

Mutual Learning Exercise (MLE)

Widening participation and strengthening synergies

Challenge paper topic 5: Enable structured/effective dialogue between ESIF Managing Authorities and the Framework Programme R&D authorities – "breaking silos"



MLE Widening participation and strengthening synergies: Challenge Paper: Enable structured/effective dialogue between ESIF Managing Authorities and the Framework Programme R&D authorities – "breaking silos"

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Challenge paper No 5

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1 INTRODUCTION

The purpose of developing synergies between different EU funding programmes and policies is to achieve the Europe 2020 objectives of smart, sustainable and inclusive growth. Synergies should involve meaningful, complementary, mutually reinforcing interactions between the investment strategies and interventions under the Framework Programme (FP) for Research and Innovation (R&I)/Horizon 2020 and the European Structural and Investment Funds (ESIF). The overall aim is to have significant impacts on the economy by combining the innovation investments of ESIF under the smart specialisation priorities with world-class research and innovation initiatives supported by the Framework Programme.

The need for synergies and complementarities between EU funds for R&I has been increasingly highlighted at political level. In parallel, the development of synergies is a key priority in the mandates of Commissioners Moedas and Crețu, as well as featuring regularly in Council conclusions, in the resolution of the European Parliament¹ adopted in July 2016 and, most recently, in the Commission's Communication addressing EU regions and smart specialisation².

The development of synergies is expected to gain strength as the basic legal framework for synergies is in place. Both Horizon 2020 and the Common Provisions Regulation of ESIF include for the first time a legal mandate to maximise synergies³, not only between these two funding instruments, but also with other competitiveness-related programmes, such as COSME, Erasmus+ and Connecting Europe Facility. The Commission services have prepared important implementation guidance⁴ and also published in 2016 a booklet showcasing concrete cases of synergies, coming mostly from the previous programming period (2007-13)⁵.

Since the '90s Member States have been encouraged to use regional development funding for improving their R&I capabilities, but it was not until the current programming period that the European Structural and Investment Funds (ESIF) formally adopted the relevance of Research and Innovation (R&I) for jobs, growth and prosperity and acted for ensuring synergies between ESIFs and H2020. The *Smart Specialisation Strategy* (RIS3) linking R&D with innovation and business investments became an ex ante conditionality. Sustainable growth is increasingly related to the capacity of regional economies to innovate and transform, adapting to an ever changing and more competitive environment. This means that a much greater effort needs to be put into creating the eco-systems that encourage innovation, research and development (R&D) and entrepreneurship, as stressed by the Europe 2020 strategy and its Innovation Union flagship initiative. It is expected that 30% of the total allocations are going to be deployed for innovation in the wider sense. In the future, will also mobilise the innovation potential of all EU regions⁶.

¹ Resolution on 'Synergies between structural funds and Horizon 2020', adopted by the European Parliament Plenary on 4 July 2016 following the presentation of a Statement on the issue by Commissioner Moedas representing also Commissioner Crețu

² COM(2017)376 & SWD(2017)264 adopted in July 2017

³ Regulation (EU) No 1303/2013: Articles 65(11), 70(2), 96(3)d and Common Strategic Framework, Annex 1; Regulation (EU) No 1290/2013, Article 37

⁴ Enabling Synergies between European Structural Investment Funds, Horizon 2020 and other research, competitiveness-related Union programmes. Guidance for policy-makers and implementing bodies. http://ec.europa.eu/regional_policy/sources/docgener/guides/synergy/synergies_en.pdf

⁵ <https://ec.europa.eu/research/pdf/publications/ki-01-16-339-en-n.pdf>

⁶ European Commission, *Research and Innovation* [Online]. Available from: http://ec.europa.eu/regional_policy/en/policy/themes/research-innovation/ [Accessed: 6 December 2017]

At the same time the Framework Programmes (FP) in the past, and now Horizon 2020, invest in the future of Europe with emphasis on excellent science, industrial leadership and tackling societal challenges. The goal is to ensure Europe produces world-class science, removes barriers to innovation and makes it easier for the public and private sectors to work together in delivering innovation⁷.

The two instruments share a common objective (competitiveness leading to jobs and growth) and address the same final beneficiaries/recipients (higher education, research centres and businesses) but their primary goals and their approaches differ. This means distinct regulations and governance structures at EU, national and/or regional level. Hence, although in theory nobody contests the need and benefits of potential synergies, there are rules, agendas and path dependencies that may (intended or unintendedly) hamper a dialogue. Difficulties for setting up a dialogue can be perceived or real.

The focus of this paper is to investigate ways of interaction, cooperation or coordination between responsible authorities and relevant agencies at national and regional level allowing of maximising synergies between the two instruments.

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 present Theme Paper addresses the synergies at the governance level, described as attempts to *breaking silos*. This addresses formal and informal ways to establish communication channels between Managing Authorities of the Structural Funds and the Framework Programme R&D Authorities. This will pave the way for Themes 6 and 7 of the MLE, which address specific aspects synergies at policy, strategy and operational level. The definition and level Semantics in that respect are important, as the various levels of governance, strategy, and operation often overlap and are not easy to distinguish. To facilitate a better understanding of these notions of "synergies" definitions are included in Appendix. However, it should remain clear throughout the MLE that the different levels of synergies are interwoven.

In section 2 we address the *Scope* of the creation of an effective and structured dialogue, then in Section 3 we describe the *Landscape* of types of policy measures that can help introducing a dialogue, while in Section 4 we discuss Lessons for success and failure. The paper concludes with a 4th section on the main challenges of the topic.

2. SCOPE

Although synergies between the FP and ESIF have developed steadily in recent years and the basic legal framework for action is in place, beneficiaries on ground express that combination of the funds is complex in practice. Despite the regulatory improvements, evidence suggests that there is still work to be done, a situation which was also confirmed in the interim evaluation of Horizon 2020⁸. Stronger support would be needed for the implementation of synergies by actors of the R&I ecosystem.

⁷ European Commission, *What is Horizon 2020?* [Online]. Available from: <https://ec.europa.eu/programmes/horizon2020/en/what-horizon-2020> [Accessed: 6 December 2017]

⁸ https://ec.europa.eu/info/publications/interim-evaluation-horizon-2020_en

The recent Commission's study on synergies between the FP and ESIF⁹ 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. All the actors involved in the promotion of synergies should assume their responsibilities to improve the strategic framework, coordination and support to this policy. Clearer definition of roles between institutional actors would be needed that allows a more effective and focused support to synergies. While there is a strong policy mandate for maximising synergies between FP and ESIF at the level of the European Union, such responsibility, definition of roles or ownership of this policy do not generally exist in Member States and regions.

The issues at stake are on the one hand to understand the evolution of the commonalities and differences between the two EU funding schemes, how this reflects in the organisational set up in the Member States and the extent to which recent efforts to facilitate synergies have intensified, and on the other to identify/define established silos that need to be broken. Creating synergies and breaking silos can be addressed in very different scales, ranging from very formal and ineffective interaction to thorough behavioural additionality.

2.1 Why are there silos in the first place? Historical and accountability reasons

ESIF and FPs started with different philosophies at different points of time and the value of their synergies was initially only rhetorically appreciated. They saw themselves as pursuing two possibly interrelated but clearly distinct missions, the former cohesion and the latter excellence. Each Directorate General of the European Commission responsible for cohesion policy developed its governance and regulatory framework concerning its interaction with the Member States as it saw fit to maximise the likelihood of the success of its own goals. This was reflected in the historical evolution of authorities in the Member States:

- Over the years the European Structural and Investment Funds ESIF called for the creation of dedicated Management Authorities (MAs). Depending on the national institutional set up and the share of EU funding to total national public investments the MAs are Central, at National level and/or Regional and/or Sectoral. 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 to the EU for the design, implementation and support (awareness raising and advising) for all activities funded with ESIF. In this role they have to intensely interact with line ministries, agencies and beneficiaries/final users internally, at the national, sectoral or regional level.
- Conversely, 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. Hence, originally, the applicants were self-organised and responding to calls for proposals. However, over the years, it became clear that success in the competitive R&I funding did contribute significantly to national R&I capabilities, hence the EU, public authorities in the Member States and even individual beneficiaries started organising themselves in an effort to inform and help applicants. The EU encouraged the creation of National Contact Points (NCPs¹⁰) while at the national level Ministries of

⁹ Available in section 'Publications' at <http://ec.europa.eu/programmes/horizon2020/en/h2020-section/spreading-excellence-and-widening-participation>

¹⁰ NCPs are national structures established and financed by governments of the 28 EU member states and the states associated to the framework programme. NCPs give personalised support on the spot and in applicants' own languages. The NCP systems can vary from one country to another from highly centralised

R&I, Industry, Education, Economic Development etc. offered information, advice and occasionally matching 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. These might or might not coincide with NCPs.

The historical evolution thus shows a collocation of a well-structured, fully accountable authority for the ESIFs and a more anarchic set of partly overlapping efforts and organisations with different mandates, primary goals and accountabilities. . In the past synergies between them were considered as “nice to have” but their primary goals and differences prevailed over the difficulties to coordinate their different missions and path-dependencies. It was not until the current programming period that formal policy papers and legal documents addressed the need for synergies. ***In 2014 the Common Provisions Regulation of ESIF included for the first time a legal mandate to maximise synergies*** (not only for R&I). In this new spirit primary and secondary goals needed to be combined, as their complementarity and benefits from synergies were not voluntary anymore.

Although each Member State has its own eco-system typically authorities are distinct, as presented on Table 1 below:

Table 1 Main national public and semi-public authorities in charge of ESIFs and FPs

	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 ¹¹ 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

While the table above indicates the main bodies responsible/accountable it is self-evident that MAs cannot design nor implement policies without interaction with line ministries, nor can line ministries design and implement national policies without taking into consideration what are the funding possibilities, priorities and constraints available through ESIF funding. The crucial question is how deep and effective this interaction is/can be.

2.2 Identifying silos and enhancing synergies

The lines separating the six boxes on Table 1 are not the same in every country. Their relevance and permeability depend on each national research and innovation system. Organisations build their realms and defend their turf constructing boundaries, by design or by accident. Lack of communication or silos are, of course, never justified as need for

to decentralised networks, and a number of very different actors, from ministries to universities, research centres and special agencies to private consulting companies.

¹¹ Usually a ministry/ministries

independence and lack of willingness to cooperate. Their existence stems from different sources, reflects different dimensions and is justified by the need of autonomy and flexibility leading to higher efficiency and effectiveness. There are indeed two opposed forces:

- Autonomy and flexibility as sources of good governance
- Coordination leading to synergy effects.

The challenge then is to establish a dialogue leading to synergies without leading to over-coordination, which hampers speed and flexibility and may create resistance. A first task then is to understand what creates anti-synergy forces, because only if one can identify their origin one can decide on the best policy approaches to fight against them:

1. *Legal obligations*: ESIF in particular but also in certain cases FPs have certain rules that are binding for the national/regional authorities. Audits are necessary to ensure compliance and authorities may become over-sensitive to compliance. Legal obligations can be over-stressed leading to intended or unintended national rules becoming stricter than the EU requirements (goldplating). The EU has clarified legal obligations in the current programming period but both ambiguities and goldplating continue to reinforce tendencies of autonomous acting.
2. *Origin of silos*: effective dialogue is hampered when "boundaries" are strong and difficulties to overcome them depend on whether these boundaries were created by accident, unintentionally to respond to needs and guidelines (hammered over time leading to path dependencies) or intentionally, by design (organisations believing in their own superior capabilities, unwilling to share their turf). Breaking silos by design needs legal actions, while breaking unintended lack of coordination can be addressed by soft interventions.
3. *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.
4. *Hierarchy*: In some systems authorities may be directorates under the same ministry (e.g. design and implementation of R&I incentives under an R&I Ministry; national development policy and MAs under the same ministry as competitiveness and innovation policy etc.). Being under the same authority it is a matter of internal reorganisation to enhance synergies.
5. *Areas of intervention*: The larger the indivisibilities and the closer the ESIF support to H2020 priorities the higher the synergies. On one extreme Research Infrastructure projects under the ESFRI Roadmap had to be coordinated with ESIF to ensure synergies, whereas start-up support from ESIF was in general independent of the corresponding H2020 schemes.
6. *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, ESIF and H2020 in the overall Gross Expenditure of research and Development (GERD) in a Member State. MA in countries where the majority of R&I public incentives are co-funded by ESIF have a much higher relevance, status and potential to set the rules than in countries where ESIF play only a marginal role.
7. Last but not least *the overall governance efficiency* in a Member State determines the interaction between the authorities involved. In countries with well-established rules of inter-ministerial or inter-agency cooperation and consultation processes ESIF and H2020 authorities are generally more likely to cooperate than in countries where the administration has not fully adopted modern management principles.

2.3 Some key issues

Several issues are identified as of high concern:

- **Uncoordinated timing of potentially linked calls:** Timing of the calls in ESIF and H2020 that may create important synergies are not currently anyhow coordinated. ESIF MAs plan their calls either at national or regional level only within their own OP with no link to the calls planned under H2020 programme. On the other hand, information regarding the plan for particular calls under H2020 is also limited and so the MAs do not have often enough information to effectively coordinate the timing of their particular calls¹².
- **Complexities related to State Aid:** While the rules in 2014-20 have been clarified and simplified there are still fundamental differences between instruments managed centrally at EU level which are not subject to State aid regulations and those with shared management between EU bodies and Member States. More regulatory uncertainties emerge from the treatment of different categories of research aid, depending on how remote the research is from the market. There are 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. This can be the case for funding for clusters, science parks etc., where State aid rules can come in to play¹³. Relaxing the maximum level of aid intensity is often mentioned as well¹⁴.
- **Similar project funded from different sources should have the possibility to use the same rules¹⁵.**
- **Inability to deal with goldplating:** National audits and additional rules imposed to EU regulations because of the need to comply with Member State procedures.
- **Difficulties to reorganise authorities at the Member State level:** In case Member States and the Commission identify limited synergies it is still difficult to start a re-organisation process with only ESIF/H2020 synergies in mind. With the exception of the MAs national authorities have a broader scope of responsibilities and there is always a danger of re-organisations backfiring.
- **Despite efforts (including RIS3) compartmentalised or 'silo' based implementation approaches remain evident at DG and Member State levels.** Governance arrangements to pursue synergies, changes have been somewhat limited. The remedy is strengthened coordination among DGs in the pursuit of synergies¹⁶.
- **Separate overseeing bodies and separate regulations:** Dealing with different DGs and having to comply with different regulations creates uncertainty to national

¹² S2E Report CZ http://s3platform.jrc.ec.europa.eu/documents/20182/117536/S2E_Report_CZ.pdf/3a80b323-0e57-40c1-8134-566062ed27ac

¹³ 2014 Parliament

¹⁴ <http://s3platform.jrc.ec.europa.eu/documents/20182/202007/KADASTIK.pdf/8670ee09-e3e2-4509-bd0c-5f809ecbf10b>

¹⁵ <http://s3platform.jrc.ec.europa.eu/documents/20182/202007/KADASTIK.pdf/8670ee09-e3e2-4509-bd0c-5f809ecbf10b>

¹⁶ Ferry et al (2016)

authorities; they are unwilling to risk ending up with criticism from different auditing exercises.

- Start **seeing synergies as a concept and not as funding rules**
 - **Organise national assessments explaining the lack of synergies and persistence of silos**
 - **Conceptual differences:** Semantics and jargon seem to differ for ESIF and H2020 in certain cases (Research Infrastructure is a difficult concept for ESIF¹⁷)
 - **Civil servants are not rewarded for synergies but are punished if they misinterpret rules** hence silos protect them. Unless the risk-reward nexus is changed, they are likely to continue addressing synergies as a necessary evil and apply only legal obligations.

* *

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Ideas and instruments on the way a dialogue can be created are included in EU documents and have also been practically adopted by the Member States. But we argue that their effectiveness depends largely on the nature of barriers as described above. The following Section presents the ideas included in the EU documents as well as generic descriptions of ideas on types of measures. Concrete lessons are then described in more detail in the 4th Section.

3. LANDSCAPE

In the spirit of the legal mandate to maximise synergies the EU has come up with legal documents, communications and suggestions on how to address the issue. Member States have followed along with different grades of conviction. Two types of policy measures are distinguished:

1. Basic funding rules, included in the ESIF Regulations, clarifying when and to what extent funding from the two sources can be combined
2. Suggestions of (theoretical) good practices and ways to address the lack of synergies.

3.1 Prescribing ways to overcome barriers to synergies

All recent EU documents have set the scene for change: Systematic complaints circulate by word of mouth about non-communication, different lines of responsibility and accountability (to the EU, to the government, to the Treasury, to ministries to society), different sets of rules, either genuinely from the EU or goldplated. Along the same lines the FP7 Evaluation Expert Panel sees that *"more work needs to be done in better coordination and achievements of synergies of national, transnational and EU programmes"* adding the possibility to *explore a "Common Science, Technology and Innovation Policy", whereby national and EU programmes should better align their research priorities using appropriate tools and incentives*¹⁸. The High Level Expert Group

¹⁷ Mentioned in the kick-off meeting by Portugal

¹⁸ High Level Expert Group, (2015). Commitment and Coherence. Essential Ingredients for Success in Science and Innovation. Ex-Post Evaluation of the 7th EU Framework Programme (2007-2013). Available from: https://ec.europa.eu/research/evaluations/pdf/fp7_final_evaluation_expert_group_report.pdf#view=fit&page_mode=none p. 58

on monitoring simplification for beneficiaries of ESI post 2020 Funds emphasise that it is time to break down the "practical difficulties limiting synergies with Horizon 2020".

At the same time the ESIF regulations foresee that "it is of utmost importance to ensure optimal synergies between the funds to face the ever increasing competitive pressure from global markets and maximise impact and efficiency of public funding"

The regulations¹⁹ see as key mechanisms for achieving synergies

- Clarification of rules for combined funding²⁰ of ESIF programmes and Horizon 2020: The rules are clear on the conditions for funding the same project, parallel projects or successive projects²¹. There is no point in going deeper into the discussion of the co-funding rules, because they are clearly stated; however in some cases where ambiguities were mentioned, these are included in the Challenges Section below
- Carrying innovative ideas further along the innovation cycle or value chain to bring them to the market. Synergies are thus about obtaining more impacts on competitiveness, jobs and growth in the EU by combining ESIF, Horizon 2020 and other EU instruments in a strategic and also cohesion-oriented manner. Through activities addressing both cohesion and excellence: The main instrument to ensure synergies between ESIF and H2020 was the introduction of 'Smart Specialisation Strategies²²' and in particular support both "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.
- Specific measures suggested include²³:
 - linking excellent research institutions and less developed regions as well as low-performing Research, Development and Innovation (RDI) Member States and

¹⁹ REGULATION (EU) No 1303/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006

²⁰ Horizon 2020 and ESIF funding shall not cover the same cost / expenditure item. The right to combine ESIF and Horizon 2020 does not waive the obligation for the beneficiaries to provide national/regional/private co-funding, if required by the grant agreement.

²¹ European Commission, (2014). Enabling synergies between European Structural and Investment Funds, Horizon 2020 and other research, innovation and competitiveness-related Union programmes Guidance for policy-makers and implementing bodies. Luxembourg: Publications Office of the European Union. Available from: http://ec.europa.eu/regional_policy/sources/docgener/guides/synergy/synergies_en.pdf

²² 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. The authorities directly concerned by Horizon 2020 shall be closely associated with that process.

²³ These specific additional measures are aimed at unlocking Member States' and regions' potential for excellence in R&I, in a manner that is complementary to and creates synergies with Horizon 2020, in particular through joint funding

regions to create new or upgrade existing centres of excellence in less developed regions as well as in low-performing RDI Member States and regions;

- building links in less developed regions as well as in low-performing RDI Member States and regions between innovative clusters of recognised excellence;
- establishing "ERA Chairs" to attract outstanding academics, in particular to less developed regions and low-performing RDI Member States and regions;
- supporting access to international networks for researchers and innovators who lack sufficient involvement in the European Research Area (ERA) or are from less developed regions or low-performing RDI Member States and regions;
- contributing as appropriate to the European Innovation Partnerships;
- preparing national institutions and/or clusters of excellence for participation in the Knowledge and Innovation Communities (KICs) of the European Institute of Innovation and Technology (EIT);
- On the H2020 side²⁴ 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.

3.2 Specific types of policy measures

The effectiveness and scope of the suggested measures will inevitably vary. An effort to classify them may help member States to decide on the type of measures they need to prioritise, depending on the types of "silos" they identify in their administration. It is a simple taxonomy of types of measures to enhance synergies and overcome barriers to communication is suggested below, which can be grouped into policies for rules, for institutional coordination, for special organisational set ups and for the creation of catalysers:

Rules and regulations

1. *Clarification of financial rules and the Regulatory regime*: this reduces complexity and uncertainty leading to the elimination of silos emerging from uncertainty. While it has to a large extent been clarified formally by the regulation it is important to eliminate all national rules and ambiguities, in particular those emerging from national treasury provisions and different audits necessary at the Member State level. While efforts for simplification are coming from all sides (add references) and in particular co-funding rules between ESIF and H2020 are explicitly stated in the corresponding regulations in the real world there are still complaints.

Organisation of Interaction and Dialogue

2. A rudimentary way of information and communication is the discussion in the *Monitoring Committee* Meetings chaired by the corresponding MAs: they constitute a forum and an opportunity for all R&I actors to express their views, needs and requests. However, Monitoring Committees have by nature a very wide participation and agendas so often the dialogue cannot be effective.
3. A more tailor-made approach is to *formally institutionalise and set up a Structured Dialogue*: a forum with synergy-seeking agendas rather than the more

²⁴ Enabling synergies between European Structural and Investment Funds, Horizon 2020 and other research, innovation and competitiveness-related Union programmes

encompassing Monitoring Committee meetings can act as a catalyser for co-operation.

4. A special case of formal institutionalisation was the *preparation of RIS3*. The Commission expected a wide range dialogue between all (public and private) actors involved for the entrepreneurial discovery and prioritisation of activities. In some cases this common exercise has created a momentum that exceeded the time limit of the RIS3.

Special organisation set up

5. *Delegating ESIF responsibility at implementation level*: In some cases, where at the design level interaction proved too cumbersome ESIF implementation can be delegated from the MA to the R&D authority (in the case of Greece the implementation of the O.P. was delegated from the MA to the R&I Secretariat). However, this does not create dialogue, it helps bring some themes under the same roof, while limiting the MA role in financial execution only.
6. *Breaking silos between public authorities*: re-design is needed, when too many or too few authorities operate, or when overlapping responsibilities lead to tensions and lack of cooperation. The re-design usually created resistance to change, which is much heftier when the silos are created intentionally than when they are established by accident or inertia. At any rate, redesign needs a thorough background study with solid justification.

Synergies thanks to catalysers

7. *Individual actors as catalysers*: In certain cases individual active actors (regions, cities, employers' associations, intermediaries) may mobilise ESIF and R&D authorities to back them for specific wide-ranging projects. While pursuing the specific projects responding to the requests of the catalyser, authorities realise the benefits and barriers of communication start lowering. The catalysers leads to behavioural additionality.

The first six types of policy measures constitute top-down approaches, mostly linked to legal acts. It is only the effective RIS3 and the catalysers that constitute bottom-up approaches. The former, however, again is legally imposed, while the latter is genuinely bottom up. It is a matter of systematic study of good practices in both top-down and bottom up approaches that can help Member States address measures that are better tailored to their eco-systems²⁵.

4. LESSONS

Harnessing synergies and complementarities between EU policies and instruments is still a priority for the EU. A better linkage of these policies and instruments across different governance levels is needed to increase their impact in delivering key European priorities²⁶. Efforts to study the topic and create synergies are emerging both in EU

²⁵ According to Ferry et al. (2016) the Soft governance' options should be explored further. For Member States, 'top down' initiatives to strengthen synergistic working, can be too mechanistic or inflexible, placing the focus on compliance or the preparation and drafting of documents rather than on implementation. On the other hand, 'bottom up' or ad-hoc processes and initiatives can provide practical opportunities for dialogue and engagement and are more adaptable to specific circumstances.

²⁶ European Commission (2017), 'Strengthening Innovation in Europe's Regions: Towards resilient, inclusive and sustainable growth at territorial level' adopted in July 2017.

documents and in practice in the Member States. Interesting examples are reported below:

Install a "Horizon 2020 watch", i.e. consult regularly Horizon 2020 Work Programmes and calls to identify forth-coming calls and initiatives. The same should go for the COSME, CEF digital services, Erasmus+ and CreativeEurope calls with a view to designing calls that allow for the exploitation of potential synergies. It could be organised via the relevant NCPs that would digest and send the information to the relevant MA²⁷.

As the Horizon 2020 grant agreements are in many cases 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 Horizon 2020 project proposals are known (in many cases 5 months after the submission deadline). If a MA has agreed to a cumulative support to a specific proposal before its submission to a Horizon 2020 call, such conditional approvals should then allow the final approval of the ESIF grant in less than 3 months after the positive Horizon 2020 evaluation result is communicated. Moreover, a system to alleviate the administrative workload for beneficiaries in terms of financial management, reporting and audits should be set-up. MAs should consider not only alignment of cost models to the Horizon 2020 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 Horizon 2020 project reviews²⁸.

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”. In addition the Estonian OP for Cohesion Policy funds 2014-2020 foresaw that “R&D-related activities will support the institutional reforms of universities and R&D institutions, high level research, international cooperation (incl. synergy with the EU ‘Horizon 2020’ Research and Innovation Framework Programme), the mobility of students, university teachers and researchers, and the emergence of their next generation (OP, p9)”²⁹.

The ICT Cluster in **Bulgaria** How can regional authorities influence funding efficiencies in countries with strong central governments? Continuously training managing authorities staff (competence in programming, monitoring); Sustainable program for development & supports of scientific and research facilities; Use of PPP collaboration in all phases, but especially in phase of monitoring of every program/call impact & results³⁰.

²⁷ European Commission, (2014). Enabling synergies between European Structural and Investment Funds, Horizon 2020 and other research, innovation and competitiveness-related Union programmes Guidance for policy-makers and implementing bodies. Luxembourg: Publications Office of the European Union. Available from: http://ec.europa.eu/regional_policy/sources/docgener/guides/synergy/synergies_en.pdf p. 16

²⁸ Ibid. P.19

²⁹ Kadastik, E., (2017). The Stairway to excellence (S2E) Boosting regional growth through innovation. Paper presented at the 2017 Conference on the Synergies between European Structural and Investment Funds (ESIF) & Horizon 2020 Research and Innovation Funding: The Stairway to Excellence (S2E), Brussels, 8 March 2017 Available from: <http://s3platform.jrc.ec.europa.eu/documents/20182/202007/KADASTIK.pdf/8670ee09-e3e2-4509-bd0c-5f809ecbf10b>

³⁰ Statev, P., (2017). The Stairway to excellence (S2E) Boosting regional growth through innovation. Paper presented at the 2017 Conference on the Synergies between European Structural and Investment Funds (ESIF) & Horizon 2020 Research and Innovation Funding: The Stairway to Excellence (S2E), Brussels, 8

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 with during the programming process. The Education OP also notes the value of participation from EC representatives from DG REGIO and DG RTD. As a result the Research Development and Education OP will allow co-financing of projects under Horizon 2020 (complying with the ban on double financing of the same budget items and also adhering to the principle of not replacing national co-financing of a part of the Horizon 2020 projects with ESIF funding). The aim is to increase the still low participation of Czech research teams in framework programmes. Two Priorities are given particular emphasis. Priority 1 focuses on reinforcing the capacity of research organisations. Priority 2 focuses on improving the quality of human resources in science and research by means of attracting and developing promising researchers. This includes activities involving research teams in international research projects implemented under existing EU initiatives (mainly activities under Horizon 2020). Here there is scope for complementary financing to projects (in line with RIS3 priorities) approved under Horizon 2020 and other initiatives³¹.

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 programmes³².

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. Although the emphasis is on TO 1 (RTDI), the network also covers TO 3 (SMEs), thereby connecting ESIF to both Horizon 2020 and COSME. The Spanish Smart Growth OP notes that the network will assist with: Cooperation in project selection (aligning the cost models of ESIF programmes, where feasible, with Horizon 2020, COSME etc.); synchronising the funding decisions of ESIF and other directly-managed EU instruments; and synergies with regards to support to SMEs' innovation and competitiveness through the EEN, with respect to COSME in particular. Similarly, the 5th work plan of the network from 2015 notes its role in the coordination of actions supported under TO 1 of Spanish ERDF programmes and of ESIF with other EU instruments related to RTDI such as Horizon 2020 and COSME. In addition, the plan proposes the creation of a thematic working group 'to study possible complementarities with instruments of the European Union'. The working group is to have a double objective: to promote a 'common environment' between the different actors involved in the competence scope of the network and to seek potential complementarities and synergies between instruments³³.

March 2017. Available from: <http://s3platform.jrc.ec.europa.eu/documents/20182/202007/STATEV.pdf/a4117028-4569-4286-b090-8c991b736635>

³¹ Ferry et al. (2016)

³² Ferry et al. (2016)

³³ Ferry et al. (2016)

In **Germany** a new national-regional dialogue for synergies between Horizon 2020 and the European Structural and Investment (ESI) Funds was launched in 2014, piloting a tailor-made multi-level governance model across policies, programmes and projects spanning different research fields, economic sectors and societal challenges. It aspires to drive “entrepreneurial discovery” by better managing information flows; supporting the strategic use of EU funds; and adapting applicant support services (e.g. towards integrated counselling formats). Led by the Federal Ministry of Education and Research, the dialogue aims to involve all federal and regional (Länder) authorities responsible for Cohesion Policy and R&I. It provides a communication space for Managing Authorities, H2020 Programme Committees and NCPs, advice services including the Enterprise Europe Network (EEN), key stakeholders and potential applicants. Results of the dialogue are fed back into the national policy arenas to kick-start new activities and maximise the impact of activities. This structured and open dialogue fosters the commitment of key actors by concretely addressing societal challenges, specific instruments like public procurement for innovation, or key target groups such as higher education institutions. Thus, the German synergies dialogue has the potential of carrying forward R&I topics of common political interest in Germany at national and Länder level to and from the European policy arena. Yet, its success depends on the readiness of all actors to take new paths³⁴.

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. Some early (1990s) quite significant disconnects between Government Departments who had a functional responsibility for sectoral R&D (e.g. Health, Marine, Agriculture, Energy, Environment, Telecommunications) and those Departments who funded research in Universities for education and training and industrial application purposes (Education and Enterprise Development³⁵ respectively) resulted in the establishment of an IDC for S&T. Motivated and chaired by the Enterprise Development Department, the role of the Committee is to ensure that each Government Department will be aware, informed and consulted about all plans and investment decisions of all other Departments (with an RTDI budgetary function). Importantly, the Finance Department is also a member of the IDC – responsible for the allocation of all Department RTDI budgets and with overall policy responsibility for the Structural Funds and primary responsibility for ERDF. Other functions, apart from communication, consultation and co-ordination, of the IDC inter alia include:

- The development of a national position with regard to Ireland’s position and priorities for EU Framework Programmes
- The development of national STI Strategies (e.g. Innovation 2020 in Dec.2015) and Priority Setting exercises (e.g. RIS3)
- Recommendations to Government regarding Ireland’s membership of international organisations (e.g. CERN)

Impacts include

³⁴ Edwards, J.H. and Hegyi, F.B., (2016). *Smart Stories-Implementing Smart Specialisation across Europe*. Joint Research Centre, Spain: European Union, JRC101314. Available from: <file:///C:/Users/Office3/Desktop/LFNA27891ENN.en.pdf> p. 20

³⁵ After each General Election in Ireland the Department responsible for industrial development invariably undergoes a name change so the name Enterprise Development is used here as a generic term

- ensuring a “coherent, joined up Innovation System” (ref. Innovation 2020)
- avoidance of duplications, improvement of synergies
- deepening of culture of co-operation and co-ordination across Departments
- reinforcing the belief that STI is a cross-cutting economic and social theme³⁶
- 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.

5. CHALLENGES

Challenges due to funding rules and timing

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?

³⁶ Contribution by Helena Acheson

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?

Appendix 1: Definitions³⁷

'**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. $1+1>2$).

'**Complementarity**' is distinct from synergy in that it does not require interaction between the two entities or processes, nor does it require the outcome of this interaction to be greater than the value of their individual effects. Complementarity assumes distinct operations or spheres of responsibility, non-contradiction of outcomes, and also a common goal to which all efforts are directed. In mathematical terms, complementarity can be represented as: $1+1=2$.

'**Coordination**' is a mechanism or process by which information is shared about different policy resources, goals, processes and timelines so that efforts should not undermine or duplicate each other. Under EU-funded instruments, it can occur across or between EU, Member State or sub-national levels.

'**Coherence**' is concerned with the quality of being logically integrated and consistent. As such, it implies clear goals, and consistency in applying multiple policy or programme efforts towards achieving that goal in a non-contradictory way. This does not automatically equate with interaction between entities or processes but only requires that outcomes do not undermine efforts from other spheres.

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.

Policy synergy can occur where two organisations articulate their policy positions and implement their influencing strategies in an interactive way.

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.

³⁷ Ferry et al. (2016)

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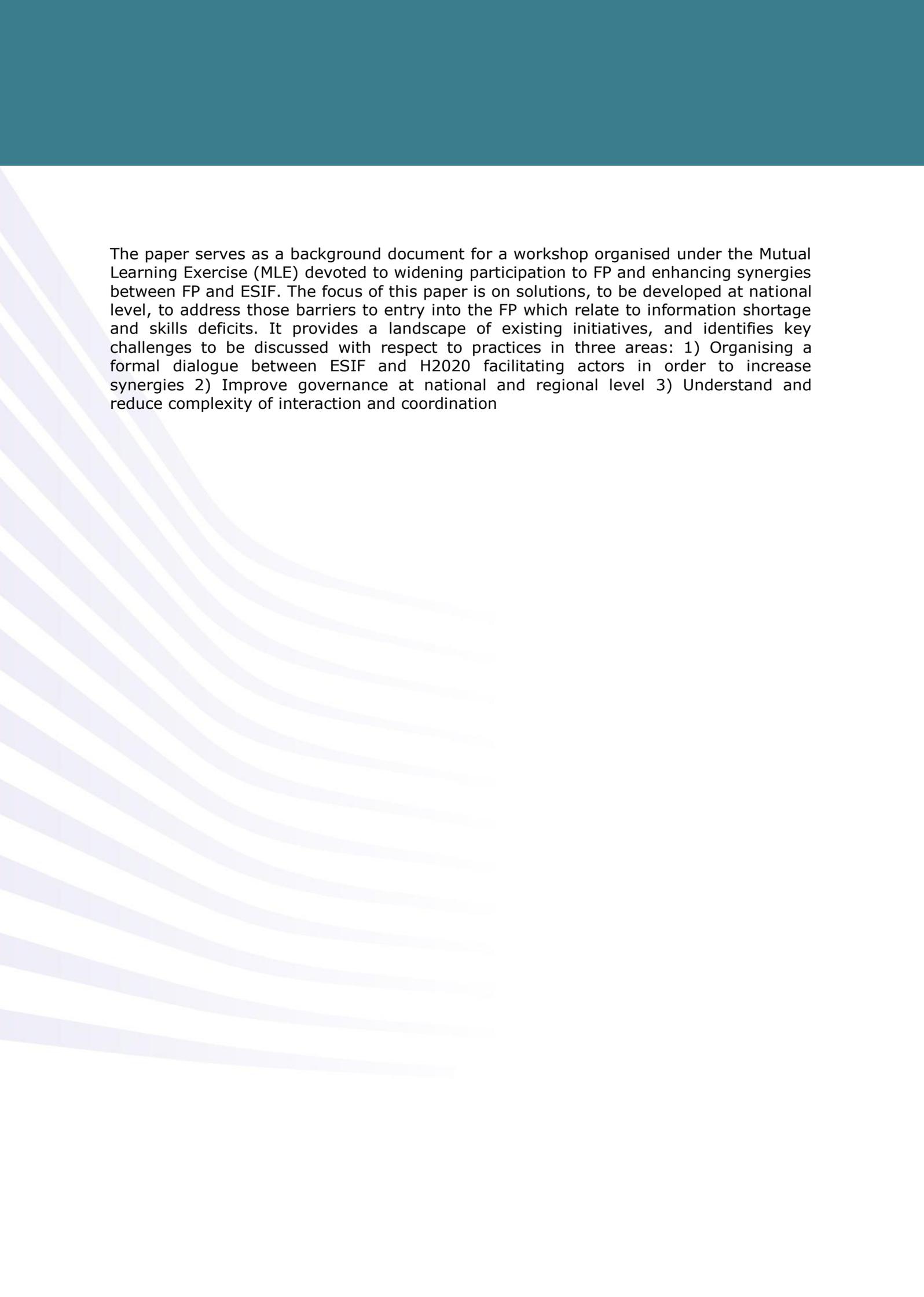
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The paper serves as a background document for a workshop organised under the Mutual Learning Exercise (MLE) devoted to widening participation to FP and enhancing synergies between FP and ESIF. The focus of this paper is on solutions, to be developed at national level, to address those barriers to entry into the FP which relate to information shortage and skills deficits. It provides a landscape of existing initiatives, and identifies key challenges to be discussed with respect to practices in three areas: 1) Organising a formal dialogue between ESIF and H2020 facilitating actors in order to increase synergies 2) Improve governance at national and regional level 3) Understand and reduce complexity of interaction and coordination