



Forthcoming changes in the ESIF Regulations facilitating synergies

Exploring collaboration opportunities and synergies between Research and Innovation Strategies for Smart Specialisation (RIS3) and EIT Climate KIC under the Regional Innovation Scheme (EIT-RIS)

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Outline

- State of play with synergies & complementarities between ESIF and H2020
- New opportunities until 2020
- Outlook into post-2020 MFF

State of play with synergies & complementarities

1/2

- Regulatory possibilities start getting used
 - Alignment of ESIF funding opportunities to H2020 formats (Seal of Excellence for SME Instrument, Marie S. Curie, CleanSky2 labels, etc.) ... within State Aid limits ...
 - Adoption of good H2020 practices (international evaluators, alignment to H2020 application questions & language, etc.)
 - More cases of sequential combination of H2020 and ESIF (ERDF research infrastructures used for H2020 projects, preferential project selection for take-up of FP results in ERDF)
 - First cases of cumulation in the same project (ECSEL JU & Italian competitiveness OP, financial instruments for ESS)
 - First cases of ERDF funding outside OP area (ESS in kind contribution)

State of play with synergies & complementarities

2/2

- Smart Specialisation Strategies prepared the ground
 - For more university-enterprise cooperation, better innovation governance and improved R&I support in the countries & regions (Pilot/Preparatory Actions like Stairway2Excellence, support for lagging regions or H2020 Teaming/Twinning, ERA chairs, etc.)
 - For interregional teaming up around related S3 priorities (Vanguard Initiative, TSSP's, interregional S3 partnerships, MoU of Joint Undertakings, regional innovation scheme of the EIT-KICs) and preparing for transnational H2020 projects
 - For a more comprehensive innovation approach (digitisation, industrial transition, skills, structural reforms)
 - Mapping of capacities (Digital Innovation Hubs, KETs ...)

Future Simplifications for synergies thanks to the "Omnibus" Regulation

- Modifications in ESI Funds' Regulations and Financial Regulation: for financial instruments, simplification, synergies as response to experiences since 2014 and the HLG on simplification
- December 2017: Political agreement on ESI Funds Regulations reached
- Still working on agreement on Financial Regulation
- Entry into force & publication: probably June 2018
- In particular Articles 65(11) and 70(2) CPR modified

Update of the Synergy Guide

"Enabling synergies between ESIF, H2020 and other research, innovation and competitiveness-related Union programmes"

Modifications: Eligibility of expenditure 1/3

More use of Simplified Cost Options (SCO)

Article 67(2)(5), CPR Regulation (EU) No 1303/2013

Current situation:

Complex situation with limited possibilities, e.g. lump sums limited to EUR 100 000; Flat rates for indirect and staff costs max. 25% or 15% of eligible direct costs

Omnibus:

- No upper limit for **lump sums**
- **Compulsory use of SCO for ERDF and ESF** where public support does not exceed EUR 100 000 for operations not implemented exclusively through public procurement (one year transition period)

Article 68(1) CPR Regulation (EU) No 1303/2013

New off-the-shelf SCOs

Modifications: Eligibility of expenditure

More use of Simplified Cost Options (SCO)

2/3

Article 67(5), CPR Regulation (EU) No 1303/2013

Current situation:

Methodology of establishing SCO defined on statistical data

Omnibus:

- new possibilities for MS to establish their SCO methodology (beside statistical data):
 - the verifiable, equitable and fair calculation method based on **expert judgment**
 - besides the possibility to establish SCOs on the basis of verifiable, equitable and fair calculation method MS can use draft budgets (only for operations where public support is below EUR 100.000, on a case by case basis, and if agreed ex ante by the MA)

Modifications: Eligibility of expenditure 3/3

Additional option for exemption from FR's prohibition to cumulate funds from different EU sources (art. 129 FR)

Article 65(11) CPR Regulation (EU) No 1303/2013

Current situation:

ESIF and Horizon2020 can be cumulated in the same project, provided that each **expenditure / cost item** receives funding from only one EU fund (Article 37 H2020 Rules for Participation mirrors article 65(11) CPR)

Omnibus:

- Current option remains possible
- Additional option offered: expenditure reimbursed from different ESI Funds and Union instruments on a **pro rata basis** in accordance with the **document setting out the conditions of support**

Modifications: Eligibility of operations depending on location: Simplification for R&I 1/2

Article 70(2) CPR Regulation (EU) No 1303/2013

Current situation: Projects outside OP area possible if:

- operation is for the **benefit** of the programme area
- **max.15% of a priority axis** may be outside OP area
- **agreement of monitoring committee** to each individual operation
- **management, control and audit** by funding MA or agreements with authorities in the area in which the operation is implemented

Omnibus: Art. 70 totally redrafted

Restructuring aims to enhance transparency and increase legal clarity. It differentiates:

1. Operation in EU but outside OP area & calculation of benefits
2. Outside EU (TA, promotion, information, visibility ...)

Modifications: Eligibility of operations depending on location: Simplification for R&I 2/2

Omnibus: Art. 70 totally redrafted

Special simplification rules for **research and innovation:**

1. Operations **within EU but outside the Member State:** only 2 criteria apply:

- **max.15% of a priority axis** at the time of adoption of the OP may be spent outside OP area
- **management, control and audit** by funding MA or agreements with authorities in the area in which the operation is implemented

2. Operations **outside EU:**

R&I operations allowed, provided that **expenditure is necessary for the satisfactory implementation of the operation/completion of the project.**

Outlook into post-2020 MFF

- Innovation Divide: Need to boost innovation and industrial transition in ALL EU regions
- Overcome EU research & innovation paradox: take-up of R&D results
- Single/common rule book
- Allocations linked to EU challenges and priorities
- Simplification of management and control system
- Better complementarities/synergies/demarcations with other EU instruments
- Draw lessons from S3 pilots

