

How to Enable an Effective and Structured Dialogue between National MA and FP authorities



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

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Outline

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 - ▶ Formal definitions
 - ▶ Practical aspects: pros, cons, hampering factors and optimisation (?)
- ▶ ***The main components of an effective dialogue***
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Clarifying and conceptualising the notion SYNERGIES

- ▶ Formal definitions
- ▶ Practical aspects: pros, cons, hampering factors and optimisation (?)

Formal Definitions

'Synergies' can be defined as the difference between the total effect of the action of a set of cooperating objects, and the sum of the individual effects these objects would have if they operated separately. The term has two components: an interactive process between initiatives, programmes or projects; and, a combined effect of this relationship exceeding the sum of the individual effects (i.e. $1+1>2$).

- ▶ The literature has distinguished between different types of synergy:
- ▶ **Organisational synergy** can occur where two different organisations employ their assets and skills to influence each other in order to produce stronger institutional effects. **Political - social**
- ▶ **Policy synergy** can occur where two organisations articulate their policy positions and implement their influencing strategies in an interactive way. **Technical - Social**
- ▶ **Operational synergy** can occur when separate programmes, projects or initiatives interact in order to achieve greater effect than their individual actions would achieve. This is distinct from the pooling of finances to fund one programme. **Political - technical**

Overlaps within Synergies

Refining the notion of synergies is not an easy task: there are semantic differentiations and overlaps between the three topics; plus some overlaps with widening issues. At the end of the MLE it will be easier to deal with them:

- ▶ **Topic 5: How to enable an effective and structured dialogue** between national Managing Authorities of the Structural Funds and the Framework Programme R&D authorities ('breaking silos').
- ▶ **Topic 6: Synergies at policy and strategy level:** How to ensure synergies at a policy level between mandatory and voluntary strategies, including S3, JPIs, JTI/JU's, macro-regional strategies, etc.
- ▶ **Topic 7: Synergies at operational level:** formulation and implementation of synergies on the ground, on their scope and limitations. Financial sources at the programming level of ESIF and FP (i.e. how to implement State aid rules and rules for participation, how to deal with differences as regards the cost models and eligibility of researchers' salaries payments, Interreg, Cofund, EIB, EFSI).

Practical aspects: pros, cons

Synergies are a “good think” but not at all cost: There are indeed two opposed forces:

- ▶ Coordination leading to synergy effects.
- ▶ Autonomy and flexibility as sources of good governance can be used as an argument or alibi for not too much coordination

Practical aspects: hampering factors

Synergetic effects are hampered by non-communication, different lines of responsibility and accountability, different sets of rules that discourage the interaction of independent public bodies between themselves or with interested recipients of funds. As time goes by two opposed forces are crystallising: on the one hand individual authorities build their own realms (silos) but on the other the evils of non-communication are increasingly recognised. In this spirit official documents appear and alternative designs are tested to see how the interaction at all levels can be improved.

The main components of an effective dialogue

An effective dialogue is a nexus of

- ▶ *Political agendas*
- ▶ *Technical specifications*
- ▶ *Social reactions*

Through political intervention the dialogues can be structured but unless all actors/individuals **really** join forces the dialogue cannot be effective

History: Why are there silos in the first place

- ▶ Over the years the European Structural and Investment Funds ESIF called for the creation of dedicated Management Authorities (MAs). MAs follow the EU ESIF regulations issued each programming period. Because of the funding goals and rules (national allocation quotas of funds) they are accountable not only to their national authorities but also to the EU. Rules and organisational set up are quite *homogeneous* in all Member States.
- ▶ The FPs never had a decisive role in the organisational set up in the Member States. As there are no national allocation quotas of funds it is the beneficiaries (research teams) and not the national authorities that are accountable. But over the years Ministries of R&I, Industry, Education, Economic Development etc. offered information, advice and occasionally matchEU funds. Depending on the national system, funding agencies (Research Councils, Secretariats, Executive Agencies) and public-private bodies (Chambers, Rectors Associations etc.) started playing an active role in helping the absorption of FP funds through awareness raising, information provision, matching funds and other incentives. Rules and organisational set up are quite *inhomogeneous* in all Member States.

Historic evolution: Political agendas

- ▶ In the past it was theoretically grounded that synergies are a “good thing”; this means Member States with effective bureaucracies were incorporating synergies, where possible
- ▶ The European Parliament and Council made it clear that this approach is no more a "nice to have" but a "need to implement“; *In 2014 the Common Provisions Regulation of ESIF included for the first time a legal mandate to maximise synergies* (not only for R&I); this created a number of documents in the EU with hard (rule clarification) and soft (good practices, ideas and explanations) documents

Historic evolution: Political agendas

(cont.)

As yet Member States are not responding as eagerly as expected. The recent Commission's study on synergies between the FP and ESIF concluded that the generation of synergies is still considered by the actors in Member States and regions as variable, occasional and rather based on chance than on a more systematic process

Organisational set up

	Authorities responsible and accountable for ESIF (following EU mandatory regulations)	Authorities dealing with FPs and H2020 (creating incentives with national responsibility)
Governance/Design	Central MA in cooperation with <ul style="list-style-type: none">• Regional MAs• Sectoral MAs	R&I responsible ministries
Implementation	MAs and beneficiaries	R&I responsible agencies
Support	MAs and intermediaries	NCPs, ERA support mechanisms, ministries, agencies, intermediaries

A review of key issues (literature)

Technical

- ▶ *Uncoordinated timing of potentially linked calls*
- ▶ *Complexities related to State Aid*
- ▶ *Similar project funded from different sources should have the possibility to use the same rules.*
- ▶ *Inability to deal with goldplating*
- ▶ *Conceptual differences*

Political/policy

- ▶ *Difficulties to reorganise authorities at the Member State level*
- ▶ *Despite efforts (including RIS3) compartmentalised or 'silo' based implementation approaches remain evident and Member State levels.*
- ▶ *Separate overseeing bodies and separate regulations*
- ▶ *Need to see synergies as a concept and not as funding rules*

Social

- ▶ *Organise national assessments explaining the lack of synergies and persistence of silos*
- ▶ *Civil servants are not rewarded for synergies but are punished if they misinterpret rules*

A review of key issues (how to assess the system)

- ▶ *Legal obligations: Binding rules, goldplating and recent efforts of clarification and simplification*
- ▶ *Origin of silos: intended or unintended “boundaries”. Breaking silos by design needs legal actions, while breaking unintended lack of coordination can be addressed by soft interventions.*
- ▶ *Age of silos: Over time authorities crystallise their behaviour, routines and interactions, their autonomy becomes inherent to their existence and silos become more difficult to break.*
- ▶ *Hierarchy: Being under the same authority it is a matter of internal reorganisation to enhance synergies.*
- ▶ *Areas of intervention: The larger the indivisibilities and the closer the ESIF support to H2020 priorities the higher the synergies.*
- ▶ *Share of EU funding to total R&I interventions: The relative importance of MAs compared to R&I Authorities is determined by the share of National R&I funding,*
- ▶ Civil servants risk/reward structure
- ▶ Last but not least *the overall governance efficiency* in a Member State determines the interaction between the authorities involved

The Landscape: Preparing the ground by the EU organisations

- ▶ Clarification of rules for combined funding of ESIF programmes and Horizon 2020: A lot has been clarified but MAs are risk averse for misinterpretation
- ▶ Formal groundwork of "Upstream actions" to prepare regional R&I players to participate in Horizon 2020, for example through NCP and MA cooperation and "Downstream actions" to provide the means to exploit and diffuse R&I results, stemming from Horizon 2020 and preceding programmes, into the market following RIS3.
- ▶ On the H2020 side it is suggested to implement programmes in a synergies-friendly manner in terms of raising awareness, providing information, engaging in communication campaigns, and connecting National Contact Points (NCP) as much as possible to national and regional ESIF policy makers and managing authorities.

The Landscape:

Taxonomy of national measures

- ▶ *Rules and regulations: Clarification of financial rules and the Regulatory regime*
- ▶ *Organisation of Interaction and Dialogue*
 - ▶ *Monitoring Committee Meetings*
 - ▶ *Formally institutionalise and set up a Structured Dialogue*
 - ▶ *RIS3*
- ▶ *Special organisation set up*
 - ▶ *Delegating ESIF responsibility at implementation level*
 - ▶ *Re-design*
- ▶ *Synergies through catalysers: Individual, committed actors chase MAs and other organisations to ensure maximum contribution and thus act as catalysers kick-starting their interaction (which may or may not continue)*

The Landscape

Practical, concrete examples

- ▶ *Install a “Horizon 2020 watch”, i.e. consult regularly Horizon 2020 Work Programmes and calls to identify forth-coming calls and initiatives.*
- ▶ *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 Horizon 2020 project proposals are known (in many cases 5 months after the submission deadline).*

The Landscape

Practical, concrete examples (cont.)

- ▶ **Estonia** is among the countries that has designed its O.P.s in a synergetic way: RDI Strategy 2014-2020 „Knowledge-based Estonia“ envisaged to “Reinforce, with the help of European Union Structural Funds and activities financed from the state budget, the capacity of Estonian research institutions to participate in forms of cooperation based on quality competition, including in the programme “Horizon 2020”.
- ▶ A common approach was used by the **Czech Republic**, where both the OP Enterprise and Innovation and OP Research Development and Education for Competitiveness, took into account the opportunities for synergies with Horizon 2020 during the programming process. Representatives from Horizon 2020 authorities were involved and consulted
- ▶ Similarly, ESIF authorities in **Wales** actively considered synergies between ESIF and Horizon 2020 in the programme planning process. From a very early stage there was an awareness of the opportunities to share information and to find linkages between the two sources as part of the scoping process for 2014-20. The opportunity then arose to create a specific team in 2013 which could dedicate time to developing synergies through the programmes

The Landscape

Practical, concrete examples (cont.)

- ▶ The *Spanish* ‘Red de Políticas de I+D+I’ is a thematic network for public policies in the areas of RTDI, established in November 2010 under the Spanish NSRF 2007-13 and funded with Technical Assistance. The network is a tool to generate synergies between public R&D&I policies at regional and national levels, Cohesion Policy and Europe 2020, with a focus on FP7. In 2014-20, the network’s role has been formally included in the Partnership Agreement as well as in national and regional OPs.
- ▶ In *Ireland* synergies were addressed by the Inter-Departmental Committee on Science and Technology (IDC). This example is more at the system level but as it has been long time in operation, seeking to develop a particular open, communicative, co-ordinated culture and there are certainly trickle down effects through their own organisational structures and to their subsidiary agencies.

The Landscape

Practical, concrete examples (cont.)

- ▶ In **Romania** RIS3 was a very encompassing exercise with an extensive Foresight that acted as a catalyser for longer term cooperation between authorities. The long process including national and regional authorities, as well as FP recipients created channels of communication
- ▶ In **Slovakia** different ministries joined forces and shared responsibility for one O.P. This created a systematic interaction

Conclusions: Good Practices and the future

- ▶ A lesson from **Germany** is that political commitment and a systematic support of an accountable set up can, over time, lead to a slow but visible behavioural change, even in complex environments with a large number of stakeholders and clear individual agendas. A Working Group was set up in December 2014 including Federal and State Authorities envisaging better coordination that would lead to synergies. The WG meets annually in its full membership but specialised activities take place in-between (e.g. NCPs meetings for strategic orientation). Their output is an input to the discussions of the WG. . The BMBF has contracted DLR for the Synergies Office.
- ▶ Implementation of the idea started with moderate means and grew as synergies became visible. It evolved over time from a main contract on managing H2020 to cross cutting topics for ESIF synergies including stakeholder mapping, organising structured dialogue with the Ministry of the Economy and supporting the Partnership Agreement dialogue. Events and identification of mega-trends have forged an improving climate of cooperation and concrete success stories (e.g. New Impulses for Innovation through Innovative Procurement) have further contributed to initiating behavioural change in favour of a broader dialogue.

Conclusions: Good Practices and the future

- ▶ *Civil servants are not rewarded for synergies but are punished if they misinterpret rules*
- ▶ *Despite efforts (including RIS3) compartmentalised or ‘silo’ based implementation approaches remain evident at Member State levels*
- ▶ *Good practices need to look at three levels*
 - ▶ Political agendas **policy**
 - ▶ Technical specifications **strategy**
 - ▶ Social reactions **operational**

Future expectations

Maximum requests (are they feasible?)

- ▶ *Similar project funded from different sources should have the possibility to use the same rules*
- ▶ *Radical dealing with goldplating*

Moderate expectations

- ▶ Apply clarified rules and streamline timing of potentially linked calls
- ▶ Behavioural change
- ▶ Start *seeing synergies as a concept and not as funding rules*

Challenges due to funding rules and timing (technical)

Q1: Are there additional bureaucratic requirements emerging from funding rules at national level (goldplating) over and above the requirements set in the ESIF Regulations?

Q2: Has there been/ do you have the intention to launch an exercise (internal or external) to check for the possibility of further simplifying/harmonising rules at national or institutional level?

Q3: In which cases is the different timing of calls (national/regional) and time horizons a barrier for coordinating MAs design/implementation with H2020 calls/grants?

Q4: How can MAs ensure better timing coordination with the H2020 cycle of calls/evaluations?

Q5: Is there still some uncertainty regarding State Aid rules that leads to national/regional “conservative” interpretations to avoid inconsistencies?

Q6: Does the treatment of different categories of research aid, depending on how remote the research is from the market create any problems for co-funding of ESIF and H2020 projects?

Q7: Are there challenges in achieving synergies between ‘upstream’ actions, for instance R&I capacity building through research infrastructures based on Horizon 2020 projects and ‘downstream’ actions where Member State authorities have more control over fund allocation?



Challenges due to governance path dependence

Q1: Is the “synergies” effort interpreted mainly as coordination of funding rules or as a dynamic concept to be monitored and improved?

Q2: Has there ever been an assessment of the existence/impact of lack of coordination and interaction (silos) between MAs and NCPs?

Q3: Are NCPs seeing their role as liaising with ESIF/MAs as well as supporting H2020 participation?

Q4: Are there any model NCPs in that respect that could be used as good practices for others?

Q5: Is there a common overseeing organisation for R&I assessing the relevance / synergies of ESIF and H2020 participation?

Q6: Would a formal re-organisation enhance coordination between MA and different organisations supporting national H2020 applications?

Q7: Has RIS3 helped dialogue and interaction between actors at national/regional level that goes beyond the RIS3 formal obligations?

Challenges due to perceived complexity and reluctance to deal with uncertainty

Q1: Are there conceptual differences in the jargon used by ESIF compared to the H2020 jargon?

Q2: Are downstream actions, like clusters, science parks etc., where Member State authorities have more control over fund allocation in general eligible for State Aid funding? Can such concepts be further clarified?

Q3: Is the notion of “research infrastructure” interpreted in the same way by NCPs, ministries and MAs?

Q4: Is it clear that in case of uncertainty the individual actors will act risk averse?

Q5: Is there a reward foreseen for civil servants willing to engage into silo breaking? Or would they only carry the risk of misinterpreting rules?

My favourite questions

- ▶ Are there additional bureaucratic requirements emerging from funding rules at national level (goldplating) over and above the requirements set in the ESIF Regulations?
- ▶ Is the “synergies” effort interpreted mainly as coordination of funding rules or as a dynamic concept to be monitored and improved?
- ▶ Has RIS3 helped dialogue and interaction between actors at national/regional level that goes beyond the RIS3 formal obligations?
- ▶ Is it clear that in case of uncertainty the individual actors will act risk averse?
- ▶ Is there a reward foreseen for civil servants willing to engage into silo breaking? Or would they only carry the risk of misinterpreting rules?

Thank you for your attention

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