



P2Ps as drivers of linking European Structural and Investment (ESI) Funds and European, transnational and national Research and Innovation (R&I) Funds

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Introduction

Public-to-public partnerships (P2Ps) have been becoming increasingly important for making the European Research Area (ERA) working. Leveraging the power of P2Ps means that public sector organizations co-operate to identify and realize their synergies for the enhancement of the economic and social value of their work. The benefits of the synergies between the Research & Innovation Framework Programmes (Horizon 2020) and the European Structural & Investment Funds (ESIF) have already been targeted and illustrated by examples¹. Thereby the development of smart specialisation strategies (RIS3) at national and regional levels was emphasized as important means to mobilise the various concerned actors to make the most of the different EU funding opportunities, and to explore possibilities for synergies with national and regional funding schemes. The entrepreneurial discovery process², as a key element of RIS3, plays a crucial role in building new and dynamic relationships between local, regional and national innovation ecosystems and connecting citizens, public authorities, academia and business.

P2Ps such as JPIs, ERA-NETs and Article 185 initiatives (Box 1) have already proven to be instrumental in creating awareness for synergy potentials as well as in linking ESI and European and national R&D Funds for exploiting this potential. However, up to now there exist only a limited number of such cases and a need is expressed to better understand the current and the future role of P2Ps as drivers of the exploitation of this synergy potential. It is the key recommendation of the recent ERA-NET

¹ EC (2016) EU funds working together for jobs and growth: Examples of synergies between the Framework Programmes for Research and Innovation (Horizon 2020) and the European Structural and Investment Funds (ESIF) Brussels: European Commission.

² The entrepreneurial discovery process (EDP) is defined as an “inclusive and evidence-based process driven by stakeholders’ engagement and attention to market dynamics”. EC (2016) Implementing smart specialisation strategies: A handbook. Brussels: European Commission (p. 15). Thus, the EDP represents a new policy approach by breaking with traditional centralised top-down decision processes and focusing instead on bottom-up stakeholder interaction (business, academia, public authorities, citizens), adaptation to contextual factors, and a local-regional-national-transnational logic.

Cofund analysis³ that the funded actions need to be underpinned by a comprehensive strategy in the challenge/thematic area addressed and that the synergies with other instruments and initiatives should be explored in order to achieve ERA objectives more efficiently.

Box 1: P2Ps in Horizon 2020

Public to Public Partnerships (P2Ps) aim at the coordination and collaboration of the research and innovation activities between member states (MS) to boost the efficiency and effectiveness of public research efforts. Article 26 of the H2020 regulation specifies that H2020 contribution is appropriate “where actions at regional, national or international level are jointly implemented within the Union” and lists the following P2Ps¹:

- **JPIs** Joint Programming Initiatives (MS implement a common strategic research agenda to meet a societal challenge)²
- **ERA-NETs** European Research Area Networks of research funders and ministries (MS coordinate for implementing trans-national calls)³
- **Article 185** Initiatives (MS implement a joint research programme with a long term perspective implementing trans-national calls)⁴

Thereby, ERA-NET Cofund (a merger of the former ERA-NET and ERA-NET Plus actions) provides financing for JPIs as well as EU topping-up of a trans-national call for proposals. In addition to the co-funded call, the consortia may implement other joint activities (including other joint calls without EU co-funding). The European Joint Programme (EJP) Cofund aims at attracting and pooling a critical mass of national resources to achieve significant economies of scales.⁵

¹ OJEU (2013) Regulation No 1291/2013 establishing Horizon 2020 the Framework Programme for Research and Innovation (2014-2020). Brussels: Official Journal of the European Union.

² See for JPIs <http://ec.europa.eu/research/era/joint-programming-initiatives_en.html [2017-06-19]>

³ See for ERA-NETs under FP6 and FP7 receiving funding for coordinating national research programmes; ERA-NET Plus actions (top-up funding) under FP7 and ERA-NET Cofund 2014/15 under Horizon 2020

<<https://www.era-learn.eu/manuals-tools/p2p-in-h2020/practical-documentation> [2017-06-19]>

EC (2014) The ERA-NET scheme from FP6 to Horizon 2020. Brussels: European Commission

⁴ See for Article 185 Initiatives <<https://www.era-learn.eu/public-to-public-partnerships/art-185/state-of-play> [2017-06-19]>

OJEU (2012) Consolidated version of the treaty on the functioning of the European Union (TFEU). Brussels: Official Journal of the European Union.

EC (2017) Meta-evaluation of article 185 initiatives: Report of the expert group. Brussels: European Commission (Expert group: F. Meyer-Krahmer/Chair, C. Nauwelaers, D-U. Galetta, F. Santos, A. Hunter/Rapporteur).

⁵ EC (2016) Horizon 2020 work programme 2016-2017: Annex D. Brussels: European Commission.

Objective

A better understanding of the current roles and experiences of Public to Public Partnerships (P2Ps) in creating and/or exploiting synergies between European Structural and Investment (ESI) Funds on the one hand, and national, transnational and European Funds for research and innovation (R&I) on the other. Particular emphasis on hindrances with a view of using the lessons learned within the context of the forthcoming programs of ESI and R&I Funds and effectively pursuing smart specialization strategies (RIS3).

State of the play

Although the exploitation of synergies between the various European, national and regional funding schemes are emphasized, substantial challenges remain. Above all the perception is emphasized that the ‘complicatedness’ of the rules inherent in each funding scheme increases tremendously when

³ EC (2016) Analysis of ERA-NET cofund actions under Horizon 2020: Report of the expert group. Brussels: European Commission (Expert group: N. Gøtke/Chairperson, E. Amanatidou/Rapporteur, I. Ispas, D. Julkowska, J. Serrano) (p.9).

these schemes have to be combined. Because the programme as well as the project dimension on all levels must be considered, it can be difficult to follow the basic synergy principles “No double financing” and “No substitution of national/regional or private co-funding to EU projects/programmes under direct Commission management by ESIF money (and vice versa)”⁴:

- Synergies at the program level
 - o Between European programs
 - o Between European and national/regional programs
 - o Between national/regional programs of different countries
 - o Between national/regional programs of one country
- Synergies at the project level
 - o Combining money from different funds in one and the same project
 - o Combining money from different funds in successive projects
 - o Combining money from different funds in parallel complementary projects

To mitigate at least some of the perceived ‘complicatedness’ and to better identify and exploit synergy potentials the approach of smart specialisation strategies (RIS3) has been established.⁵ RIS3 is conceptualised as a ‘place-based transformation agenda’ building on a country’s/region’s strengths and needs, including all diverse stakeholders (universities, research centres, firms, public authorities etc.), and stimulating private sector investment. Rather than being imposed from above, it is an inclusive and process driven approach and an explicit issue of the European cohesion policy. A RIS3 Platform (S3P) has been established to provide advice to EU countries and regions for the design and implementation of their smart specialisation strategy⁶. It offers guidance, presents good practice examples, inform strategy formation and policy making, facilitate peer-review and mutual learning, support access to relevant data and, last but not least, train policy makers. The S3 Platform is not a funding mechanism nor does it provide any kind of financial assistance to regions. Platform participation is free of charge – although registered MS/regions must commit to using ESIF or other financial resources.

Box 2: European Structural and Investment Funds (ESIF)

Five main Funds work together to support economic development across all EU countries, in line with the objectives of the Europe 2020 strategy:

- European Regional Development Fund (ERDF)
- European Social Fund (ESF)
- Cohesion Fund (CF)
- European Agricultural Fund for Rural Development (EAFRD)
- European Maritime and Fisheries Fund (EMFF)

Every EU region may benefit from the ERDF and ESF. However, only the less developed regions may receive support from the Cohesion Fund.

< http://ec.europa.eu/regional_policy/en/funding/ >

⁴ EC (2014) Enabling synergies between European Structural and Investment Funds, Horizon 2020 and other research, innovation and competitiveness-related Union programmes. Brussels: European Commission. (p.2)

⁵ EC (2014) National/regional innovation strategies for smart specialisation (RIS3): Cohesion policy 2014-2020. Brussels: European Commission.

EC (2012) Guide to research and innovation strategies for smart specialisation (RIS3). Brussels: European Commission.

EC (2010) Regional policy contributing to smart growth in Europe 2020. Brussels: European Commission

⁶ < <http://s3platform.jrc.ec.europa.eu> >

The Calabrian Region is one example of coping with the above described ‘complicatedness’ and has been able to exploit the EU-FP/regional synergy potentials by using RIS3 and a P2P, i.e. the ERA-NET for materials research and innovation (M-era.Net)⁷. Within the M-era.Net, the Calabria Region is one of 41 funding participating organizations and co-funds by using ESIF (EUR 0.5 Mio.). M-era.Net started in 2012 under FP7 and continues in the H2020 scheme. It aims to develop a long-term cooperation between the funding organisations from 28 countries. A joint call was launched in March 2016 and another in March 2017 based on the ERA-NET Cofund rules. The 2016 joint call on advanced materials received 233 pre-proposals for the entire consortium of which 16 concerned the Calabria Region and the call ended with 46 funded projects for the entire consortium and 1 concerning the Calabria Region, i.e. ‘Hard Eco Innovative Coatings (HEI-Coat)’. In HEI-Coat three funding partners (Calabria Region IT, Region ALPC FR, DGo6 BE) and five project partners (SME/IT, RES/BE, SME/BE, HE/FR, SME/FR)⁸ are involved. The total project costs are EUR 1.359.182, the requested funding EUR 923.495 and the Calabrian Region Budget EUR 350.000. The Calabrian Region learnings and issues for reflection are that various rules and criteria (Calabria Region specific rules vs M-Era.Net/EU rules) are difficult to manage. For example, (i) the required organisational coverage (SMEs, partnerships between SMEs, universities, research institutions), (ii) thematic restrictions (according to the Smart Specialisation Strategy of the Calabria Region the project to be funded must exclusively be focused on Calabria RIS3 innovation areas), and (iii) different types of research eligible for funding (Calabria Region specific rules vs M-Era.Net/EU funding rules). This is accompanied by facing difficulties in receiving EU top-up.

Another P2P type – an Article 185 initiative – is used by the ‘European Metrology Programme for Innovation and Research (EMPIR)’ with the aim to exploit the ESIF/national synergy potentials⁹. EMPIR is jointly funded by the 28 participating countries and the EU and has a budget of approximately EUR 600 Mio. It is implemented by EURAMET, the ‘European Association of National Metrology Institutes’¹⁰ which facilitates the coordination of European measurement research presently in the areas of ‘Metrology for Health’, ‘Metrology for Environment’, ‘Metrology for Energy’, ‘Metrology for Industry’, and ‘Metrology and Standardisation’. Calls are launched aiming at the improvement of data quality for policy making, underpinning research activities and stimulating technological innovation – e.g. ‘EMPIR 15HLT07 AntiMicroResist Novel methods and materials for the detection, traceable monitoring and evaluation of antimicrobial resistance’. The expectation of EURAMET is to increase the leverage of EU structural funds and other programmes, from 0 % under the previous EMRP programme to 10 % of the co-investment in EMPIR. EURAMET is still on its learning path in clarifying issues such as which ESIF could be used (ERDF, ESF, Cohesion, EAFRD?) and what role RIS3 could play to achieve this goal.

⁷ Luccetta M. (2017) Presentation ‘Using European Structural and Investment Funds in ERA-NET Cofund project M-ERA.Net’ at the ERA-LEARN 2020 ‘Workshop on P2Ps as drivers of linking European Structural and Investment (ESI) Funds and European, transnational and national Research and Innovation (R&I) Funds’, Brussels, 20 June 2017. < <https://m-era.net/> >

⁸ HE higher education, RES research organisation, SME Small and medim-sized enterprises.

⁹ Tasic T. (2017) Presentation ‘Experiences with ESI Funds and innovation’ at the ERA-LEARN 2020 ‘Workshop on P2Ps as drivers of linking European Structural and Investment (ESI) Funds and European, transnational and national Research and Innovation (R&I) Funds’, Brussels, 20 June 2017.

EURAMET (2017) European Metrology Programme for Innovation and Research: Input to the EMPIR interim evaluation. Teddington: European Association of National Metrology Institutes.

< <https://www.euramet.org/research-innovation/research-empir/> >

¹⁰ < <https://www.euramet.org> >

A further P2P type is realized within the comprehensive project 'Extreme Light Infrastructure (ELI) focusing on laser research'¹¹. ELI started with the help of the funding of the 'European Strategy Forum on Research Infrastructures (ESFRI)' (EU funding EUR 6 Mio.) to initiate the project – preparatory phase 2008-2010. The implementation phase 2011-2017 – executed parallel in the Czech Republic, Hungary and Romania – is being funded by a combination of 'European Regional Development Funds (ERDF)' and national contributions from the host countries (total about EUR 850 Mio. with e.g. a Hungarian national contribution of EUR 1.360.728). The project is coordinated by the ELI Delivery Consortium International Association (AISBL), comprising of representatives from the three ELI host countries (CZ, HU, RO) and further countries (IT, DE, UK, FR, GR). AISBL was founded 2013 as an international non-profit association under Belgian law. To manage the operational phase from 2018 onwards, the establishment of a new international consortium is foreseen, preferably in the form of a 'European Research Infrastructure Consortium (ERIC)'. An ERIC is a legal entity set up by a decision of the European Commission and is recognised in all EU MS¹². ELI's learning consist above all in pioneering a novel funding model combining the use of EU structural funds (ERDF) for the implementation and member contributions to a yet to be established European Research Infrastructure Consortium ERIC for the operation.

General experiences with P2Ps and synergies between ESIF and other funding schemes were contributed from the Polish and the Greek perspective.

In Poland¹³, the strategic political decision on designing and implementing the process of synergies and coordination of works between relevant stakeholders is seen as an absolutely critical issue. In particular the Ministry of Science & Higher Education, the Ministry of Economic Development, the Ministry of Finance, executive agencies and NCP Poland are involved. The issue of effective use of funds available was subject of a special working group during the preparation of strategic document setting current goals for the country development. The work of the group resulted in setting the indicator for PL participation in horizontal programmes at 2.5%. This means a move from 1% to 2.5% which is extremely difficult to achieve. However, it is expected that the process of synergies could be quite supportive. The follow-up resulted in committees on the simplification of rules as well as coordination between financial sources. The current activities are focussing on the detailed analysis of barriers related to participation in horizontal programmes such as H2020, COSME, JPIs, JTIs, and ERA-NETs. Parallel to the strategic development initiatives such as the 'Seal of Excellence'¹⁴ have

¹¹ Bereczkei G. (2017) Presentation 'ELI: Structure and funding' at the ERA-LEARN 2020 'Workshop on P2Ps as drivers of linking European Structural and Investment (ESI) Funds and European, transnational and national Research and Innovation (R&I) Funds', Brussels, 20 June 2017.
< <https://eli-laser.eu/> >

¹² EC (2015) ERIC practical guidelines: Legal framework for a European Research Infrastructure Consortium. Brussels: European Commission.

¹³ Walczyk-Matuszyk K. (2017) Presentation 'Synergies between ESIF and horizontal programmes: Polish case study' at the ERA-LEARN 2020 'Workshop on P2Ps as drivers of linking European Structural and Investment (ESI) Funds and European, transnational and national Research and Innovation (R&I) Funds', Brussels, 20 June 2017.

¹⁴ An initiative launched in 2015 to maximise synergies between Horizon 2020 and Structural Funds. The 'Seal of Excellence' is a label awarded to projects submitted to Horizon 2020 which were deemed to deserve funding but did not receive it due to budget limits. It recognises the value of the proposal and supports the search for alternative funding. The 'Seal of Excellence Certificate' rewards unfunded proposals which were above this quality threshold with a high-quality label and the 'Seal of Excellence Holder' can then approach alternative regional, national, private or public funding sources. In addition, it helps interested funding bodies willing to invest in promising proposals (including national & regional authorities through ESIF) to identify these projects more easily.
EC (2015) Seal of excellence: What it is & Who can benefit & How to use it. Brussels: European Commission.

been implemented. The 'Polish position paper on H2020' emphasises above all (i) no compromise on excellence, (ii) synergies as a key issue, and (iii) strengthening and implementing other mechanism (widening package). A 'Polish position paper on cohesion policy after 2020' is in preparation. One of the central learnings in Poland is that 'joint use' must be strategically embedded and should not be an issue at the project level.

In Greece¹⁵ the R&D policy has acknowledged the importance of EU ERA and is steadily trying to promote the EU ERA initiatives. For this reason, funds from ESIF, which aim to promote development in the regions of the EU, are consciously utilized for participation in various ERA activities, despite the unprecedented economic difficulties the country encounters. Best practices have already been recognized. The General Secretariat for Research and Technology (GSRT), which belongs to the Ministry of Education, Research and Religious Affairs, is the main authority responsible for the development and implementation of R&D policy in Greece and supervises all research institutes. Greece's involvement in P2Ps includes ERA-NETs, as well as JPIs and Article 185 initiatives. Learnings in Greece identify the following obstacles hindering the promotion of EU policies related to ERA. (i) Ad ERA-NETs, obstacles are experienced in synchronizing planning, funding flows and timetables between ERA-NET and national calls (as imposed by ESIF and State Aid Regulations) as well as in getting top-up from EU. (ii) Ad JPIs, obstacles are experienced in the form 'insufficient definition of in kind/institutional contribution' and the related involvement of the governing structure. (iii) Ad Article 185 initiatives, obstacles are that 'ESIF cannot be used as national contribution' and that 'no exit strategy exists'.

Learnings summarized

On the basis of the above described empirical learnings, of further expert input¹⁶ and of the discussion results the following main learnings can be condensed:

- Joint use of ESIF, H2020 and national/regional funding schemes requires a strong strategic backing within EU member states. This cannot be compensated on the project level!
- Member state strategies must essentially include the transnational and transregional perspective to exploit the synergy potential.
- Timing is an important issue. For example (i) early pre-identification of joint funding options for longer-run strategic initiatives, and (ii) allowing iterations for the synchronization of planning, funding flows and timetables between different funding schemes.
- Capacity building is needed to (i) formulate strategies; (ii) deal with the ambiguities of the integration of the different funding scheme rules/criteria within one project; (iii) establish and maintain resilient links within and between MS (e.g. ministries & funding agencies, national & regional governments, academia & business & public authorities) and between EU

¹⁵ Gongolidis V. (2017) Presentation 'EU public to public partnerships (P2P): Greece's experiences' at the ERA-LEARN 2020 'Workshop on P2Ps as drivers of linking European Structural and Investment (ESI) Funds and European, transnational and national Research and Innovation (R&I) Funds', Brussels, 20 June 2017.

¹⁶ Reid A. (2017) Presentation 'The rationale and need for a joint use of R&I and ESI Funds' at the ERA-LEARN 2020 'Workshop on P2Ps as drivers of linking European Structural and Investment (ESI) Funds and European, transnational and national Research and Innovation (R&I) Funds', Brussels, 20 June 2017.

Haegeman K. & Boden M. (2017) Presentation 'RIS3 implementation in southern and eastern Europe: Stakeholders and synergies' at the ERA-LEARN 2020 'Workshop on P2Ps as drivers of linking European Structural and Investment (ESI) Funds and European, transnational and national Research and Innovation (R&I) Funds', Brussels, 20 June 2017.

and national/regional funding authorities; and to (iv) foster transnational/-regional learning and peer-review efficiency.

- Synergies are primarily an issue of the enhancement of the economic and social value and the creation of long-lasting value chains, and only secondarily an issue of cumulating money.

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