



REPUBLIKA SLOVENIJA
MINISTRSTVO ZA IZOBRAŽEVANJE,
ZNANOST IN ŠPORT

ESIF – H2020 Teaming Synergy

Programming and Operational aspects

mag. Urban Krajcar
Directorate of Science
Slovenia

Zagreb, 6th -7th of February 2018

Programming of the Synergy

- Designing the idea of a „ESIF – H2020“ synergy within OP negotiations
- Scanning of the most suitable H2020 mechanisms, following the line of the national R&D policy priorities (and future ESIF R&D investment plans)

WHY Teaming?

It is an excellent opportunity...

1. the goal of the H2020 instrument is in line with the ESIF perspective (boost (trans-)regional growth)
2. for strengthening the national research environment
3. of acquiring/obtaining knowledge from the foreign champion
4. of establishing a critical mass of scientific excellence in the chosen field (RISS /vs. NRRI /vs. S4)
5. a possibility to purchase additional research infrastructure, synergetically through ESIF goals

Setting the Scene - Teaming Scheme

Design Outline

Phase 1: Funding the development of a **Business Plan** for the new/upgraded Centre of Excellence facilitated by a teaming process with a leading counterpart in Europe

Proposals (Phase 1): Demonstrate a long-term science and innovation strategy of the future Centre

- Outline how this strategy broadly fits **with the RIS3 of the Widening country**
- Demonstrate that the project is based on a true joint venture between the parties

Phase 2: Subject to the **quality of a Business Plan, and the financial commitment for the project from other sources**, the Commission may provide further substantial financial support **for the first steps of implementation** of the Centre

Proposals (Phase 2):

- Business Plan (Phase 1 deliverable) **with robust financial commitments (national/ESIF/private funds)**

Teaming- lessons learned at H2020 level

Successful proposals marked by:

- Clear objectives / vision / excellence, strategic engagement in a path of innovative growth
- Well-chosen, carefully structured partnership & strong engagement from parties
- Long term science and innovation strategy
- Broad alignment with national /regional Smart Specialisation Strategies
- **Long term financial commitments of relevant authorities**
- **Clear strategy on resources handling**

For the next call proposers should:

- Better clarify their vision
- Make clear pointers to integration with medium to long term growth strategies
- **Have clear plans on organisational and resource related issues**

Teaming and ESIF synergy- Slovenian case

Facts – RISS+ESIF part:

- within H2020 Teaming scheme infrastructure is not financed,
- infrastructure is an expense that „seems“ most easily targeted by the national co-financing synergies
- proper infrastructure is a precondition to implement the Teaming H2020 project R&D (first infrastructure - than R&D delivery), therefore

- 1. Timing is crucial: SIMULTANEOUS synergy type chosen**
- 2. proper planning of ESIF procedural steps prior financing needed**

Facts- SA part:

- H2020 Teaming project is decided non-state aid at the European/central level
- involving national financing the instrument **could** fall within (or out) of the state aid notion, therefore

2. Timing is crucial - proper planning of SA procedural steps prior financing needed – negotiations with SA MA

Challenge: Find the optimal way to most favourably implement the variety of aspects.

Operational variables to tackle

- ESIF restrictions to H2020 allowances
- State aid issues to national funding
- National assets:
 - Different timeline of instruments at different levels
 - Different terminology (on the very same notions – project, infrastructure, applicant)
 - Different proposal assets (on expenses outside H2020 eligibility, the H2020 proposal documentation is not structured enough)
 - Different eligibility criteria – the champion is a strong foreign RTO (ESIF with the „place of establishment“ rule and national regulative on R&D has extra limits to the H2020 international perspective)
 - Other

Simultaneous ESIF - H2020 synergy (steps)

1. Planning Teaming synergy already within the OP design:

- No ideal control on the state of the Art (project ideas + region of implementation) on the field
- Unknown number of projects proposal programmed for submission (on long term through all H2020 WP)
- Limitations to comprehensive planning according to RISS/NRRI/S4
- Risk factor on planning, due future uncertainty enhanced also by speculation on success

Scarse possibility of state of the art control when planning on a programme level

2. Letter of support issued by Governmental decision

3. Conclusion of phase 1- First notion of the actual business plan and its quality

- Details on the RISS/NRRI/S4 priority financed take shape
- Uncertainty on ESIF absorption

4. News: **SUCCESS**

- One out of two promising Project proposals (passed)
- H2020 project enters in GA negotiations with EC (can shortly start with planned activities and start absorbing centralised funds)
- At national level the CoE (establishment of a new legal entity) is submitted to Governmental decision
- Green light to ESIF phase implementation (of the administrative procedure)

4.1 State of the Art

ESIF perspective:

- The investment documentation (subject to extra costs) has to be prepared under national regulation (not specifically included in the H2020 proposal)
- The H2020 consortia is international and
 1. needs adjustment to cohesion financing rules
 2. ESIF funds go in nationally (regionally) based RTO (exception 15 percent)
 3. national funding for national public RI
- Primary need to invest in RI in order to fully deliver the H2020 project –timing is crucial

SA perspective:

- Teaming instrument basically promotes boost of innovation and R&D services to the market
 - 1.Promotes economic activity of the RTO
 - 2.Teaming ecosystem needs to be precisely build up in order to decide SA's most favourable context
- Prompt involvement of the Financial Authority in charge of SA

MA and national budget perspective

1. some risk factor on the regional absorption performance, due to uncertain „destiny“ of the H2020 proposals

- speculative nature of the result
- speculative number of actions financed
- short time to adequate and reallocate (long procedure of realising the fact if the ESIF investment, have the chance to be realised)
- substantial investment for co-financing synergy expected
- consequently – some risk factor for budgetary planning

versus

2. National budgetary rules support low risk and pre-made analytically supported planning, especially on investments on larger scale

3. National sectorial (R&D) regulation supports horizontal national policy, not narrowly prioritised financing limited to a single priority – possible expectations of investments on larger scale from other priorities

Lessons learned...?

- Programme planning (within OP) limited by a pre-defined intervention logic upon uncertainty aspects (a clear and concise prioritising strategy on financing landscape - visavie all possible combinatorics on aspects in winner situations)?
- Enter in discussion of financing details between phase 1 and phase 2, unconditioned by the uncertainty fact (waste of time, energy, no or speculative base for negotiation)?
- Include in kind RI (in order to enable a prompt start of the project unconditioned by the RI investment implementation) ?

General SUM UP (on synergies)



Major policy challenges on synergies

- how to optimise at best by merging and aligning a sustainable ecosystem of policies (taking into account different existing policy area perspectives, instruments and systems);
- how to integrate and align at best the always growing EU and international policy context (crossborder and transnational, national, macroregional, and specific policy priorities from oriented PPPs).

How?

- Passing from strict procedural ESIF-H2020 synergy concept to a larger perspective
- Studying existing models and upgrading targeting all three levels of interest:
 1. Synergies on financial sources (H2020 (EraNets), Territorial- Interreg, ESIF, national...)
 2. From synergies on the same project to synergies on the idea as a whole
 3. Cross-sector Synergies

*EC: »In the process of promoting synergies, **three levels of action have to be considered in a combined way: strategic, programming and project level.** The strategic and programming levels are of crucial importance to secure continuity in policy and a long-term vision and determination in the strategy implementation. In fostering synergies, the stimulation of strategic cooperation between public authorities responsible for the design of programmes is indispensable as is coordinated investment in research and innovation in the identified priority fields supporting competitiveness and growth. The Common Provisions Regulation for the ESI Funds stresses the strategic and programming synergies; in particular, it has made synergies a compulsory element of the Smart Specialisation Strategies that chart out the priorities for ERDF investments in the current programming period . At project implementation level, impact on added value for the regional economy has to be ensured.»*

Source: <https://ec.europa.eu/research/regions/index.cfm?pg=synergies>

Position of Slovenia for the future

- The combination of ESIF and next FP funds shall be strongly promoted in all cases when objectives and targets are aligned;
- The same state aid rules should apply to projects positively evaluated in EU-width competition;
- Mechanisms and schemes shall be developed on the system level, already in the programming phase of the next perspective (at least some pilot ones);
- Harmonized instruments to address societal challenges through different existing financial instruments.

Despite of the fact that financial sources are the the facto object on which synergies apply, there is a vast area within governance, that can by aligning, achieve at least as much effect as the first one. We do believe that by effective alignment of policies an automatic synergetic effect would be reflected in the optimised use of FP, national, ESIF and other funds in order to deliver common objectives.