

## **EARTO Press Release**

### **Kallas Report, First Steps Towards a New Approach to Cohesion Policy**

Brussels, 12 July 2017

Having provided inputs to its making, EARTO very much welcomes the [Report](#) of the High-Level Expert Group monitoring simplification for beneficiaries of ESI Funds chaired by Mr Siim Kallas. The Kallas Report gives the first recommendations on which principles the future European Structural and Investment Funds (ESI Funds) could be based on for the post-2020 period. Recommendations on implementation regarding single audits and more efficient management are particularly welcome. The simplification and streamlining trends presented in the Report are of utmost importance.

In addition, EARTO would like to emphasise the Report's statement that it is "*vital to ensure effective coordination between state aid rules and ESI Fund regulations*" and that it is time to break down the "*practical difficulties limiting synergies with Horizon 2020*". Within its mandate, the Kallas Report focuses on improving the general principles of ESI Funds to ensure simplification; it does not look at future programming or contents. Based on this report's well-rounded conclusions, it is now time to step-up our thinking on the new EU actions needed to further align EU R&I and Regional Development policies in the next EU financial period.

As stated in our earlier [paper](#), ESI Funds and the R&I Framework Programme are different in their philosophy, objectives and nature which makes finding practical synergies a real challenge with today's programmes. The RIS3 ex-ante conditionality has been a first step towards promoting regions to develop a proper R&I strategy. However, more is needed in terms of programming complementarity between the R&I Framework Programme and the Structural Funds. This will allow further implementation of the RIS3 strategies defined by regions than is available today under the Seal of Excellence or the Widening Participation Programme under Horizon2020. We believe the next steps should be looked at as part of the review of Structural Funds.

With the current post-Brexit political context, the EU is entering in a challenging phase regarding its future budget; focus on spending impact is of high and proper concern. This gives the opportunity to DG REGIO and DG R&I to further develop new programming for the next period aiming at real complementarities around tangible investments needed for innovation infrastructures (so-called demonstrators, test-beds, technology platforms, innovation hubs, pilots, open pilot lines) as well as intangible investments linked to these assets.

The setting up of dedicated tools for innovation infrastructures is crucial, that complement both R&I Framework and ESIF Programmes, with excellence and territorial cooperation as joint focus. There is a real need to establish a pan European network of innovation infrastructures aiming at improving awareness and allowing an easy access cross-borders/cross-regions to industries, especially SMEs. This will involve:

- Mapping of existing innovation infrastructures (for e.g. within EU RTOs as already initiated in the KETs context).
- Identifying most pressing technologies.
- Defining needs for pilot plants.

Planning on the European scale to build critical mass should be the role of R&I Framework Programme, while Structural Funds could further align and leverage the necessary investments to maintain and develop these infrastructures at regional level.

Understanding the challenges linked to those infrastructures will be key for the Europe's future. Without a clear overarching policy on innovation infrastructures covering both R&I Framework Programme and Structural Funds, supported by a proper R&I state-aid framework, any EU strategy on regional development based on innovation will fail to sustain EU R&I actors to 1) support EU industries cross-borders, especially SMEs and 2) to compete with global players.

The Kallas Report is a very welcome first step to ensure that the funding of potential beneficiaries can be simplified in the next financial period. EARTO hopes for continued discussions around a new way of developing the links between EU R&I and Regional policies.

**EARTO - European Association of Research and Technology Organisations**

*Founded in 1999, EARTO promotes Research and Technology Organisations and represents their interest in Europe. EARTO network counts over 350 RTOs in more than 20 countries. EARTO members represent 150.000 highly-skilled researchers and engineers managing a wide range of innovation infrastructures.*

**RTOs - Research and Technology Organisations**

*From the lab to your everyday life. RTOs innovate to improve your health and well-being, your safety and security, your mobility and connectivity. RTOs' technologies cover all scientific fields. Their work ranges from basic research to new products and services development. RTOs are non-profit organisations with public missions to support society. To do so, they closely cooperate with industries, large and small, as well as a wide array of public actors.*

**EARTO Contact:** Erwan de Kermadec, Policy Officer, EARTO Secretariat, [kermadec@earto.eu](mailto:kermadec@earto.eu)