



Synergies between Horizon Europe and the European Structural and Investment Funds

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European
Commission



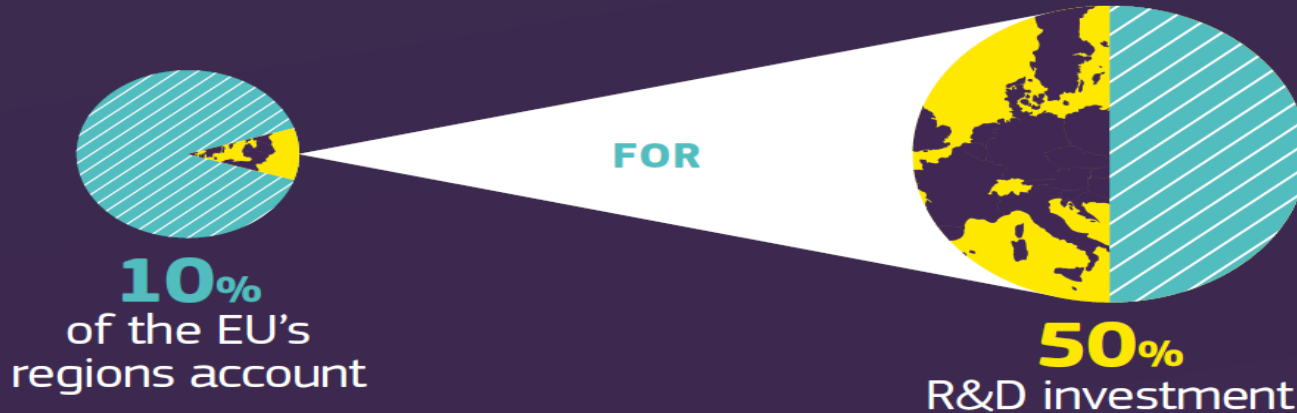




*Regional
and
Urban
Policy*

R&I divide

High **REGIONAL CONCENTRATION OF R&D** activities



R&I as productivity driver

R&I at the core of the **PRODUCTIVITY OF OUR ECONOMY**



2/3

of the EU's productivity
growth driven by R&I

Scientific excellence

A global **LEADER** in **SCIENTIFIC EXCELLENCE**

Share of top
**10% HIGHLY-CITED
PUBLICATIONS, 2016**



26%



23%



19%



6.5%





European
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WHY SYNERGIES? To maximize quantity, quality and impact of R&I investments as key source of sustainable growth and jobs in a context of socio, economic and environmental transformation and twins transition

Specificities and Complementarities

| Horizon Europe | ERDF |
|--|---|
| <ul style="list-style-type: none">• Focus on <u>European research and innovation excellence</u> (including for the twin transition) | <ul style="list-style-type: none">• focus on <u>regional relevance</u> and economic transformation, based on smart specialisation strategies |
| <ul style="list-style-type: none">• Focus on <u>frontier research</u>, generation and exploitation of <u>new knowledge</u> and <u>disruptive, market-creating innovations</u> | <ul style="list-style-type: none">• <u>Broad innovation concept</u>; focus on <u>diffusion and exploitation of existing knowledge & technology</u> to places that need it |
| <ul style="list-style-type: none">• Quality-based competition for funds, incl. beyond EU | <ul style="list-style-type: none">• Focus of support on where it is most needed inside the EU |
| <ul style="list-style-type: none">• Predominantly trans-national projects and consortia (but also mono-beneficiaries) | <ul style="list-style-type: none">• Predominantly "mono-beneficiaries" or actors in the same country/region |
| <ul style="list-style-type: none">• Focus on R&I <u>activities</u> and "<u>R&I community</u>" to enhance their excellence, including through inducing structural changes and reforms of the R&I system | <ul style="list-style-type: none">• Focus on R&I <u>capacities</u> and innovation ecosystem development, as one part of a <u>comprehensive policy</u> with sustainable & inclusive growth and a broad partnership |



Main points ERDF-Horizon Europe synergies

Synergies through strategic planning process:

- **"Partnership Agreements"** (Art.8 CPR), **Smart Specialisation Strategies**
- **Horizon Europe Strategic R&I Plan & missions** (Annex IV to Horizon Europe Decision)
- **European Semester – Country specific recommendations**

Options for synergies at financial level:

1. **Sequential funding:** draw on results of previous EU funding for new projects
2. **Alternative funding: Seal of Excellence** expanded, with less red tape and more possibility to align ERDF funding to HE conditions (Art.67(5) CPR, Art 11, 20(5), 43(6) Horizon Europe Regulation)
3. **Transfer** of up to 5% to directly / indirectly managed EU funds, incl. Horizon Europe (Art 21 CPR, Art 9(8) Horizon Europe Regulation)
4. **Cumulative funding:** Joint funding for projects on pro rata basis (Art. 57(9) CPR, Art 9(8) Horizon Europe Regulation)

Option for synergies at management level:

- Managing Authorities may identify Horizon implementing bodies (e.g. for programme co-fund / partnerships / JUs) as **intermediate bodies for implementing cumulative or alternative funding under ERDF rules.** (Art. 65(3 & 5) CPR)



Synergies in the design phase (1/2)

ERDF side:

- Partnership Agreements and programmes have to take into account **relevant 2019 country specific recommendations** when selecting policy objectives (Art. 8(a) and 17(3)(a)(iii) Common Provisions Regulation (CPR)*)
- **Partnership Agreements** have to set out arrangements for using the CPR Funds in an effective and efficient manner and **complementarities between the shared managed Funds and other Union instruments** (Art. 8 CPR*). **There is 1 PA per MS covering all 7 CPR Funds that precedes the draft national / regional "programmes"**.
- **Smart Specialisation Strategies** are **key to synergies** with Horizon Europe, Single Market Programme, Digital Europe Programme and other EU smart growth related instruments.
S3 "**Entrepreneurial Discovery Process**" should bring together the industry and research "communities" (and other relevant stakeholders).
S3 priority setting **facilitates finding partners in other MS for cooperating on related topics and value chains.** (Annex IV to ERDF Regulation)

*) https://ec.europa.eu/commission/publications/regional-development-and-cohesion_en



Synergies in the design phase (2/2)

Horizon Europe side:

- **Horizon Europe Co-creation process has allowed regions/MS to get informed and give their input to HE design and priorities (strategic orientation document / mission, etc)**
- **Full Annex (IV) in Horizon Europe on synergies**
- **DG R&I involved in assessing the R&I-related enabling conditions and support the design of the R&I strategy linked to the Semester and Annex D**
- **Piloting reinforced dialogue MS-Commission to make sure all interested parties are involved (Commission side: different services; MS side: different ministers) + possible launch of a joint network**
- **Involvement in selection of Smart Specialisation Platforms and partnerships (interregional innovation pilots)**
- **D&E activities with programmes (e.g. Interreg Central Europe pilot call); Interactive pilot, matching ERDF R&I data (Interreg) with FP/Horizon data. First demo at EWRC.**

Alternative funding: Seal of Excellence

- Projects may receive directly, without a new qualitative evaluation, ERDF or ESF+ funding **under CPR rules** (i.e. only check of eligibility, contribution to programme objectives, smart specialisation priorities, scope of the fund and other issues not guaranteed by the Seal (Art. 67(3) and (5) CPR) before signing grant agreement
- **The cost eligibility rules** for the ERDF programme can be aligned to the HE eligibility cost rules (Art. 57(1) CPR), including use of "simplified cost options" (unit costs, lump sums, flat-rates)(Art. 48(2)c CPR)
- The **co-financing rate** of the instrument providing the Seal of Excellence certification applies (Art. 67(5) CPR)
- Beneficiary is provided with a **document setting out all the conditions** for support, incl. the method for determining the eligible costs and the conditions for payment of the grant (Art 67(4) CPR)
- ERDF Managing authorities may receive Seals issued not only under Horizon Europe, but **12 other Union programmes** (Digital Europe, Single Market Programme, LIFE, Creative Europe, Space Programme, Defence Fund, CEF2, Rights & Values Programme, Euratom), but EU programmes are largely conceived to be complementary, i.e. the same type of projects can hardly be replicated in other programmes.

ERDF side of programme co-fund

There are 4 options for ERDF support to HE "European Partnerships", including "programme co-funds":

- **NEW: Operations selected under a HE programme co-fund** may receive support directly from ERDF programmes, provided that such operations are consistent with the objectives of the ERDF programme – just as the Seals of Excellence in the sense of Art. 11 HE Regulation (Art. 67(5) CPR)
 - **Cumulative funding** for projects combining HE and ERDF (each under their own rules, bound together by a single document for the beneficiary)
 - **Voluntary transfer**, i.e. HE rules apply, including rules regarding HE programme co-funds (Art. 21 CPR)
 - **In-kind contributions** (e.g. use previously / parallel ERDF supported equipment and infrastructures for a co-fund and its projects)
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- **NEW:** The legal entities implementing HE programme co-fund can be identified as **intermediate bodies of the relevant ERDF programme** (Art. 65(5) CPR), thus facilitating coordination and synchronisation of HE, ERDF and national support



ERDF side of voluntary transfers

- **NEW: Voluntary transfer of Cohesion Policy allocations:** MS may request transfer of up to 5 % of their programme resources to any other EU Fund or instrument under shared, direct or indirect management (Art. 21 CPR)
 - ✓ Transferred resources may only concern the future budgetary commitments
 - ✓ The relevant ERDF programme has to be amended, incl. its financing plan
 - ✓ Investments have to be for the benefit of the transferring Member State
 - ✓ Commission may object to a request for transfer if achievement of ERDF programme's objectives would be undermined
 - ✓ Rules of the receiving EU Fund/instrument apply to the transferred amounts
 - ✓ Not replacing, but mutual benefits, simplification and facilitating involvement in Horizon Europe
- **10 proposed EU programmes allow to receive such transfers:** Horizon Europe, Digital Europe, Single Market Programme, InvestEU, Creative Europe, Erasmus+, Space Programme, Rights & Values Programme, Reform Support Programme, Connecting Europe Facility2
- **OPPORTUNITY OF TRANSFER:** MS can increase the number of projects that can benefit of the Horizon follow-up and maximise their administrative capacity and steep their learning curve
- **IN ORDER TO FACILITATE THE TRANSFER AND ALLOW FOR AN INFORMED DECISION:**
DG R&I will provide track record of the above threshold not funded proposals in the past and will provide info on the possible amount that is likely to be absorbed

ERDF side of Cumulative Funding

- **Cumulative funding** from different Union instruments **in the same operation**, as long as double financing is avoided (Art. 57(9) CPR):
 - ✓ **Rules of each contributing Union programme apply to its respective contribution**
 - ✓ Cumulative financing shall not exceed the total eligible costs
 - ✓ Support from different Union programmes may be calculated on a pro-rata basis
 - ✓ Document setting out for the beneficiary the conditions for support
- Cumulation possibility proposed for **14 EU Funds/programmes**: Horizon Europe, Digital Europe, Single Market Programme, LIFE, Creative Europe, Space Programme, CEF2, Euratom, Erasmus+, Customs, Justice Programme, AMF, ISF and BMVI

NB: Cumulation on pro rata basis with Horizon2020 is already possible under current CPR: see "[Omnibus Regulation](#)" (Regulation EU 201871046)



Synergies through Sequential Funding

Key issue: Link and/or align strategies (S3 & HE governance, European Partnerships, contract level links ...) and connect actors from regional development and research "communities".

Example for "up-stream" synergies:

- **ERDF** support for improving and developing **R&I eco-systems**, incl. infrastructures, administrative capacities, interaction between innovation actors, **smart specialisation processes** and governance
 - ▶ **Prepares for HE participation**
- **Horizon** support to develop **business plans for centers of excellence** ("sharing excellence"), "industrial pilot test-beds" or feasibility of **research infrastructures**
 - ▶ **Facilitates application for ERDF funding for the infrastructure**

Example for "down-stream" synergies:

- **Horizon (2020&Europe) results** to be analysed in view of funding their further development, testing, etc. (e.g. "Innovation Radar")
 - ▶ **ERDF can carry further Horizon/FP results** towards marketable products, integration in value-chains, take-up in less innovative regions and countries, etc.