



# New Opportunities for Synergies & Complementarities between ESI Funds and Horizon2020

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# Structure.

- *What does Cohesion Policy do for the Circular Economy?*
- *What new opportunities for synergies between ESI Funds and Horizon 2020 offers the "Omnibus" Regulation?*

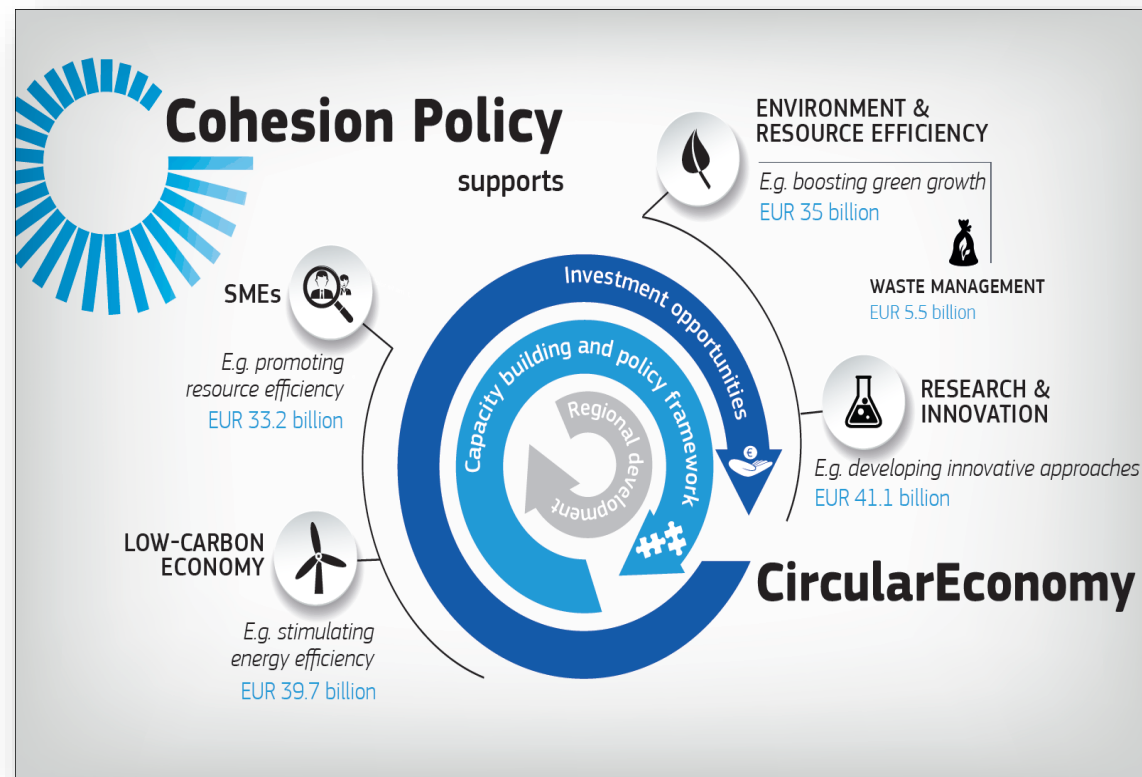
# Cohesion Policy is key to making the circular economy a reality in Europe

The 2014-2020 ESI Fund investments are geared towards local needs and opportunities, strengthening the bio-economy, novel solutions in product design, new business models, the creation of green jobs and the roll-out of circular economy solutions on the ground:

- Recycling and improved waste management (around €5.5 billion)
- Environmentally-friendly production processes & resource efficiency of SMEs (€2.3 billion)
- Water reuse, recycle treated wastewater for park irrigation, street cleaning etc.
- Research and innovation to develop new and better products in line with circular economy targets (15 national and over 90 regional Smart Specialisation Strategies have relevant R&I priorities)

Further information:

[http://ec.europa.eu/regional\\_policy/en/policy/themes/environment/circular\\_economy/](http://ec.europa.eu/regional_policy/en/policy/themes/environment/circular_economy/)

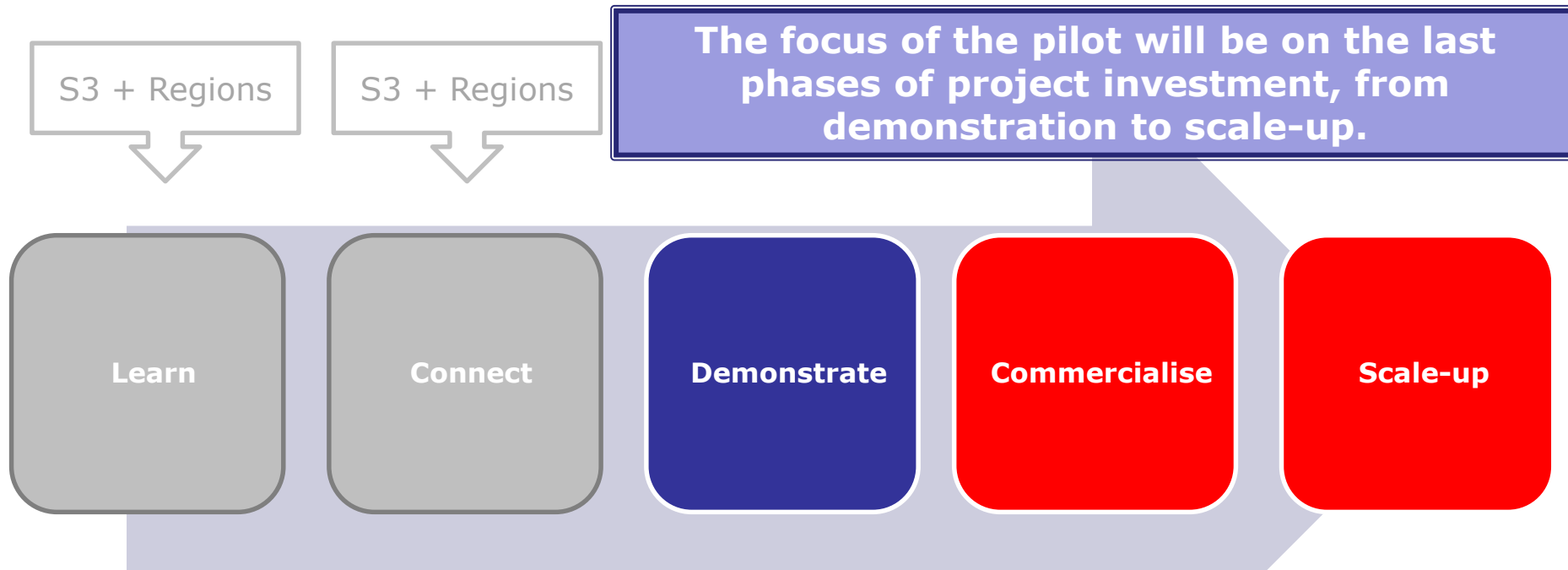


# Circular Economy & Cohesion Policy

Cohesion policy is not only about money. It offers a policy framework for integrated regional development focusing on the particular strengths of each region to deliver the circular economy:

- **Partnership** with actors on the ground
- Circular economy is one of the 12 themes of the **Urban Agenda for the EU** where cities work with the Commission, Member States and other partners on waste, resource efficiency and the sharing economy.
- Commission supports **capacity-building in regional authorities** and technical assistance, e.g.:
  - ✓ Network of Environmental Authorities and Managing Authorities (ENEA-MA)
  - ✓ Smart Specialisation Platform: support to thematic partnerships
  - ✓ TAIEX REGIO peer-to-peer support for training sessions, exchanges, study visits
  - ✓ JASPERS assistance to prepare major ERDF projects
  - ✓ Guidance on cost-benefit analysis, green infrastructure, Synergies among EU funds, Green Public Procurement etc.

## S3 Pilot for Interregional investment projects



*Following a call for expression of interest in 2017:*

### **8 pilots selected:**

- ▶ 3D Printing
- ▶ Cybersecurity
- ▶ High-tech farming
- ▶ Sustainable buildings
- ▶ Bio-economy
- ▶ De-&Re-manufacturing for circular economy
- ▶ Marine renewable energy
- ▶ Traceability and big data

## S3 Pilot for Interregional investment projects:

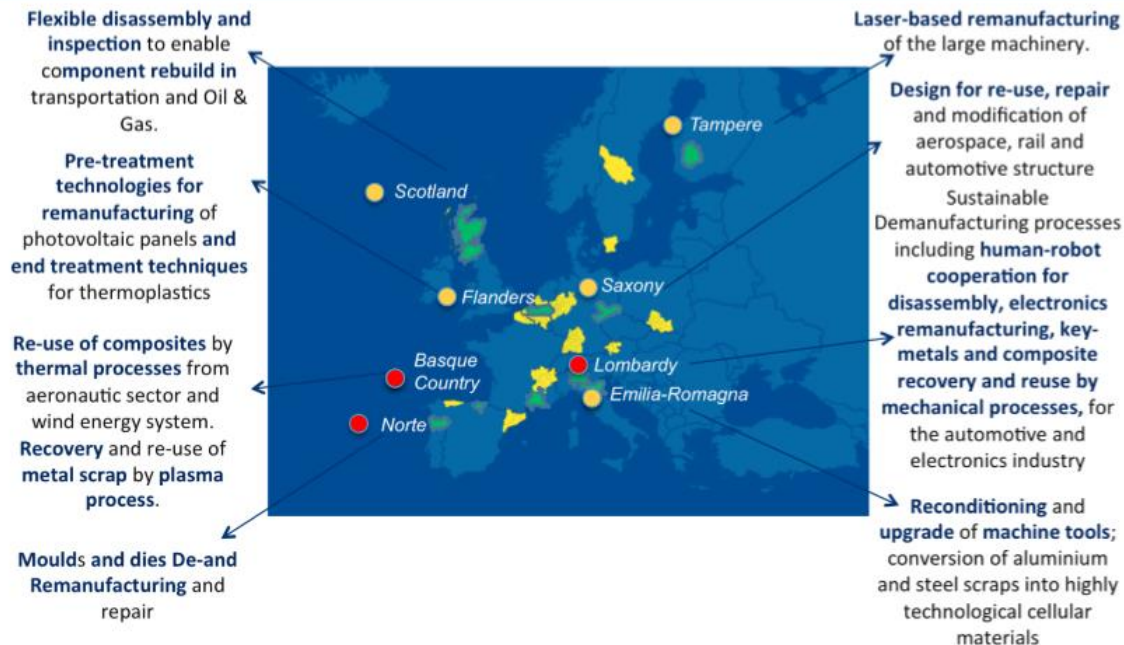
### Experimenting with new support mechanisms

- **Thematic expertise from a dedicated team of Commission services** (*links to EIT-KICs, cluster initiatives, Joint Undertakings, PPPs ....*)
- **Overall coordination of the implementation of the 8 selected partnerships** (*external experts*)
- **Customised support services on specific needs (internal/external to Commission services)**
  - business plan design
  - financial modelling
  - intellectual property rights
  - standardisation
  - market research
  - etc.
- **Capitalisation exercise** (*external experts*)

## S3 Pilot for Interregional investment projects

### “De- and Remanufacturing for Circular Economy” lead by Lombardy Region

#### Pilot Geographic Configuration and Regional Specialization



The network will be composed of:

- New infrastructures, which will be designed, developed, and installed on purpose for this pilot network.
- Existing infrastructures, which will be upgraded towards integrated pilot plants.



# Structure.

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# ESI Funds & Horizon 2020

## *Different, but complementary:*

- ESIF aims at **socio-economic development**, reducing disparities, structural adjustments, industrial conversion (Art. 176 EU Treaty)
- Lasting **impacts on industrial structures and innovation ecosystems** (5 years durability)
- Focus on **business R&I with local relevance and technology take-up** in all EU regions
- **Tailored support** for regions' needs and potentials (Smart Specialisation)
- **Entrepreneurial discovery process** with industry, research and public sector
- **Technology-push & Demand-pull** (public procurement of solutions for societal challenges)

# 1. State of play regarding synergies & complementarities (1)

- ***Smart Specialisation prepared the ground***

- ✓ **For better innovation governance**, more university-enterprise cooperation and improved R&I support in the countries & regions (*Stairway2Excellence, S3 support for lagging regions, Teaming/Twinning, ERA chairs, etc.*)
- ✓ **For interregional teaming up** around related S3 priorities (*Vanguard Initiative, thematic platforms, interregional S3 partnerships, MoU of Joint Undertakings, regional innovation scheme of the EIT-KICs*) and preparing for transnational H2020 project consortia
- ✓ **For a more comprehensive innovation approach** (*digitisation, industrial transition, skills, structural reforms*)
- ✓ **Mapping of capacities** (*DIHs, KETs ...*)

# 1. State of play regarding synergies & complementarities (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*)
- ✓ Some cases of **ERDF funding outside OP area** (*ESS in kind contribution*)

# ESIF Modifications via the "Omnibus" Regulation

## 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.

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

New off-the-shelf SCOs

# ESIF Modifications via the "Omnibus" Regulation

## Additional option for cumulating funds from different EU sources

*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 Art. 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** (while respecting co-financing obligations under ESIF and H2020 respectively)

# ESIF Modifications via the "Omnibus" Regulation

## Clarifications and simplification for operations outside the OP area

*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 and differentiate:

- ✓ Operation in EU but outside OP area & calculation of benefits pro rata
- ✓ Outside EU (TA, promotion, information, visibility ...)

# ESIF Modifications via the "Omnibus" Regulation

## Simplification for R&I operations outside the MS

### Omnibus: new Art. 70 Common Provisions Regulation

Special simplifications for **research and innovation**:

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

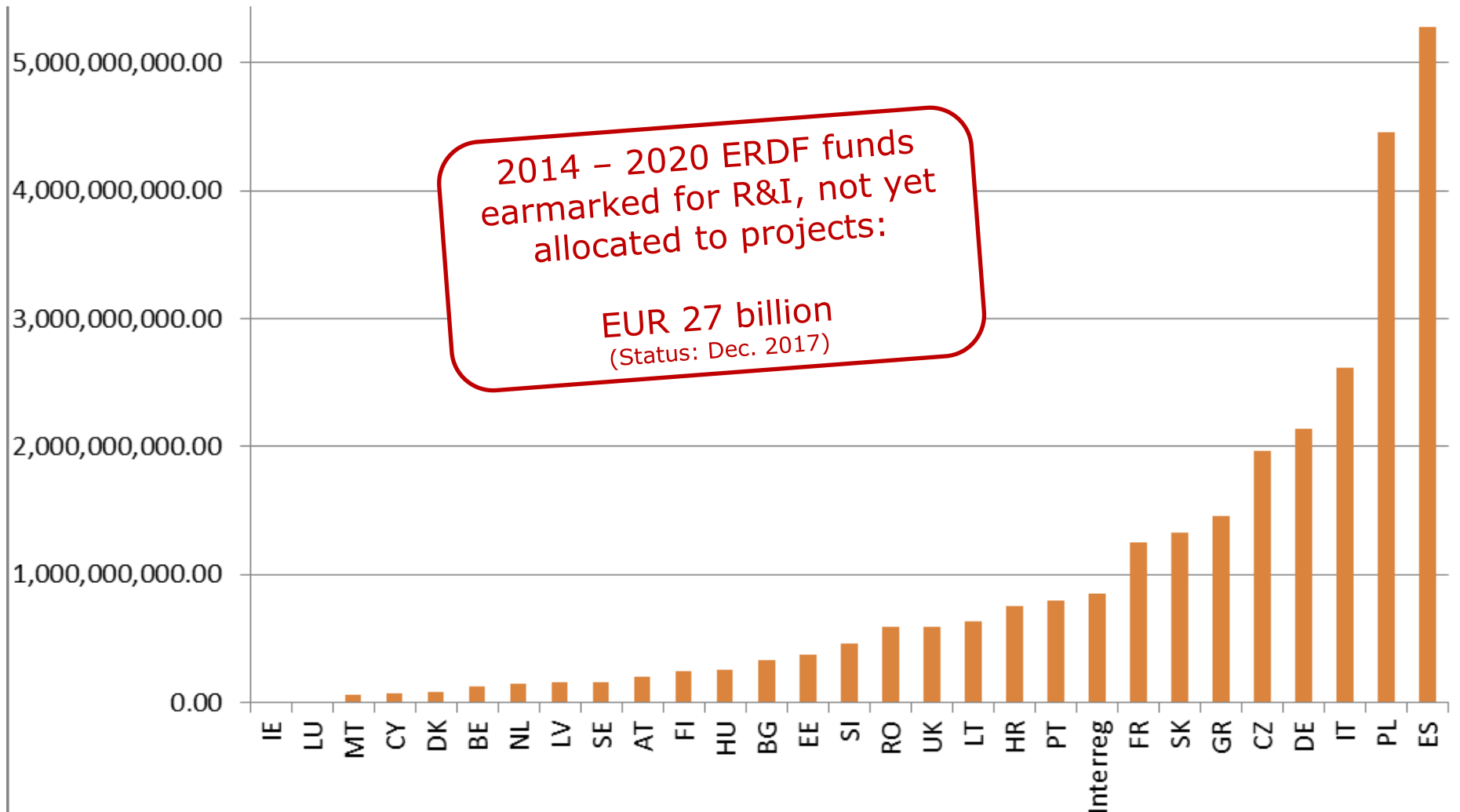
- **max.15% of a priority axis** at the time of adoption of the OP may be outside OP area
- **management, control and audit** by funding MA or agreements with authorities in the area in which the operation is implemented

2. Operations **outside EU**:

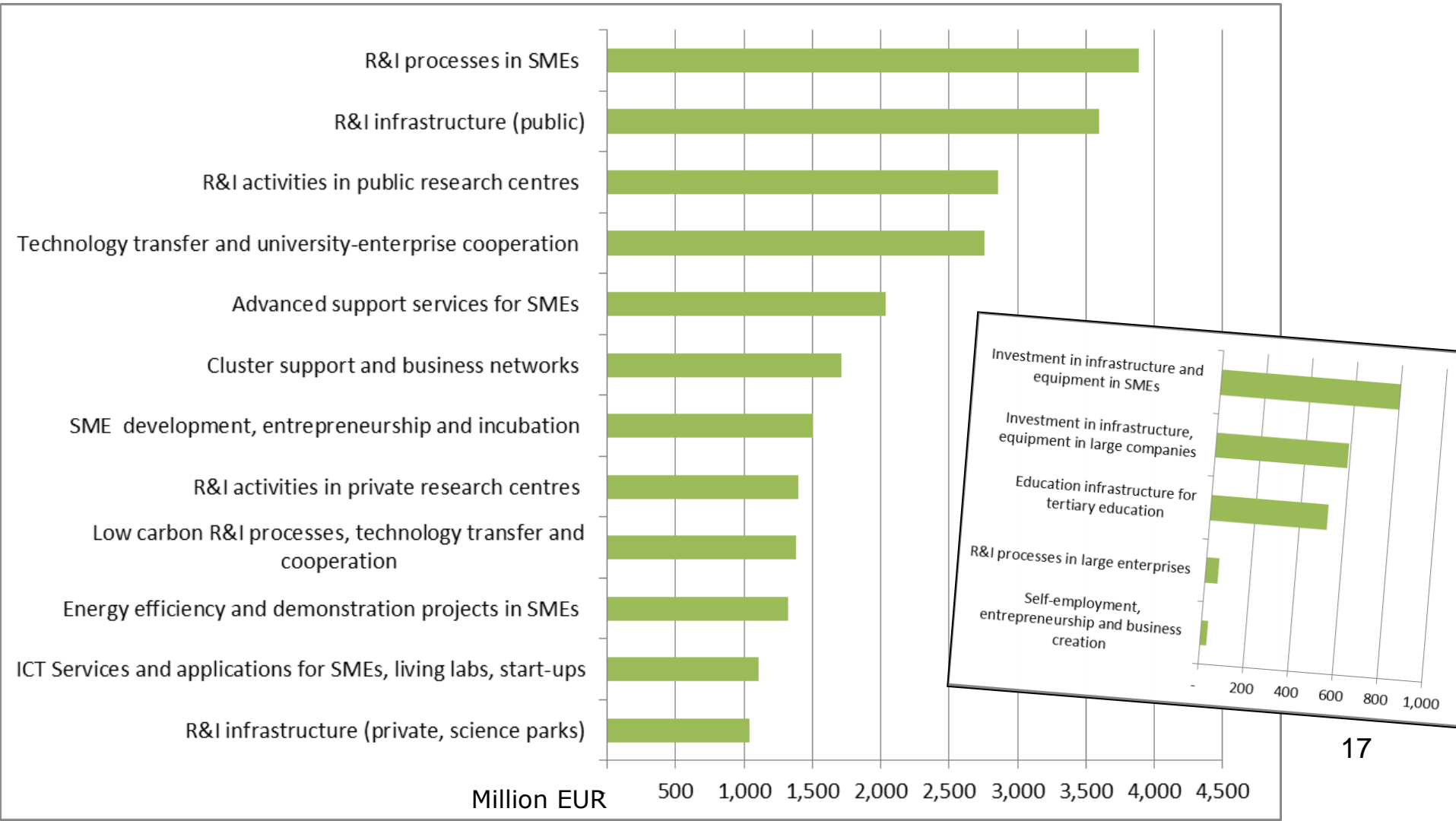
R&I operations allowed, provided that **expenditure is necessary for the satisfactory implementation of the operation.**



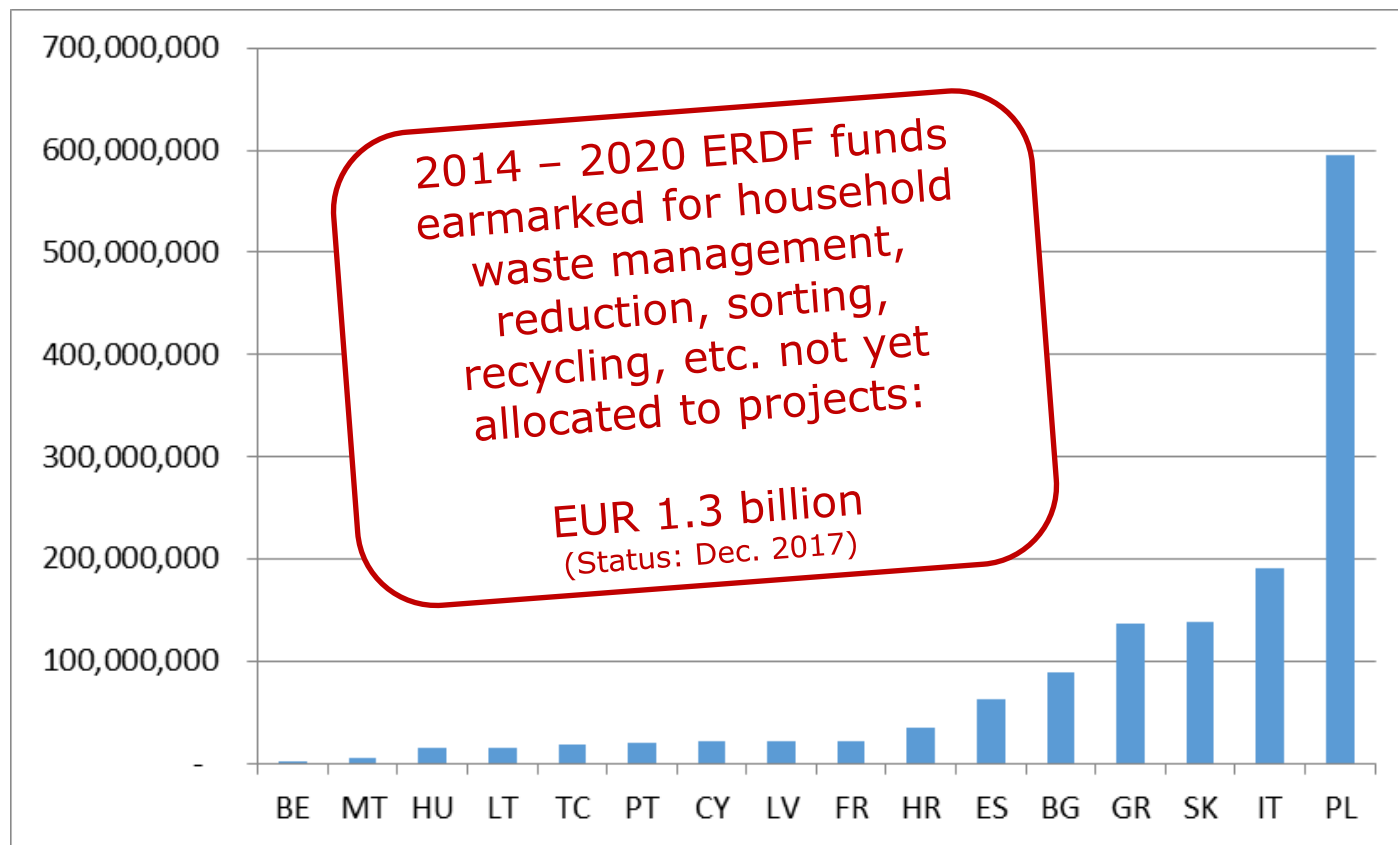
# Remaining ERDF funds for R&I



# Remaining ERDF funds for R&I



# Remaining ERDF funds for household waste management



## Questions and Answers

