanks partly to an external impetus at the beginning); individual organisations accept conditions of synergies
- Germany has started an encompassing dialogue more recently; its merit is in building up on individual success stories
- Austria has adopted an “alignment” strategy
Effective and Structured dialogue: building blocks

Breaking silos can start with small, individual steps

- Estonia: A network of advisers, a person in every ministry forming a group in their own right
- Spanish: Network of RTDI policies
- Sweden: Co-location of NCPs (h2020) in Vinnova (ESIF and H2020)
- Slovak Republic: Joint O.P. responsibility
- Czech Republic: Co-design of O.P.s (R&D vs Education and Competitiveness)
- Wales and Catalonia: synergies at regional level (information and linkages from the start)
Strategic initiatives have multiplied both under

- H2020 (JU, EIT)
- and under ESIF (RIS3, S2E)
Joint Undertakings (JTIs, ERA-NETs, Art. 185,

- Coordination
- Co-funding (top up)

ESIF can be used to join but is excluded from co-funding; the solution is using national funds or EIB national loans to complement for lacking national funding.

ESIF can be used for JPI joint calls.
JU good practices: combine for common goal

- MSCA Cofund
- Flanders Bio Base Europe Pilot Plant
- CleanSky2 Czech republic
- BONUS: Joint Baltic Sea
- EIT:
  - Climate KIC: simultaneous decision ot use ESIF as sequential project
  - Estonia use ESIF for pre-EIT linkages
ESIF coordination initiatives

- RIS 3 (worked best in experienced regions)
- S2E (examples mostly linear)
- Macro-regional strategies: Difficulties of multi-country coordination (Good practice: Danube:Future)
Synergies at operational level

- Seal of Excellence
- ERC (SoE type)
- Cumulative funding
- MSCA COFUND
- Interreg
- EIB/EFSI: potential linear synergies through Jeremy and successors; no good practice with InnovFin as yet, timing and difference of mentality is a main barrier
- Upstream and Downstream synergies: the easy but incidental approach (with the exception of explicit criteria)
Seal of Excellence: barriers and good practices

State aid barrier for Phase 2 (and Phase 1 if the selected company is above the threshold)

Good practice:

- use de minimis for Phase 1
- VINNOVA Runner Up Programme
- Mind-map (CDTI-enterprise Ireland and Tekes) guide and building up a stronger case
- Estonia ERC (SoE-type support)
Cumulative funding

- Facilitated through new regulation (inertia to capture the new rules?)
- Appropriate for large-scale projects (ELI) and committed, self-motivated research teams
<table>
<thead>
<tr>
<th>Type of Synergies wished for</th>
<th>Barriers to eliminate</th>
<th>Indicative good practices</th>
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<tbody>
<tr>
<td>Effective and Structured Dialogue</td>
<td>Eliminate all perceived barriers of safeguarding turf; Overcome short-termism and invest in long term silo breaking</td>
<td>Ireland: long term effort; start with national funds; explicit criteria of ESIF funding for applicants to succeed in leveraging FP Austria: organised platform of cooperation for FP and ESIF Germany: Introduction of systematic interaction Examples of shared O.P. responsibility, co-location and systematic networking paving the way to silo breaking (Estonia, Sweden, Czech Republic, Slovak Republic, Spain)</td>
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<td>Synergies through strategy and policy</td>
<td>Overcome reluctance and risk aversion Coordinate timing Ensure top up</td>
<td>1. S3/S2E: EU examples in the Regulation for linear actions; JRC sites with examples, mostly of linear nature 2. JU: Clean Sky (Andalucía, Czech republic), ECSEL; BBEU Flanders; EIB loans 3. EIT: Use ESIF to keep contact; Climate KIC 4. Macro-regional:</td>
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<tr>
<td>Strategy at operational level</td>
<td>Barriers</td>
<td>Success stories</td>
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<td>1. Seal of Excellence</td>
<td>1. State Aid</td>
<td>1. SMEs Vinnova Runner Up Programme; Lombardy Vouchers for Phase 2; CDTI Horizonte PYME under de minimis; SoE MSCA: Sweden</td>
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<td>2. ERC</td>
<td>2. No specific instruments available</td>
<td>2. ERC: Estonia, preparatory ESIF support for increasing ERC success</td>
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<td>3. Cumulative funding and cost models</td>
<td>3. Clarity and multi-audits</td>
<td>3. Clarification of rules by the regulations; introduction of simultaneous/cumulative funding possibilities; BBEU Flanders; IICT Bulgaria, Nanotech Slovenia</td>
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<td>4. COFUND</td>
<td>4. Separation of funding</td>
<td>4. COFUND: Examples by EU documents; SoCoMo; EDGE</td>
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<td>5. Interreg</td>
<td>5. Lack of ESIF funds for internationalisations</td>
<td>5. International Iberian Nanotechnology Laboratory, SCREEN (MoU for synergies)</td>
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<tr>
<td>6. EIB/EFSI</td>
<td>6. Limited possibilities</td>
<td>6. EIB: Loans to bridge the matching funds barriers; InnovFin; Jeremy; Nord pas de Calais</td>
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<td>7. Linear synergies (explicitly or incidentally linking ESIF with FP success)</td>
<td>7. Lack of time congruence</td>
<td>7. Individual success stories: Conditional ESIF approvals; South Ostrobothnia region; City of Leeuwarden in Fryslan Linking ESIF with FP success: criteria for eligibility in Ireland RCs and Estonian ESFRI; there is a very large number of linear, incidental successes of limited value for the</td>
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Lessons learned

A new taxonomy

- The indifferent way
- The easy way:
- The challenging way

Or

- Dynamic synergies (breaking silos, explicit linking of the two funding sources)
- Targeted synergies (strategic, and operational-linked)
- Incidental
Lessons learned (cont.)

- The real value of synergies is to address them as a long-term, systematic value extraction.
- There are many ways to target synergies rather than expect them to arise.
- Targeted synergies are more likely to appear if and when ESIF incentives are conditional for leveraging external resources.
- Minimise lack of security (interpretation rules).
- Eliminate multiple audits.
- (synchronise timing e.g. ESIF/InnovFin direct support)