A new name for the new Structural Funds

ESIF: European Structural and Investment Funds:

* **Regional Policy** (DG REGIO: Regional & Urban Policy)
  - **ERDF**: European Regional Development Fund (→ activities)
  - **CF**: Cohesion Fund (→ “basic” infrastructures, not for R&I)

* **Social Policy** (DG EMPL: Employment and Social Affairs)
  - **ESF**: European Social Fund (→ people)

* **Common Agricultural Policy** (DG AGRI: Agriculture and Rural Development)
  - **EAFRD**: European Agricultural Fund for Rural Development

* **Common Fisheries Policy** (DG MARE: Maritime Affairs and Fisheries)
  - **EMFF**: European Maritime and Fisheries Fund
EU 2020: a new context for 2014-2020

- **ESIF will focus on Europe 2020** objectives for smart, sustainable and inclusive growth,

- **Common list of 11 thematic objectives for ESIF** developed around the Europe 2020 priorities

- **Thematic concentration for maximising impact**: minimum shares for research and innovation through ERDF

- **Ex-ante conditionality**, e.g. existence of a **Research and Innovation Strategy for Smart Specialisation (RIS3)**.

- **All regions are mobilised** with a geographical concentration of the budget on the less developed regions (and higher cofunding rates).
A fair system for all EU regions (eligibility simulation)

GDP/capita*  < 75% of EU average  75-90%  > 90%

*index EU27=100

Cohesion Policy 2014-2020 (ERDF, CF & ESF)

3 categories of regions
- Less developed regions
- Transition regions
- More developed regions

Regional GDP figures: 2006-07-08
GNI figures: 2007-06-09
© EuroGeographics Association for the administrative boundaries
Key messages for designing RIS3

1) Beyond obligation, connection will all objectives
2) An interactive process, not a top-down EU mapping
3) Combine thematic areas & cross-cutting activities
4) Facilitate synergies between EU funding sources
5) Logical links with ERDF Operational Programmes (OPs)
6) Need for consistency at national level
7) Need for consistency at macro-regional level
8) Work before the approval of the Regulations

Disclaimer: Regulations are not yet adopted!
ESIF / Thematic Objectives (TOs) 2014-2020

1) Research and innovation (ex-ante conditionality: RIS3)*
2) Information and Communication Technologies (part of RIS3)*
3) Competitiveness of Small & Medium-Sized Enterprises (SME)

4) Shift to a low-carbon economy
5) Climate change adaptation and risk management
6) Environmental protection and resource efficiency
7) Sustainable transport and major network infrastructure

8) Employment and support for labour mobility
9) Social inclusion and poverty reduction
10) Education, skills and lifelong learning
11) Institutional capacity & effectiveness of public administration

(*) need for consistency with the other objectives
TO-1: ERDF Investment Priorities (IP-1)

Strengthening research, technological development and innovation (TO-1 / IP-1):

- **Enhancing research and innovation (R&I) infrastructure and capacities** to develop R&I excellence and promoting centres of competence, in particular those of European interest

- **Promoting ... investments in R&I, developing links and synergies between** enterprises, R&D centres and higher education, in particular product and service development, technology transfer, social innovation and public service application, demand simulation, networking, clusters and open innovation through smart specialisation ...

**supporting technological and applied research**, pilot lines, early product validation actions, advanced manufacturing capabilities and first production in Key Enabling Technologies and diffusion of general purpose technologies.
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Key elements of RIS3

RIS3 is an entrepreneurial discovery process leading to an economic transformation of the regions, based on:

- **selecting priorities** based on existing and potential competitive advantages, to be reinforced and diversified (SWOT analysis)

- **Mobilizing and developing R&I potential** for meeting business needs & capacities (critical mass, cross-cutting links between sectors which drive technological diversification)

- **Targeting emerging market opportunities and promoting cooperation** between regions to avoid fragmentation and duplication of efforts

- **Involving public/private stakeholders & funding sources:** authorities and bodies concerned by the different EU policies (ERDF, Horizon 2020...); representatives of universities, research centres, businesses and civil society
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Hypothetical Structure of a RIS3

RIS3 Priorities:
- Thematic Areas (TA)
- Cross-Cutting Activities (CCA)

Technical Assistance may be used to develop and monitor the RIS3
Step 1: Analysis of regional potential for innovation-driven differentiation

Step 2: RIS 3 design and governance – ensuring participation & ownership

Step 3: Elaboration of an overall vision for the future of the region

Step 4: Selection of priorities for RIS3 + definition of objectives

Step 5: Definition of coherent policy mix, roadmaps and action plan

Step 6: Integration of monitoring and evaluation mechanisms

Steps to RIS3
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RIS3: a framework to facilitate coordination between priorities (IPs), programmes (OPs) and funding sources (EU, national, regional)

- Different funding sources can contribute to RIS3
  - National Funds
  - Regional Funds
  - ERDF, ESF

- Synergies
  - Other EU funds, Ex: Horizon 2020
  - EAFRD: Rural Development

- Pour les priorités autres que PI-1 (R&I): PO nationaux et/ou régionaux éventuels

- Coordinate several strategies
  - Research
  - Higher Education
  - Innovation
  - Entreprises
Possible scenarios combining ESIF & Horizon 2020

Sequential approach:

- ESIF projects enabling Horizon 2020 projects ("upstream")
- Horizon 2020 projects enabling ESIF projects ("downstream")

Simultaneous approach:

- ESIF and Horizon 2020 used in the same project
- ESIF and Horizon 2020 used in parallel projects

ESIF substituting Horizon 2020 funding
RIS3 / OP: synergies with Horizon 2020

RIS3 = IP-1 (R&I)

- OP: capacity building for submitting to Horizon 2020 projects reinforcing competitive advantages in line RIS3 (infrastructures, skills, partnerships)
- OP: in priority areas for RIS3, support to ERDF projects turning results from Horizon 2020 projects into innovation
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National & regional authorities involved in RIS3 need information about Horizon 2020!

Theoretical example

Combining ESIF and H2020 funding is facilitated: see articles 55(8), 60(2) & 87(2.c.v-vi)

Cooperation between authorities involved in RIS3 / OP e& RTD-I
Opportunities for combining sources of funding: Articles 55(8), 60(2) and 87(2)(c)(v&vi)

**Same project supported by different funds** [Art.55(8), CP Gen.Reg.]
→ possible for different expenditures items *[ex-ante identification of expenditure items and assignment to one source could be discussed]*

**Support outside of the programme area** [Art.60(2), CP Gen.Reg.]
→ possible up to 10% (at priority level) *[1%-15%]*: useful for enabling combined support from CP & H-2020 to partners in different countries.

**Support from different operational programmes**
→ Enhanced possibility to use CP in the framework of the arrangements for interregional and transnational actions in mainstream OP [Art. 87(2)(c)(v&vi) of proposed Gen.Reg.), on the basis of the opportunities offered by the provisions of the above mentioned Art. 55(8) and Art. 60(2).

*pm: Art. 87(2)(c)(v) concerns interregional and transnational actions and Art.87(2)(c)(vi) concerns macro regional strategies and sea basin strategies*
Simplified costs options: Articles 54, 57, 58 and 98

→ Similar eligibility rules proposed for simplifying the financial management: lump sums, flat rates & scales of unit costs possible under both policies for funding direct/indirect costs without providing documents proving real expenses.

→ Reduction of the administrative burden for the beneficiary managing the same project with a support coming from different funds or managing several projects supported separately by different funds.

Annex 1 – Common Strategic Framework, item 4.3. (modified proposal)

→ MS and the Commission shall pay attention to strengthening coordination and complementarities between CSF Funds & H2020,

→ The authorities directly concerned by H2020 shall be closely associated in the RIS3 process

→ MS shall make a full use of the provisions in this regulation for combining the CSF Funds with those under H2020
Process for designing & implementing ERDF rules: how to facilitate synergies in this process?

- **At policy level**: The objective of the ERDF Regulation is to improve the regional economy in terms of competitiveness, growth and jobs. Therefore, ERDF can only support research projects contributing to this objective. It cannot support projects for "purely" scientific purposes.

- **At RIS3, PA & OP level**: The authorities involved in designing and delivering RIS3 / PA / OPs should work together with the authorities and bodies involved in designing and implementing R&I policies, in particular for facilitating cooperation with enterprises through clusters.

- **At project level**: For using ERDF, R&I project managers have to contact the ERDF Managing Authorities (MAs) to explain the impact on the regional economy (links with innovative industries, spin-offs, etc). Possible funding will depend on the regional priorities, budget planning, timing and procedures.

- **About operational costs**: Annual operational costs of research organisations are nor eligible as such. Only operational costs included in a project supported by ERDF are eligible to ERDF. It can include the part of overheads linked to this project.
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RIS3 / ERDF OPs: different but linked

EU level: ESIF Gen. Regulation, ERDF specific Regulation, ...
National level: Partnership Agreement for ERDF

Hypothetical example

CCA-1: promoting innovation in SMEs (KETs, incubators, demonstrators, pilots, ...)
CCA-2: improving skills for innovation (training, mobility, innovation management, ...)
TA-1: Bio-economy (to be specific)
TA-2: Energy (to be specific)
TA-3: Health (to be specific)

EAFRD OP
ESF OP / Horizon 2020
National / Regional Funds

ERERDF

OP not linked to RIS3 only outside of IP-1: micro-finance for SMEs, energy, environment, risk prevention...

OP not acceptable!

RIS3 → IP-1 (R&I)
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RIS3: national and/or regional level?

Partnership Agreement (national level)
OPs are possible at national level ...

RIS3 is possible at National level
It is necessary if a National OP covers R&I

Need for consistency between regional RIS3 and the national level

Hypothetical example

- RIS3 Region A
- RIS3 Region B
- RIS3 Region C
- RIS3 Region D
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Example: Danube Region

The situation of the Danube Region is characterised by:

- Insufficient spending on R&I
- Low participation in RTD Framework Programme (FP7)
- Significant brain drain
- Uncompetitive R&I infrastructure

In the framework of the EU Strategy for the Danube Region:

- A joint RIS3 could be designed, consistent with the National and regional RIS3, for improving this situation,
- An agency (or similar entity) could be set up to implement this joint RIS3 through coordinating the use of regional, national and EU funding sources (ERDF, Horizon 2020, ...),
- This agency could be inspired by the experiences in the Baltic Sea Region (Art 185 programme “BONUS”) and in South East Europe (SEE ERA-NET+).
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Thematic guides

- RIS3 guide
- Incubators
- Universities & regional development
- Broadband – to be updated by CNECT
- Service innovation
- Creative industries
- Green growth
- Entrepreneurial mind-set
- Social innovation

See: http://s3platform.jrc.ec.europa.eu/s3pguide
http://s3platform.jrc.ec.europa.eu/guides
Sources of advice & information

- **CIP:** [http://ec.europa.eu/cip/index_en.htm](http://ec.europa.eu/cip/index_en.htm)
- **S3-Platform:** [http://s3platform.jrc.ec.europa.eu/home](http://s3platform.jrc.ec.europa.eu/home) (for all EU regions!)
- **ESF:** Managing Authorities for the Operational Programmes [http://ec.europa.eu/employment_social/esf/index_en.htm](http://ec.europa.eu/employment_social/esf/index_en.htm)

**Contact the information centres & the MAs in the MS**

- **EEN – Enterprise Europe Network:** for FP7 and CIP
- **NCP – National Contact points:** for FP7; for CIP (energy & ICT)
- **SF – Managing Authorities:** contacts & OPs summaries in web-sites; funding depends on their budget planning, timing and procedures.

*Thank you for your attention!*