

# Synergies in funding sources to finance R&I Infrastructures

Louis-Philippe Carrier,  
Smart Development expert, JASPERS  
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# I JASPERS: Who are we?

JASPERS: **J**oint **A**ssistance to **S**upport **P**rojects in **E**uropean **R**egions

- Technical assistance partnership between:
  - European Commission (DG REGIO),
  - European Investment Bank (EIB),
  - European Bank for Reconstruction and Development (EBRD).
- For administrative purposes, JASPERS is a Unit within the EIB.
- Main mandate: assist the Member States in the preparation of major projects.
- Main objectives: quicker approval and better quality of applications.
- JASPERS assistance is voluntary for the Member States and free of charge.

# II JASPERS: Where do we intervene?

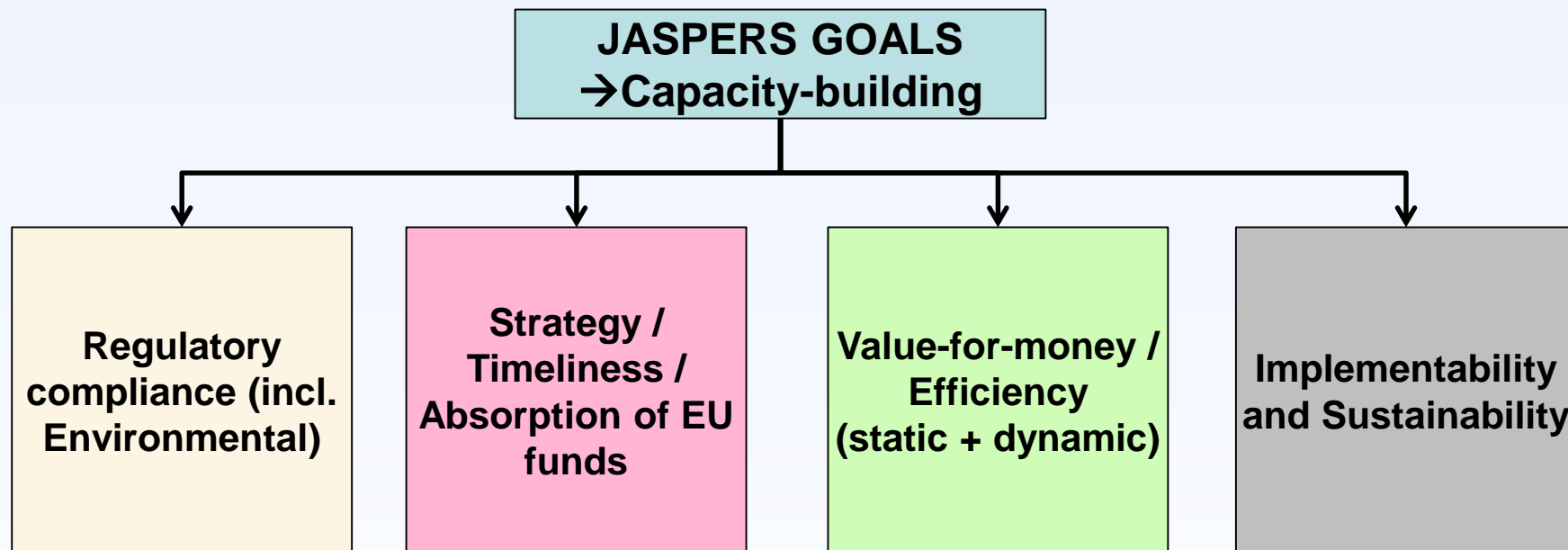
- **Sectors:**
  - Roads,
  - Rail and Public Transport,
  - Water and Waste Water Treatment,
  - Energy and Solid Waste,
  - Smart Development (Research & Development, ICT, Health, Education, Urban Development and Multi-sector projects)
- Since 2006 more than **920 completed JASPERS assignments** (of which 470 major project submissions)
- **435+ JASPERS-supported applications have been approved** by the EC so far (as of mid-2015).
- Major projects in ICT and RDI: total eligible costs (eligible expenses = eligible investment costs- net revenues) **> 50 million EUR**

- Support to project preparation means continuous quality check during the project cycle, with **Completion Note** at the end with summary of conclusions, with focus on
  - Technical feasibility,
  - Option analysis
  - Demand analysis,
  - Financial analysis, economic CBA and risk assessment
  - Analysis of Environmental soundness,
  - State Aid
- **JASPERS does not prepare projects on behalf of the beneficiary.**
- **Early involvement** during the project cycle yields the best results.
- **Quickest approval procedure** when JASPERS Advisory and IQR are used.

# Synergies between funding sources are part of the JASPERS process

- Our mandate is tied to **European Structural and Investment Funds (ESIF)**, mainly ERDF and the Cohesion Fund
- But **we look at funding comprehensively**:
  - **Forms** of funding, including via funds or PPPs
  - **Liquidity** issues
  - **Co-funding** from:
    - National sources – public and **private sector** if applicable
    - Other structural funds, e.g. ESF, EARDF
    - Other European initiatives: Connecting Europe Facility, **H2020**

# ESIF requirements drive JASPERS's intervention



- The characteristics of multiple funding sources can contribute to these goals
- They can also impose additional constraints

## INFRASTRUCTURE

- Government funds
- H2020 → for excellent (joint) projects
- ESIF → for capacity-building in a specific MS

- Partnerships with the private sector?

## OPERATIONS

- Government funds
- H2020 → for excellent (joint) projects



- Private sector contracts?
- Commercialisation of licenses?
- Other activities? events, training etc.

# There is no sustainability silver bullet but some open questions

## Issues observed:

- **Projects without guaranteed funding?**
- Funding not used for its **primary purposes**, due to sustainability issue?
- **Funding not available** for certain legitimate purposes?
- **Fear of State aid – related difficulties** leading to inadequately low private-sector funding?

## Some important questions:

- What is the market failure, to start with?
- What is/are the most appropriate source of funding, to achieve the project's, and more generally the OP's objectives?
- Are the project selection, preparation, implementation processes effective?

## Useful bits of experience:

- Partnerships with the private sector can work, may require appropriate rules
- Revenue from licenses may be small
- Clusters, shared facilities etc. can improve financial sustainability



# Stakeholders may have some answers to these conundrums?

- Are there **gaps in the funding system**, between ESIF and H2020?
- Can our RDI projects get more/better private sector funding? In exchange for what? How can this be integrated in the **projects' design**?
- Can the research **systems** cooperate better with the private sector?
- How do we **monitor and evaluate** (economic) success in these areas?
- Deep down, **what are we trying to achieve** when funding RDI projects? What is **systemic** about it?



Louis-Philippe CARRIER  
[L.Carrier@eib.org](mailto:L.Carrier@eib.org)

JASPERS Web Site  
[www.jaspers-europa-info.org](http://www.jaspers-europa-info.org)

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