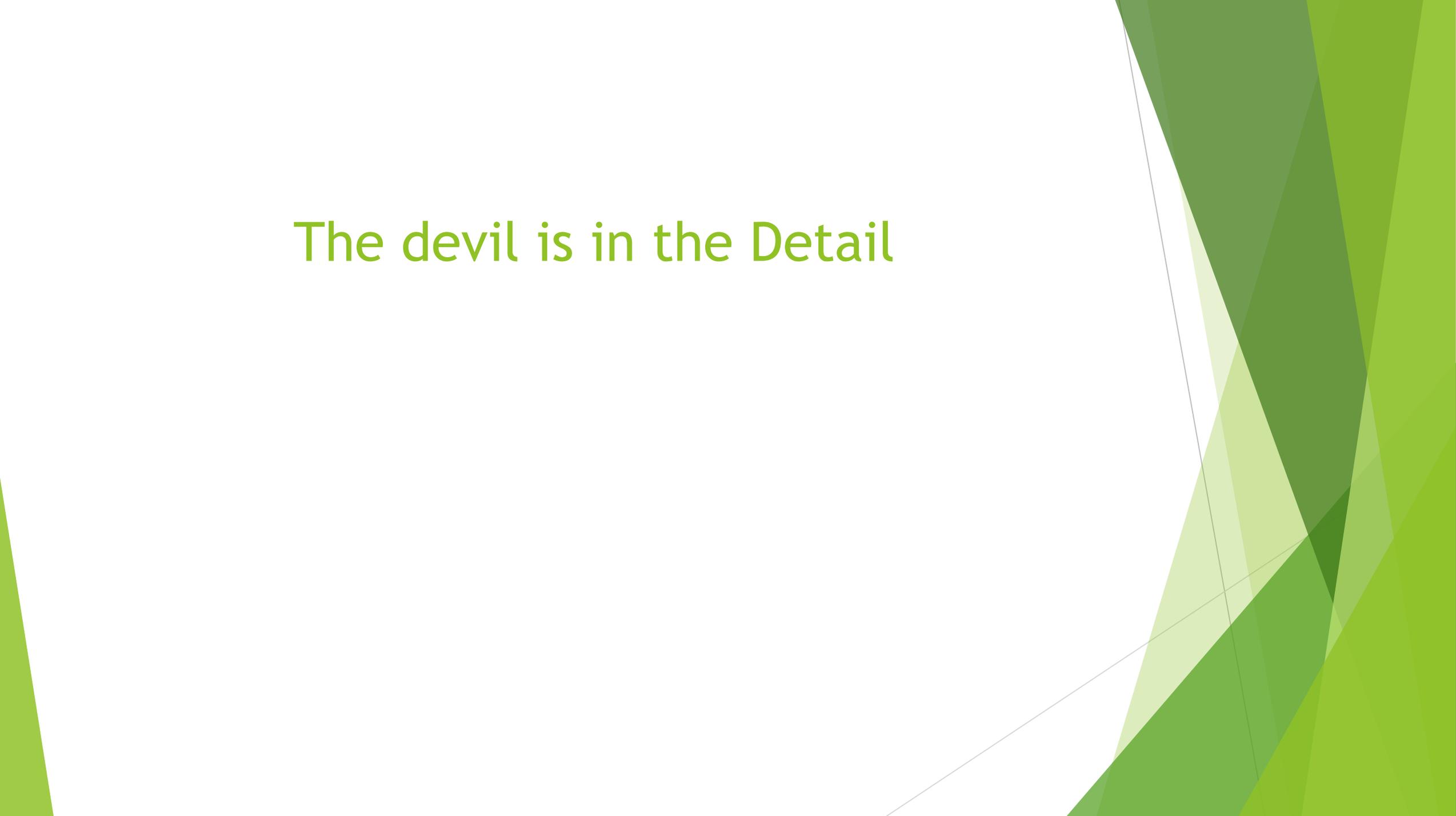


# Synergies at an Operational Level between National MA and FP authorities'

Mutual Learning Exercise on  
National Practices in Widening Participation and Strengthening Synergies  
under the Horizon 2020 Policy Support Facility  
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Lena J. Tsipouri  
NKUA

The devil is in the Detail

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the right side of the frame, creating a dynamic, layered effect. The rest of the background is plain white.

# Outline

- ▶ Clarifications: Target, principles and issues
- ▶ State Aid Rules
- ▶ Rules of participation (real synergies at operational level)
- ▶ Interreg and Cofund
- ▶ EIB
- ▶ Good practices

# Target of Topic 7

Maximising synergies under constraints at the operational level is a matter of attitudes and capabilities of the many actors involved

So, the main message of topic 7 is that *a careful allocation of ESIF* (mainly ERDF and ESF) *and non-ESIF* (purely national funds originating from other resources **including the EIB**) *is needed to ensure synergies and maximisation of H2020 success.*

# Clarifications

	Origin of funds	
<i>Who is managing</i>	<i>EU</i>	<i>National</i>
<i>EU management</i>	H2020	EIB/EIF
<i>National Management</i>	ESIF (with EU constraints)	National Budget

# Clarifications

State Aid rules

Deterministic

Likelihood of success

Additionality

(absolute performance, competence and excellence)

(excellence; relative performance)

Rules (specific issues)

National funds (origin)	National funds (ESIF)	H2020
EIB loans	EIB (Jeremy type)	



Some model suggestions (COFUND etc.)

# To complicate matters: national rules (goldplating or not)

Synergies by luck versus synergies by design

Breaking silos is the necessary but not sufficient condition to achieve synergies

**An (impertinent) hypothesis:**

**The less national rules the more synergies can be achieved (getting closer to sufficient conditions)**

# Target of Topic 7

- Facilitate co-funding by different sources (H2020 - ESIF - **EIB - national funds**) to ensure building up an effective R&I ecosystem
- Increase H2020 participation (Widening)
- See how synergies can be obtained or **are hampered** (Good practices versus Usual Practices)

# Synergies: H2020 - ESIF (via National Funds)

- ▶ Synergies between ESIF and Horizon 2020 programme are strongly encouraged in order to maximise the impact of investment in R&I and ensure the efficient use of the available funding.
- ▶ At the operational level this is reflected in the **financial resources** 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).
- ▶ **The Operational level starts with breaking silos**

# Guiding principles

## ***EU***

- ▶ Competition / State Aid Rules (applicable for ESIF only not H2020)
- ▶ Additionality Principle (applicable for the combination of ESIF/H2020)
- ▶ Funding rules
- ▶ Audits (different provisions)

## ***National/regional level***

- ▶ Additional constraints that vary (e.g. level of salaries; timesheet working hours that differ from EU rules)
- ▶ Different audit rules

# Guiding principles and special provisions

- ▶ Competition / State Aid Rules (applicable for ESIF only not H2020): Money coming from ESIF have to respect exactly the same State Aid rules as national funds
- ▶ Additionality Principle (applicable for the combination of ESIF/H2020): *the financial allocations from the Structural and Investment Funds may not result in a reduction of national structural expenditure in those regions, but should be in addition to national public spending*". This means that national funding originating from ESIF (as earmarked by the PA and OPs) is not considered equivalent to national matching funds in several H2020 support schemes
- ▶ **Special provisions**

# Key issue: who are the Actors

At national level they may share a vision and objectives, but they also have individual targets, perceptions and organisational-specific concerns or restrictions. In this spirit expectations differ

- ▶ Managing Authorities of the Structural Funds trying to maximise fund absorption and ensure legal compliance and having the final say on interpretation of rules
- ▶ National R&I funding agencies interested in maximising R&I input, output and impact)
- ▶ R&I teams interested in maximising their funding opportunities and minimise bureaucratic burdens.

# State Aid (rules)

- ▶ Framework - 2014, specifying how to apply State Aid for R&D&I (type of support allowed, calculation of intensities)
- ▶ De Minimis
- ▶ Block Exemption

*it seems that national authorities, in particular those with lower management/ administrative potential, would rather avoid the notification procedure and adopt the provisions of GBER as their policy.*

**Synergies are not mainstream**

Researchers and operating authorities are in favour of a broad interpretation, while legal departments both at the national and the EU level tend to adopt narrow interpretations.

# State Aid (constraints)

- ▶ for their interaction with market activities publicly funded research organisations are expected to distinguish between funding required to comply with their purely public research and teaching activities and activities that can benefit the business sector.
- ▶ Some stakeholders consider the State aid rules as a potential barrier to the inclusion of private sector partners into the design, financing and implementation of Research, Development & Innovation (RDI) infrastructures in the **Czech Republic**,
- ▶ Difficulties of implementation for clusters, science parks etc.
- ▶ Difficulties for implementation of SoE (2<sup>nd</sup> phase and 1<sup>st</sup> for companies that have already exceeded the De Minimis threshold)
- ▶ Difficulties to support start-ups **Estonia** successfully has used public procurement to support start-ups in ICT

# Rules of participation

- ▶ Timing (coinciding or not; relevance of internal rules of ESIF payments)
- ▶ Rules (who can fund what)
- ▶ Audits (connected to both rules and timing)
  - ❖ Convergence of audits
  - ❖ Who audits

# Rules of participation (Synergies as funding issues)

- ▶ Through 'upstream actions' to prepare stakeholders to participate in Horizon 2020, and 'downstream actions' to exploit and diffuse research and innovation results, developed under Horizon 2020 and previous programmes, (Annex 1 to the Common Provisions Regulation (EU) No1303/2013. COM 2017-376)
- ▶ Face synergies at three levels, at least: (a) sequential (labs built under ERDF and then participating to FP), (b) parallel (the labs manage to combine at their level the various available sources), (c) simultaneous and additive (large and complex projects, requiring investment and operational funding).
- ▶ The case (a) seems has very few problems in implementation. The case (b) presents various problems, resulting from regulations of FPs, ESIF, EIB and Competition, such as topping up etc. The case (c) requires not only multiple sources of funding but also highly educated and motivated civil servants and organizationally upgraded managing bodies (policy makers and managing authorities of ESIF). It starts with breaking silos.

# The dimensions of the operational level

	Design is the main prerequisite for good operation (breaking silos)	Implementation Bottom up
Sequential funding	Key issue timing	Systematic micro-management by research teams
Simultaneous funding	Key issue: eligibility	Funding agency design
Large projects	Key issue: complexity	Champion
Audits	H2020: Problem of the beneficiaries ESIF: MA	

# *Partnership Instruments (PIs)*

Public-to-public (ERA-NETs, Article 185 Initiatives, Joint Programming Initiatives and European Innovation Partnerships), Public-Private Partnerships (European Technology Platforms, Joint Technology Initiatives, European Innovation Partnerships and Contractual Public Private Partnerships), as well as the special cases of Future Emerging Technologies and the European Institute of Technology.

ESIF can be used for ERA-NET Cofund but no ESIF contribution can be taken into account to calculate the Horizon 2020 contribution (33%). The total budget of the joint call or additional joint calls may include ESIF, provided that they are **not declared as eligible costs and are not used for calculating the topping-up by Horizon 2020 grants.**

Individual rules described in the paper - good practices for PI??

***Participation fees*** in the form of annual contributions (Ris or international organisations not allowed)

# EIB/EIF

- ▶ Practically national funds
- ▶ InnovFin Advisory
- ▶ Combined R&I loans guaranteed by the State

# Good practice

- ▶ **The example of the Leibniz-Institute for Plasma Science and Technology - INP Greifswald:** The Institute's strategy is to become the leading institution in low-temperature plasma physics in Europe and for this it needs the best laboratory equipment, attraction of excellent scientists, cooperation with 'the best' and ensuring Knowledge and technology transfer - from ideas to prototype. The institute has linked its future activities in the RIS3 and planned a long term strategy of operational synergies including:
  - ▶
  - ▶ Access to FP7 Capacities (Project Plasma Shape)
  - ▶
  - ▶ ERDF investments for Technology - open promotion of R&D&I in enterprises and acceleration of Knowledge and Technology Transfer
  - ▶
  - ▶ H2020 for upgrade of applied research infrastructure.

# Challenges

- ▶ State Aid rules: How do you treat the “economic versus non-economic activities” of HEIs and PROs? Do the State Aid rule in this case act as barriers to supporting business-academia cooperation?
- ▶ Are the current rules of top up (by the Commission) and membership fees (from ESIF) a barrier to enlarge participation in Partnership Instruments and EIT KICs/CLCs?
- ▶ Are you using the EIB/EIF R&I support instruments (including ESFI) for Research Infrastructures?