



MINISTERUL EDUCAȚIEI NAȚIONALE  
ȘI CERCETĂRII ȘTIINȚIFICE



# JOINT STATEMENT OF THE NATIONAL EVENT OF ROMANIA

## Synergies between European Structural and Investment Funds (ESIF) & Research and Innovation Funding

*Organised by*

**European Commission (DG Joint Research Centre & DG REGIO), Ministry of National Education and Scientific Research of Romania and the Executive Agency for Higher Education, Research, Development and Innovation Funding.**

**22<sup>nd</sup> June 2016, Bucharest - Romania**

The development of efficient research and innovation strategies for Smart Specialisation Strategies (RIS3) requires Member States (MSs) and their regions to identify a limited number of research areas and related industrial activities with high innovation potential. In this context, *the Stairway to Excellence* (S2E) project<sup>1</sup> aims at facilitating synergies between different European Research and Innovation (R&I) frameworks and funding programmes, such as European Structural and Investment Funds (ESIF), Horizon 2020, COSME, ERASMUS+ and Creative Europe, aiming at minimizing the innovation gap and thus promote economic growth and job creation.

The S2E national event - jointly organised by the European Commission, Directorate General Joint Research Centre (DG JRC), Directorate-General for Regional and Urban Policy (DG REGIO), and the Romanian Executive Agency for Higher Education, Research, Development and Innovation Funding (UEFISCDI) took place in Bucharest on June 22<sup>nd</sup> 2016 as part of the effort by the S2E project to assist capacity building in the EU13 Member States<sup>2</sup>. The Romanian National Event brought together different stakeholders and provided a platform for a better understanding of the Romanian innovation ecosystem while raising awareness of the actions needed to enable synergies and drawing lessons for future actions. Around 80 participants joined the event from several academic and research institutions, public and private sectors, as well as Horizon 2020 National Contact Points (NCPs) and Managing Authorities (MAs). The event was opened by the Minister of National Education and Scientific Research and the State Secretary, President of National Authority for Scientific Research and Innovation. Moreover, a panel of international experts presented their experience on innovation governance, policies and the creation of synergies. All these inputs offered insightful elements for discussion in the different panels and participatory sessions throughout the event. General comments and recommendations are summarised below<sup>3</sup>.

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<sup>1</sup> <http://s3platform.jrc.ec.europa.eu/stairway-to-excellence>

<sup>2</sup> "EU13" refers to those 13 Member States which have joined the European Union since 2004.

<sup>3</sup> *The comments and recommendations summarised below do not represent neither the Ministry of National Education and Scientific Research of Romania, nor the Executive Agency for Higher Education, Research, Development and Innovation Funding, and neither the European Commission's official position but are the outcomes of the panel discussions*

## Main issues and possible actions to address them

**Macroeconomic indicators and research performance:** R&D expenditure based on GDP in Romania (0.39%) is below the EU13 average (1.05%) and substantially lower than the EU15 average (2.09%). For the period 2007-2013, the annual FP7 financial contribution per capita received by Romania (0.91€) was under the EU13 average (2.54€) and far from EU15 average (13.6€). For the same period, the Structural Funds allocated to RTDI related activities were €2.166 Million, which corresponds to 13.3% of the overall ESIF funding estimated in the Operational Programme<sup>4</sup>.

### 1. Stakeholders' involvement in building synergies

#### a. Support concerning application for ESIF and their implementation

The lack of communication and difficult cooperation between ministries and agencies at both levels, national and regional is one of the issues more commonly observed in most EU13 countries. Such a problem negatively affects the support activities provided by these institutions since beneficiaries do not receive enough support and technical advice from the relevant ministries, agencies and Horizon 2020 National Contact points (NCP) and, in turn, it results in more difficulty for the beneficiaries to understand the overall funding process.

Participants declared that the application procedures of Horizon 2020 are relatively easier than either national funding programmes and ESIF since the latter stages of these programmes require major paperwork. The applicants often need a support from consultancy companies as the fact that the calls do not always have clear opening dates, deadlines, funding conditions and information on the evaluation criteria.

The structure and composition of the national administration managing Structural Funds (changes of the management and control systems and instability of the managerial levels), together with the difficulty of public institutions to hire human resources with expertise on ESIF regulations and poor management of the technical assistance funds at the level of the programmes concerned were mentioned by participants as the origin of the problem. This makes it very difficult for beneficiaries to plan projects and look for funding programmes' complementarities, giving the feeling that applying for national funding it is not worth the effort required. As an example of

**Key Issue 1:** Complex application procedures for ESIF funding

**Potential Action(s):**

National authorities:

- Improve communication and collaboration between public institutions in charge of the support of stakeholders
- Support for training on ESIF financial requirements.
- Simplify ESIF submission procedures and application rules

European Commission:

- Align ESIF and H2020 cost categories to ease complementarities
- Draw a comprehensive map of programmes and their complementarities.

<sup>4</sup> [http://s3platform.jrc.ec.europa.eu/documents/20182/117536/S2E\\_RO\\_national\\_profile.pdf/Odda98c3-f5f0-4942-8a4c-933aa6640a66](http://s3platform.jrc.ec.europa.eu/documents/20182/117536/S2E_RO_national_profile.pdf/Odda98c3-f5f0-4942-8a4c-933aa6640a66)

potential difficulties, a participant mentioned that after the signature of a project grant agreement, the funding conditions were modified by the managing body.

The support provided by intermediary organisations and H2020 National Contact Points is focused on control and compliance of financial regulations rather than on the information concerning EU funding and the quality of project proposals (as coordinator or simple participant). The continuous changes of rules make it further difficult to receive the required support in other key aspects of the preparation and management of research and innovation projects. The lack of information and practical tools from national and European public institutions on how different programmes could be matched makes difficult to create synergies and complementarities between different funding programmes.

Suggestions raised by participants and experts during the event were as follows:

- Improve the support provided by intermediary organisations and National Contact Points, through a more proactive role to help beneficiaries understanding programmes, providing technical advice and support, clarifying questions, organizing information days to establish partnerships and networks, etc.
- Improve communication, collaboration and coordination between agencies, ministries, national and regional public administrations to enhance the support to the actors interested in developing research and innovation projects.
- Stronger support from the seven regional intermediate bodies to build consortiums to address ESIF calls would be appreciated considering the ongoing debates over decentralisation<sup>5</sup>.
- Simplification of ESIF call for proposals procedures and application rules, avoiding continuous modifications, would be needed to encourage the participation.
- More detailed explanation on ESIF calls' evaluation process could help the applicants to understand how to improve project proposals to pass evaluation.
- Alignment of cost categories of H2020, ESIF and national accounting system would ease establishing synergies.

#### **b. Management of Human resources in public research organisations**

The remuneration gap between "old" and "new" member states is a recurrent topic highlighted in EU13 countries as a barrier for the participation in H2020. One of the reasons that lies behind this

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<sup>5</sup> In 2013 the Ministry of Regional Development and Public Administration together with the Romanian Academy organized a public debate on the subject of the Regionalization-Decentralization process in Romania. The two objectives of the process are the administrative and territorial reorganisation by creating the institutional framework for the functioning of administrative-territorial regions; and the continuation of the public administration reform with a focus on increasing local communities' autonomy by the real unleashing of the decentralisation process, with respect for the principle of subsidiarity. <http://www.codcr.com/public-debate-the-process-of-regionalisation-and-decentralisation-in-romania-romanian-academy-april-2-2013/>

gap is the salary level differences of researchers between EU13 and EU15 countries as H2020 regulations establish a limitation of 8000€<sup>6</sup> as eligible cost for salaries bonuses.

The brain drain is also an important challenge. Indeed students receiving very good education nationally decide to pursue their PhD studies and research career abroad for considerably higher salaries than in Romania. In addition, the restrictive legislation makes it difficult for public institutions to hire additional resources to participate in research and innovation projects.

In this regard, in the framework of the National Plan for Research, Development and Innovation 2007-2013 the Human Resources Programme<sup>7</sup> was introduced in order to increase the number of researchers, improve their performance and increase the attractiveness of the research career. The programme was addressing both young independent researchers and post-doctoral research projects.

Moreover, excellent researchers have been attracted and retained to take part in EU programmes<sup>8</sup>.

During the event, the participants raised the following points:

- Implementation of measures at EU level to address the researchers' remuneration gap between "new" and "old" Member States in Horizon 2020 to increase the motivation of Romanian researchers to participate in the programme.
- Better consideration of researchers careers by the Romanian national authorities

### c. Improved support towards researchers in public organisations

There is an important lack of highly skilled people in project management. As an example, researchers find it difficult to apply for ESIF as it requires them to use a new financial tool for which they lack the skills. Such a challenge to become aware of complex ESIF financial and procurement rules end up reducing their availability for actual R&D activities. Besides, universities are unable to hire additional personnel with expertise on ESIF requirements and financial regulations.

A number of participants highlighted that the status (including division of labour) of researchers and other staff in the universities should be clarified. In order to increase the quality of education and research, the share between teaching, research and 3<sup>rd</sup> mission activities should be clarified.

**Key Issue 2:** Low motivation of researchers in public organisations to participate in the international collaboration

**Potential Action(s):**

National authorities:

- Improved organisation and simplification of ESIF submission procedures and application rules
- Information on ESIF calls' evaluation process
- Training programmes to improve H2020 project design and management skills
- Implement an academic entrepreneurship culture
- Training courses for administrative staff and accountants dealing with ESIF and related procedures

<sup>6</sup> Cf. art. 27 of Regulation 1290/2013

<http://eur-lex.europa.eu/legal-content/AUTO/?uri=CELEX:32013R1290&qid=1471534865774&rid=1>

<sup>7</sup> <http://en.uefiscdi.gov.ro/userfiles/file/TE2012/Information%20Package.pdf>

<sup>8</sup> <https://ec.europa.eu/digital-single-market/en/news/romanian-researchers-stay-home-take-part-eu-programmes>

The lack of English proficiency was pointed out as one of the major barriers for participation in European research collaboration networks together with financial limitation of universities and research organisations (including the lack of equipment and materials).

In addition, entrepreneurship, technology transfer and intellectual property rights expertise would be appreciated to solve industrial problems. Such training (especially on academic entrepreneurship) should be introduced in undergraduate and master studies. Finally, specific training for accountants in ESIF projects management and financial regulations would significantly improve the support provided to project beneficiaries.

**Key Issue 3:** Lack of motivation of researchers in public organisation to participate in European collaborative projects and significant level of brain-drain.

**Potential Action(s):**

National authorities:

- Better consideration of researchers' careers in public organisations
- Retention and attraction of talent programmes

Suggestions raised by participants and experts during the event were as follows:

- Investment of more resources to develop project management capacities and knowledge on state aid
- Training courses for administrative staff and accountants dealing with ESIF and related procedures, including dedicated language courses for administrative staff
- Increase of entrepreneurial competences of researchers, trainings, through improved participation of private companies in R&I projects
- Improve academic entrepreneurship culture and promote examples of recurrent academic entrepreneurs from Romania and abroad.
- Specific training programmes on project management and state aid framework could be introduced.

## 2. Upstream capacity building: How to create appropriate conditions for research & innovation?

### a. Collaboration between public and private organisations

A weak collaboration culture between private actors and public institutions in Romania can be observed, making it difficult to establish partnerships and apply for funding programmes in cooperation. Participants highlighted that the lack of public-private partnerships (PPP) regulatory framework and IP regulations can hinder these collaborations.

Participants pointed at the ineffective and bureaucratic framework for technological transfer hampering the collaboration between public research providers and private organisations.

**Key Issue 4:** Weak collaboration between public and private organisations

**Potential Action(s):**

National authorities:

- Promote specific tools to stimulate business and academia partnerships
- Improve PPP and IP regulatory frameworks
- Improve the current framework for technology transfer

Participants and experts raised few suggestions during the event, which were as follows:

- Specific programmes supporting sustainable collaborations between R&D stakeholders would be needed, especially by means of conferences, workshops and networking meetings promoting business and academia cooperation.
- Programmes promoting the exchange of experiences and creation of win-win projects that take into account specific intellectual property rights of actors would be very welcome.
- Evaluate with accuracy and critically the existing framework for technological transfer (both vertical and horizontal) and implement efficient and effective measures to improve performance ensuring a long-term impact.

**b. A more appropriate legal framework for public procurement**

According to participants to the event, the too restrictive national legislation for public procurement does not facilitate the application for Structural funds. The uncompleted new public procurement framework, including secondary legislation, web-based guidelines, adequate training, etc., hampers Romanian organisations from fully benefiting of EU programmes.

This has been further complicated by the transposition of one EU Directive into three different national laws, adding an extra layer of complexity for the beneficiaries to understand the regulatory context applied and its effects.

Suggestion raised by participants and experts during the event was the implementation, as far as possible, of simplification of public procurement.

**Key Issue 5:** Current legal framework of Public procurement hampers organisations' participation in EU programmes

**Potential Action(s):**

National authorities:

- Accelerate the process of setting-up a new system for public procurement (secondary legislation, web-based guidelines, training system, etc.)
- Simplification of public procurement legislation

### 3. Downstream initiatives: How to enhance the creation of economic value from the R&I system?

**a. Building research and innovation ecosystems and work on value chains**

The participants highlighted that there is hardly any funding dedicated to economic sectors that generate higher value in terms of GDP in Romania (e.g. the automotive industry with Renault is the sole example of a real ecosystem in Romania). The money for projects has been specially concentrated on research activities while connections to the industry stayed unnoticed.

An effective national innovation policy (for both R&D triggered and non-R&D triggered innovation) is casi-absent both in practice and in the political discourse.

Even if new programmes aiming for technology transfer between business and academia have been introduced in the last programming period, there is still an important administrative burden for beneficiaries to apply for these calls. While companies are able to subcontract the expertise of

consultancy firms and lawyers to support them in accessing funding, universities are obliged to keep it in-house.

Suggestions raised by participants and experts during the event were as follows:

- A national policy for promoting both non-R&D innovation and R&D innovation should be developed, with adequate support measures
- Strengthening research and innovation ecosystems, with connections between universities, research centres and companies, would generate economic and social value.
- Continuous support for the entire innovation cycle, from education to commercialization, should be provided

**Key Issue 6:** Build an efficient research and innovation ecosystem and reinforce technology transfer

**Potential Action(s):**

National authorities:

- Develop an effective national policy for promoting innovation
- Promote programmes and initiatives to build connection between research and innovation actors
- Provide support throughout the entire innovation cycle
- Reinforce the emerging cluster policy to address the existing lab-to-market gap
- Launch specific training on entrepreneurship and marketing skills for researchers

**b. Difficulty to transfer innovations to the market**

The weak connection between universities and industry is revealed by the fact that universities try to market ideas once they have been developed instead of considering business and market needs. Even if Romania is good in developing new and innovative knowledge, bringing the knowledge from the laboratory to the market is often failing.

A good example of reducing such existing lack of cooperation is The European Innovation Partnership - Water<sup>9</sup>, financed by DG Environment, as it brings water innovation to the market.

Clusters can be seen as an engine of the Romanian innovation ecosystem, working in overcoming existing cooperation gaps and promote value chains. The clusters not only enhance the competitiveness but also act like a linking pin between universities and industry. Therefore, they can be one of the efficient tools to commercialise research ideas. The Cluj Cluster<sup>10</sup> is a very good example of the successful collaboration between academia and industry. Its main goal has been to increase the competitiveness of Romanian IT sector they have been able to establish a reputation as leading providers of software solutions in Central and Eastern Europe. They are making strong efforts to foster innovation in process, products and services for increased international competitiveness and build long-lasting public-private collaborations for mutual

**Key Issue 7:** Difficulties to create economic value from research & innovation activities

**Potential Action(s):**

National authorities:

- Better align national funding for innovation for industry needs
- Specific funding programmes for market uptake would be needed to improve user centred approach

<sup>9</sup> <http://www.eip-water.eu/>

<sup>10</sup> <http://www.clujit.ro/>

benefit.

Furthermore, there are several more issues hindering the commercialisation of the research findings; namely, (i) lack of venture capital, (ii) lack of infrastructure and equipment for technology-intensive industries, and (iii) lack of standards in the national regulations. Thus, from research to market, there is a need for an extra stage where research findings can be exploited by a company. It was also noted during the event by some participants that the stronger link between EU15 countries can provide more opportunity for commercialisation and help to overcome this barrier.

Suggestions raised by participants and experts during the event were as follows:

- National research funding should be better aligned with the market and the industry needs. Setting-up an effective and continuous entrepreneurial discovery process, with the administration acting as facilitator, would be an effective way of building trust and ensuring participation of the relevant stakeholders.
- A better understanding of the technology readiness level would be needed to prioritize close-to-market research for public funding
- Specific funding programmes for market uptake would be needed to improve user centered approach, usability testing and field trials in EU research and innovation cooperation projects.
- Training on marketing will be further welcome to support the commercialization process of research results developed into innovative products to be successfully deployed to the market.
- Enhance the collaboration with EU15 countries, especially at the level of commercialisation of research findings.

#### 4. The Way Forward

The state of play of the above key issues and actions mentioned in this Joint Statement will be followed up after a period of one year with:

- A survey targeting managing authorities and intermediate bodies in charge of the implementation of synergies and beneficiaries of national and EU funding to assess the progress with regard to the issues raised in this Joint Statement;
- A follow-up seminar with Managing Authorities to monitor the progress on issues assessed in the Joint Statement in more depth and to develop further actions to be taken.

Furthermore, in order to widen the benefit of the discussion to a broader network involving all potential research and innovation stakeholders, the EC will disseminate relevant information to:

- Help Romanian stakeholders to build capacity and international networks.
- Establish an information system to inform on examples of synergies that take place Romania.