

## Work package 2

**Deliverable:** D2.8 Report on new forms of cooperation and co-funding mechanisms with initiatives financed by ESIF and other sources

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**Submission date:** 20 October 2021

### *The main outcomes*

- Providing an overview of the European Union funding mechanisms outside Horizon Europe
- Introducing the legislative base for enabling synergies within the EU funding programmes
- Identifying barriers preventing funding synergies in the Member States and European level
- Introducing examples of initiatives where synergies have been promoted or achieved
- Providing specific recommendations for European Commission, Member States and regional funders on improving funding synergies

To be cited as: Ulvila M., M. Sirendi, K.A. Koho, D. Lisbjerg (2021). Report on new forms of cooperation and co-funding mechanisms with initiatives financed by ESIF and other sources. BANOS CSA/D2.8.

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**This work has been carried out by the *Baltic and North Sea Coordination and Support Action (BANOS CSA)* project funded from the European Union's Horizon 2020 Research and Innovation Programme under grant agreement No. 817574.**

## **Description of task (i.e. as in the Description of Work):**

The EU and its member states invest considerable resources in European Structural and Investment Funds (ESIF), this being of high relevance for regional seas science and innovation programmes, the implementation of EU regional sea strategies and various EU policies and directives. These funds include i) the European Agricultural Fund for Rural Development (EAFRD) underpinning the Common Agriculture Policy (CAP) which is of particular importance for nutrient and contaminant loading, ii) the European Maritime and Fisheries Fund (EMFF) which underpins the Common Fisheries Policy (CFP) fostering sustainable fisheries and aquaculture and financing the related Data Collection (DCF) programme, iii) the European Regional Development Fund (ERDF), which includes the Interreg Programmes and iv) the Cohesion Fund (CF) covering also marine and maritime infrastructure in different member states. As indicated by the H2020 mid-term evaluation (European Commission, 2018), an improved cooperation and enhanced synergies between FP9 and ESIF will be required. In addition, cooperation with the LIFE programme, the EU's funding instrument for the environment and climate action, will be considered. The task will be implemented in M9-M36 and mechanisms for delivering enhanced coordination for research programming will be explored by i) mapping the relevant actions funded from EU sources other than R&I and establish their linkage to the future Baltic Sea and North Sea research and innovation programme (M9-M17) and ii) finalising report and recommendations based on the emerging SRIA and the new opportunities opened in the next ESIF funding period (M20-M36). This will be accomplished in cooperation with various other tasks of the action. It is envisaged also that the project's strategic partners, in particular International Council for the Exploration of the Sea (ICES), will actively provide support in fulfilling this task. The contribution of ICES to the project, as well as other third parties' - HELCOM, OSPAR and JPIO - contribution will be provided as in-kind contribution against payment and it is included in the coordinator's budget (see 4.2.)

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## 1. Executive Summary

The overall objective of the BANOS CSA work package 2 (WP2) Implementation modalities is to create the conditions (governance, management, financial, legal aspects and administration) for an effective implementation of the joint strategic Baltic Sea and North Sea marine and maritime research and innovation agenda. This deliverable, as part of WP2, is dedicated to identify and explore alternative EU funding opportunities as a complement to traditional EU's research and innovation funding.

The need for greater synergies between the various EU funds has been recognised for several years as the synergies would lead to increase the impact and efficiency of the funding. Many EU funding programmes, which are introduced in this report, address partly the same challenges and share the same objectives, but the practical examples of achieved synergies are still limited today.

One of the barriers to promoting synergies has been the complex regulatory environment which now has been somewhat eased at the start of the new EU funding period 2021-2027. However, there is still a degree of uncertainty as the concrete guidelines to facilitate more flexible use of funds are not yet available. Other barriers preventing synergies – attitudinal barriers, lack of knowledge and resources, timing challenges – are also significant and require active measures from different actors. Several recommendations for European Commission, Member States and regional funders are outlined.

## 2. Introduction

In recent years, particularly from 2014 onwards, EU institutions and the actors implementing EU funding have recognised the need for greater synergies in the use of EU funds within the field of research and innovation activities. Some small steps to increase synergies were already taken in the funding period 2014-2020 when, for example, the concept ‘Seal of Excellence’ was introduced. Furthermore, several studies on challenges and recommendations to achieve synergies have been published<sup>1</sup>. However, the practical examples of coordinating the synergistic use of funding in the field of marine and maritime research have remained very limited. In order to increase the potential of synergies, many EU level regulations that have been seen as impeding synergies have been updated for the current funding period 2021-2027.

The Baltic and North Sea Research and Innovation Programme’s Strategic Research and Innovation Agenda (BANOS SRIA)<sup>2</sup> is foreseen to be primarily implemented through the activities of the Sustainable Blue Economy Partnership (SBEP) supported by Horizon Europe (HE), EU’s key funding programme for research and innovation in 2021-2027. In addition to the Partnership activities, some Baltic Sea and North Sea relevant complementary activities that fall outside the scope of the Partnership SRIA, may be implemented as separate ‘BANOS Programme only’ activities. Such BANOS activities would be funded by national money only, and/or supplemented with funding of other EU funding programmes, such as the European Maritime and Fisheries Fund (EMFAF), the Programme for Environment and Climate Action (LIFE) and relevant Interreg programmes funded by the European Regional Development Fund (ERDF).

This document introduces the most relevant - other than HE - EU funding programmes in the research and innovation landscape (chapter 3) and provides an overview to the legal basis for enabling synergies in these programmes (chapter 4). Further, it presents the measures taken in the BANOS CSA project to map the barriers preventing synergies in the Member States and European level (chapter 5) and introduces a few examples of initiatives where synergies have been promoted or achieved (chapter 6). Finally, the document lists specific recommendations for the Member States, for the Commission and for regional funders (including BANOS programme, as planned in BANOS CSA) to enable the future development of funding synergies and optimisation of R&I resources at European level.

## 3. A short overview of the European Union funding outside Horizon Europe

The Cohesion Policy – targeting for economic growth and sustainable development in all areas and regions of the European Union - is the EU’s main investment policy delivered through specific funds: Cohesion Fund (CF), European Social Fund Plus (ESF+), Just Transition Fund (JTF) and European Regional Development Fund (ERDF). The total budget of these funds is EUR 392 billion for 2021-2027. Together with the European Maritime Fisheries and Aquaculture Fund (EMFAF) – supporting the Common Fishery Policy of the European

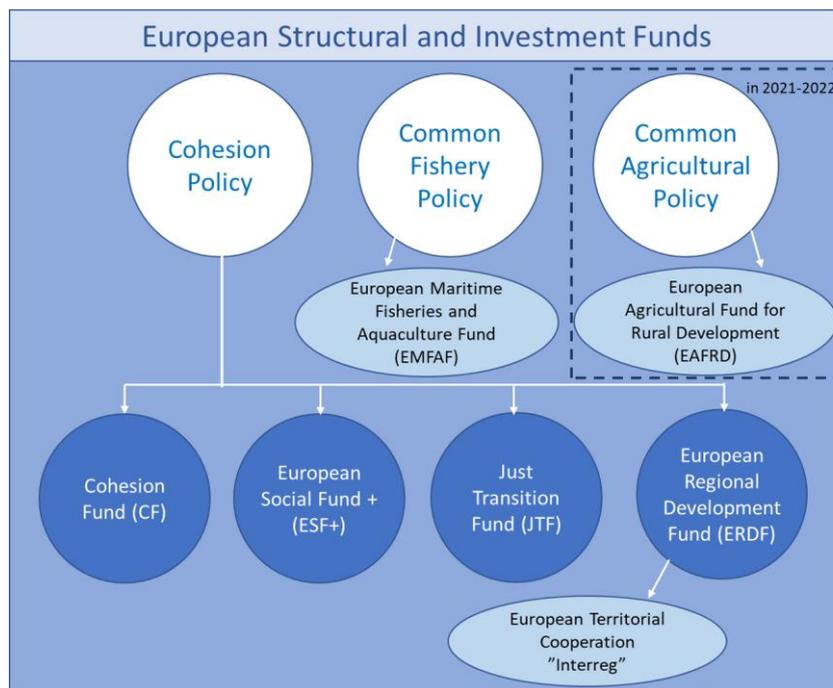
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<sup>1</sup> European Commission (2016): EU Funds working together for jobs & growth;  
Kah & Gruber (2019): Report on Synergies among EU funds in the field of Research and Innovation in Agriculture;  
ERA-LEARN report (2018): Policy Brief on the Potential Coordination between European Structural and Investment Funds (ESIF) and Transnational P2P

<sup>2</sup> Koho K.A., A. Andrusaitis, M. Sirola, et al. (2021). The Baltic and North Sea Strategic Research and Innovation Agenda, BANOS SRIA 2021. BANOS CSA/D1.5

Union – the funds constitute the European Structural and Investment Funds (ESIF, Figure 1).<sup>3</sup> The implementation of ESIF is based on the common financial rules, the **Common Provisions Regulation (CPR)**.

ESI Funds are jointly managed by the European Commission and the Member States (also called as **shared management**). Member States draw up strategic plans, **Partnership Agreements (PAs)**, with their investment priorities covering the five ESIF. Details of the objectives they intend to achieve with the available resources are given in national and/or regional **Operational Programmes (OPs)**. Managing/national authorities appointed by each Member State are responsible for managing the actual programmes. A national and/or regional Research & Innovation Strategies for Smart Specialisation (**RIS3**)<sup>4</sup> is an ex-ante conditionality for R&I investments under CF and ERDF.



*Figure 1: European Structural and Investment Funds in 2021-2027. The most relevant funds for marine and maritime research and innovation implementation are EMFAF and ERDF, and relevant Interreg programmes. However, the other Funds are also relevant to a degree due to their links to support the EU’s ambitions towards reaching carbon neutrality. EAFRD will remain under the ESIF framework in 2021 and 2022.*

### Cohesion Fund

The Cohesion Fund (CF) supports investments in transport networks, infrastructure and energy efficiency projects for environmental protection in countries where the gross national income (GNI) per inhabitant is less than 90% of the EU average. For the 2021-2027 period, the CF concerns (BANOS Member States with **bold**): Bulgaria, Czechia, **Estonia**, Greece, Croatia, Cyprus, **Latvia**, **Lithuania**, Hungary, Malta, **Poland**, Portugal, Romania, Slovakia and Slovenia. 37 % of the overall financial allocation of the CF are expected to contribute to climate objectives.

<sup>3</sup> During the transition period, 2021-2022, EAFRD (European Agricultural Fund for Rural Development) will remain under the ESIF framework

<sup>4</sup> More information about RIS3 on website: <https://s3platform.jrc.ec.europa.eu/>

### European Social Fund Plus

The European Social Fund Plus (ESF+) is Europe's main instrument for supporting jobs, helping people get better jobs and ensuring fairer job opportunities for all EU citizens. In 2021-2027 the ESF+ has a total budget of EUR 99 billion. It will invest in people, creating and protecting job opportunities, promoting social inclusion, fighting poverty and developing the skills needed for the digital and green transition.

The majority of funding under the ESF+ (EUR 98.5 billion) will be allocated under shared management with the Member States. In addition to the shared management strand of the fund, the European Commission directly manages a smaller share (EUR 762 million) of the ESF+ under the Employment and Social Innovation (EaSI) Strand.

### Just Transition Fund

The Just Transition Fund (JTF) is a new instrument of the Cohesion Policy in 2021-2027, as the first pillar of the Just Transition Mechanism in the context of the European Green Deal aiming at achieving the EU climate-neutrality by 2050. The JTF supports the territories most affected by the transition towards climate neutrality to avoid regional inequalities growing, in line with EU cohesion policy's aim to reduce regional disparities and to address structural changes in the EU.

The fund alleviates the socio-economic costs triggered by the climate transition, supporting the economic diversification and reconversion of the territories concerned, helping people to adapt in a changing labour market. This means backing the activities that are directly linked to JTF specific objective, for instance:

- productive investments in small and medium-sized enterprises
- research and innovation activities
- environmental rehabilitation

In order to implement JTF resources, the Member States shall prepare strategic Territorial Just Transition Plans (TJTP) identifying the eligible territories that are expected to be the most negatively impacted by the climate transition. The TJTP have to be prepared together with the relevant internal partners, in dialogue with the Commission, and by ensuring they are consistent with the smart specialisation strategies and the National Energy and Climate Plans.

### European Regional Development Fund

European Regional Development Fund (ERDF) aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions. The ERDF finances programmes in shared responsibility between the European Commission and national and regional authorities in Member States.

In 2021-2027, ERDF will enable investments to make Europe and its regions:

- More competitive and smarter, through innovation and support to small and medium-sized businesses, as well as digitisation and digital connectivity
- Greener, low-carbon and resilient
- More connected by enhancing mobility
- More social, supporting effective and inclusive employment, education, skills, social inclusion and equal access to healthcare, as well as enhancing the role of culture and sustainable tourism
- Closer to citizens, supporting locally-led development and sustainable urban development across the EU

Based on their prosperity, all regions and Member States will concentrate the support on a more competitive and smarter Europe (policy objective – PO1), as well as greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe (PO2), through the mechanism known as 'thematic concentration'.

All regions and Member States (MS) will concentrate at least 30% of their allocation to PO2 and:

- More developed regions or MS (whose GDP per capita is above 100 % of the average GDP per capita of the EU-27) will dedicate at least 85% of their allocation to PO1 and PO2;
- Transition regions or MS (GDP per capita is between 75 % and 100 % of the average GDP per capita of the EU-27) at least 40 % to PO1;
- Less developed regions or MS (GDP per capita is less than 75 % of the average GDP per capita of the EU-27) at least 25 % to PO1.

All regions and Member States will also concentrate at least 8 % of their allocation to urban development that will be delivered through local development partnerships with different tools. Operations under the ERDF are also expected to contribute 30 % of the overall financial envelope to climate objectives.

#### European Territorial Cooperation programmes (“Interreg”)

Interreg is the Union’s instrument to support cooperation across regions and countries. Interreg provides funding for projects between Member States, their outermost regions, the EU acceding countries and the neighbourhood countries.

In 2021-2027, Interreg will continue to support cross-border mobility, and efforts to develop environmental protection, emergency services, skilled jobs and access to public services for the next EU generation. In addition, two new objectives will steer territorial cooperation: (i) better cooperation governance; (ii) a safer, more secure Europe. The total budget of Interreg for 2021-2027 amounts to EUR 8 billion.

#### ERDF implementation and Interreg participation in BANOS countries<sup>5</sup>

Implementation of ERDF at Member State level varies a lot: from countries with one national Operational Programme (Denmark, Estonia, Latvia, Lithuania) to countries having national, regional and interregional programmes (France, total 34 OPs). Further, the participation in Interreg programmes is very diverse: some Member States participate in handful of Interreg programmes (Estonia, 7), whereas some Member States participate in dozens of Interreg programmes (Germany and France, more than 20).

In the BANOS territorial area the most relevant Interreg programmes in regards to the collaboration in marine and maritime affairs are **Interreg Baltic Sea Region** (participating countries and/regions in 2021-2027: Denmark, Estonia, Finland, Latvia, Lithuania, Poland, Sweden and the northern parts of Germany, Norway, and the northwest regions of Russia), **Interreg Central Baltic** (27 regions from Finland, Estonia, Latvia and Sweden in 2021-2027), **Interreg South Baltic** (in 2021-2027 regions from Denmark, Germany, Lithuania, Poland and Sweden) and **Interreg North Sea Region** (in 2021-2027 regions from Belgium, Denmark, France, Germany, Norway, Sweden, and the Netherlands). The Operational Programmes of the Interreg programmes for the programme period 2021-2027 are currently being developed and are expected to be launched in early 2022.

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<sup>5</sup> In 2014-2020

### European Maritime, Fisheries and Aquaculture Fund (EMFAF)

The EMFAF<sup>6</sup> runs from 2021 to 2027 and supports the EU common fisheries policy (CFP), the EU maritime policy and the EU agenda for international ocean governance. It provides support for developing innovative projects ensuring that aquatic and maritime resources are used sustainably. The fund helps achieve sustainable fisheries and conserve marine biological resources. The total budget for 2021-2027 is EUR 6.108 billion.

The programme management is divided between **shared management** and **direct management**:

- shared management – EUR 5.311 billion is provided and administered through national programmes approved by the Commission.  
In this case, EU countries outline in their programmes the best way for them to fulfil the objectives of the fund. They identify actions in line with their national strategy and select the eligible projects in line with their own criteria. However, the EMFAF Regulation sets out a list of operations not eligible for support, thus preventing any harm to the sustainability of fisheries.
- direct management – EUR 797 million is provided directly by the Commission

Under shared management, each country receives the same percentage of the fund's budget as during the previous period, 2014-2020.

The EMFAF supports innovative projects that contribute to the sustainable exploitation and management of aquatic and maritime resources. It facilitates, for instance:

- the transition to sustainable and low-carbon fishing
- the protection of marine biodiversity and ecosystems
- the development of a sustainable and competitive aquaculture contributing to food security
- innovation in the sustainable blue economy
- maritime security towards a safe maritime space
- international cooperation towards healthy, safe and sustainably managed oceans

### European Agricultural Fund for Rural Development (EAFRD)

The European Agricultural Fund for Rural Development (EAFRD) finances the Common Agricultural Policy's (CAP) contribution to the EU's rural development objectives:

- improving the competitiveness of agriculture,
- encouraging sustainable management of natural resources and climate action,
- achieving a balanced territorial development of rural economies and communities.

These objectives are realised through national and regional rural development programmes (RDPs), which are co-financed by the EAFRD and the national budgets of EU countries.

Unlike the other European Union policies of 2021-2027 the implementation of the new CAP strategy will start from 2023. The EAFRD will remain under the ESIF framework in 2021 and 2022, after which it will fall fully under the framework of the CAP strategic plans.

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<sup>6</sup> Earlier EMFF (European Maritime and Fisheries Fund)

#### Other EU funds

In addition to the ESI Funds there are other EU programmes and funding streams with which it would be beneficial to increase co-operation and thus achieve synergies within R&I funding. Such funds are for example LIFE Programme for Environment and Climate Action (LIFE) and new Recovery and Resilience Facility (RRF).

#### *LIFE – Programme for Environment and Climate Action*

EU's financial instrument supporting environmental, nature conservation and climate action projects throughout the EU. The budget of the LIFE Programme in 2021-2027 is EUR 5.4 billion and it will cover the following areas: (i) Nature and biodiversity, (ii) Circular economy and quality of life, (iii) Climate change mitigation and adaptation and (iv) Clean energy transition.

LIFE Programme is **centrally managed** by the European Climate, Environment and Infrastructure Executive Agency (CINEA). The majority of the funds – 85 % during the years 2021-2027 – will be allocated to projects through grants. Projects are selected through calls for proposals organised by the CINEA.

#### *Recovery and Resilience Facility*

The Recovery and Resilience Facility (the Facility) makes €672.5 billion (in 2018 prices) in loans and grants available to support reforms and investments undertaken by Member States. The aim is to mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions. The Facility shall be implemented by the Commission in **direct management**.

## 4. Legislative base on synergies between European Union funds

The main legislative base of the HE is the Regulation (EU) 2021/695 of 28 April 2021 of the European Parliament and of the Council establishing Horizon Europe – the Framework Programme for Research and Innovation. The synergies with other funding programmes are emphasised at many places already in Preamble of the Regulation (recitals 34, 43, 66-68, etc.) and in addition the Regulation contains a separate annex concerning synergies with other funding programmes (Annex IV - Synergies with other Union Programme).

#### ***Synergies with other Union Programmes (Annex IV of Horizon Europe Regulation)***

*Funding from the Programme (i.e. HE) shall be used only to finance R&I activities. The strategic planning shall ensure the alignment of priorities for the different Union programmes and ensure coherent funding options at different stages of the R&I cycle. Missions and European Partnerships shall, among other things, benefit from synergies with other Union programmes and policies. The deployment of research results and innovative solutions developed in the Programme shall be facilitated with the support of other Union programmes, in particular through dissemination and exploitation strategies, transfer of knowledge, complementary and cumulative funding sources, and accompanying policy measures. Funding for R&I activities shall profit from harmonised rules that are designed to ensure Union added value, to avoid overlaps with different Union programmes and to seek maximum efficiency and administrative simplification.*

Article 7 of the Regulation defines synergies with other Union programmes being one of the principles of the HE Programme.<sup>7</sup> The ways/methods how synergies will be reached and ensured are defined in the Article 15 of the Regulation (detailed articles in Annex 1).

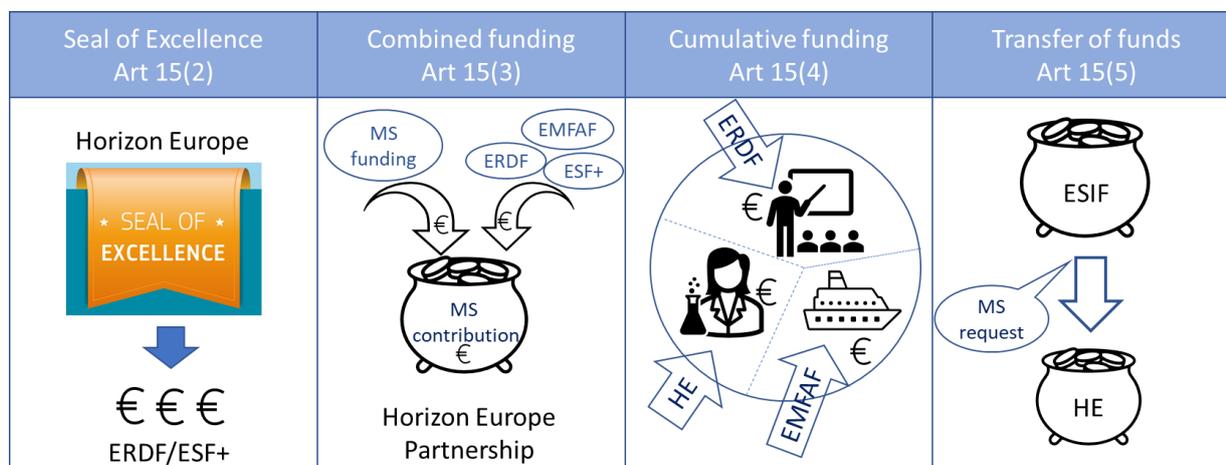


Figure 2: Four ways how synergies can be reached enabled by Article 15 of HE Regulation

In principle four funding synergies are now possible (Figure 2):

- I. **Seal of Excellence:** a quality label awarded by HE proposals which reached quality excellence but get not granted due to budget limits. It helps proposals to find alternative funding (e.g. ERDF or ESF+) and other funding bodies can take advantage of the HE evaluation process.
- II. **Combined funding:** Financial contributions of the ERDF, the ESF+ and the EMFAF may be considered a contribution of the participating Member State to European Partnerships.
- III. **Cumulative funding:** Possibility to pool different funding (from HE and ESIF) on the same project but covering different costs items.
- IV. **Transfer of funds:** up to 5% of the each nationally managed ESIF can be transferred and implemented via HE calls.

### Common Provisions Regulation for 2021-2027

The Common Provisions Regulation (CPR) (Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021) constitute the legal basis for the shared management of the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+), the Cohesion Fund (CF), the Just Transition Fund (JTF) and the European Maritime, Fisheries and Aquaculture Fund (EMFAF) and financial rules for those.

The Preamble of the CPR (Annex 2) emphasises the importance of simplification of the rules in order to reach synergies between different European funding programmes. Further, several articles of the CPR (e.g., articles 26, 63(9) and 73(4)) - set the rules – similar to HE rules - for optimising synergies between ESIF and other Union funding instruments.

<sup>7</sup> Article 7(7): The Programme shall be implemented in synergy with other Union programmes while aiming for maximal administrative simplification.

## LIFE regulation for 2021-2027

Both the regulation of the LIFE Programme for 2021-2027<sup>8</sup> and the multiannual work programme for the years 2021-2024 for the LIFE programme (LIFE MAWP)<sup>9</sup> encourage to create synergies and increase cooperation between EU funds:

### **Synergies with other Union programmes** (Art 8 of the LIFE regulation)

The Commission shall facilitate the consistent implementation of the LIFE Programme. The Commission and Member States shall facilitate coordination and the attainment of coherence with /... / Horizon Europe /.../, **in order to create synergies, particularly as regards strategic nature projects and strategic integrated projects, and to support the uptake and replication of solutions developed under the LIFE Programme.** The Commission and Member States shall pursue complementarity at all levels.

### **Cumulative Funding** (chapter 6 of the LIFE MAWP 2021-2024)

In some cases, LIFE funds may be used to add, complement or combine funds from other EU programmes. This could happen, for example, to promote, add or steer some specific work on key environmental or climate issues under other programmes. These types of funding will aim at developing concerted efforts, optimising synergies and/or pursuing specific objectives of the LIFE Programme. They are aimed at ensuring more efficiency in leveraging and at enabling better coordination of support to final beneficiaries/recipients. Cumulative funding could be used to finance the LIFE contribution to e.g. calls for proposals, specific grants, calls for tenders or blending support financed jointly with other EU programmes and financial instruments.

## Recovery and Resilience Facility

The legal regulation of the Facility (Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility) recognizes additionality and complementary funding:

### **Article 9** - Additionality and complementary funding

Support under the Facility shall be additional to the support provided under other Union programmes and instruments. Reforms and investment projects may receive support from other Union programmes and instruments provided that such support does not cover the same cost.

## State aid rules and General Block Exemption Regulation (GBER)

A company that receives government support (=state aid) gains an advantage over its competitors. Therefore, state aid is generally prohibited unless it is justified by reasons of general economic development. As a general rule, state aid must be notified to and cleared by the Commission before it is granted. Support and funding coming from the Union budget are also considered as government support if national authorities have discretion about the use of those resources (i.e. **shared management** of funds). By contrast, if Union

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<sup>8</sup> Regulation (EU) 2021/783 of the European Parliament and of the Council of 29 April 2021 establishing a Programme for the Environment and Climate Action (LIFE), and repealing Regulation (EU) No 1293/2013

<sup>9</sup> ANNEX to the Commission Implementing Decision on the adoption of the multiannual work programme for the years 2021-2024 for the LIFE programme (C(2021) 4997 final, Brussels, 9.7.2021)

resources are managed directly or indirectly by the Union or by international institutions with no discretion on the part of national authorities, they are not considered as government support.

The General Block Exemption Regulation (hereafter the GBER) exempts Member States from the notification obligation, as long as all the GBER criteria are fulfilled. The GBER simplifies the procedure for aid-granting authorities at national, regional and local level.

**The GBER amendment** (23 July 2021) facilitates further the way in which centrally managed funding from HE can be combined or, in cases of projects having received a Seal of Excellence, substituted with national funding.

The amendment provides for exemptions to the notification obligation and of the requirement to carry out at national level an assessment of the quality of an R&D&I project already assessed under the rules of HE programmes in the following areas:

- Aid for SMEs for research and development projects as well as feasibility studies awarded a Seal of Excellence quality label under the HE programme;
- Aid for Marie Skłodowska-Curie actions and ERC Proof of Concept actions awarded a Seal of Excellence quality label under the HE programme;
- Aid provided to a co-funded research and development project, or a feasibility study implemented by at least three Member States, or alternatively two Member States and at least one associated country, and selected on the basis of the evaluation and ranking made by independent experts following trans-national calls, in line with the HE programme rules;
- Aid provided to co-funded Teaming actions, involving at least two Member States and selected on the basis of the evaluation and ranking made by independent experts following transnational calls under the HE programme rules.

In case of BANOS SRIA implemented partly as a stand-alone programme – calls for proposals with national funding only as outlined in task 2.2. ‘*Funding models and instruments*’ – the state aid rules need to be considered. However, a large part of the aid for research and development and innovation are exempted from the notification requirement provided that the conditions laid down in the GBER are fulfilled.<sup>10</sup>

## 5. Barriers of funding synergies

In order to understand and outline the complex and changing landscape of different EU funding sources and opportunities in funding synergies in the field of R&I, desk research was conducted as part of the task. Several reports and policy documents, later also the legal texts that have just entered into force, were collected and analysed. This background work made it very clear that there are several regulatory, organisational and attitudinal barriers that prevent achieving synergies, although some improvements have been made recently especially in regard to regulatory barriers allowing more synergies in European funding. These barriers were also highlighted in the discussions, which were conducted to support the desk research, with representatives from national ministries, Interreg programmes and other stakeholders.<sup>11</sup>

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<sup>10</sup> Requirements regarding for example research categories, cost categories and aid intensity.

<sup>11</sup> Meetings with e.g. Ministry of Agriculture and Forestry in Finland, Ministry of Environment in Finland, Interreg Baltic Sea Region, DG Mare

The latest changes in the legal framework have lowered the regulatory barriers and will increase opportunities for more flexible use of different EU funds (Figure 2). The changes in both State Aid rules and HE/CPR funding rules are significant in this respect. However, legislative landscape is still complex and the differences in funding management (shared vs. centrally managed) will remain in force. In addition, responsibilities for implementing EU funding in Member State level are usually fragmented into different ministries and departments which poses challenges to the information sharing and coordination between different players.

One concrete example of hampering any efforts of aligning of the ESIF and other EU R&I funds (namely HE) is linked to the timing of the national/regional Operational Programmes and R&I working programmes: they do not coincide in schedule or thematically. This bottleneck was highlighted especially in discussions with Interreg Baltic Sea Region, the Ministry of Agriculture and Forestry in Finland, responsible for management of Finland's EMFAF, and the DG Mare. For example, in the case of the Interreg funds, the budget of the ongoing Programme (2021-2027) was fixed at the end of the year 2020, after which the thematic priorities were set and published, although publication of the OP is still due early next year. In contrast, the budget of the HE was not agreed on until summer of 2021 and many parts of the Framework Programme are still under discussion with the MS, including the SBEP and its annual work programmes that have a high affinity to BANOS CSA. Adjustments to the thematic content of the Interreg Programme are difficult after the work programs have been approved and the funding of the projects have started. Therefore, to enable the alignment of the funding with HE, the thematic content should be agreed well in advance of launching of the programme. Although, some alignment of funds may be possible towards the end of the Interreg Programme's funding cycle, depending on any available funding.

Similarly, the timing and the thematic content of the OPs of EMFAF funds is seen problematic to enable alignment of the funding streams. The country specific OPs, including what type of R&I is eligible for funding, need to be specified and agreed on with the Commission at the beginning of the funding cycle. After, changes are difficult. However, some progress has been made as the new EMFAF regulations are somewhat more flexible than the previous ones. In their new format, the regulations are formulated in a way that countries need to specify the 'ends' rather than the 'means' in their OPs, thus leaving more room for adjustments as all the activities do not need to be specified in advance.

To get the Member States to write into their OPs that cooperation with HE and regional activities is a priority, an attempt was made to influence BANOS countries OPs for EMFAF funds. A letter template (Annex 3) was prepared by the BONUS Secretariat, which was delivered to the BANOS CSA partners to send to the respective national programme managing authorities. The main aim of this letter was to influence the content of each country's OP in such a way that it would allow the funds to be used for collaboration and co-operation in the regional and Pan-European context with HE with respect to science underpinning policy and innovation. The letter was sent for example to Ministry of Agriculture and Forestry in Finland which is the national Managing Authority of EMFAF in Finland.

Attitudinal barriers were also identified and brought up in discussions with the Ministries. It seems that some countries and regions are hesitant in investing the EU resources and funds into transnational R&I activities due to the fear of money being lost from local communities and the existing funding frameworks. Positive examples of such investments in future may assist in tackling these impediments that would illustrate that R&I investment can bring wellbeing and positive outcome to the communities and regions in question.

## 6. Examples of funding synergies

In the area of marine and maritime research and innovation the examples of using the other EU funds<sup>12</sup> for support transnational research and innovation activities in practise are very limited. Here we outline four examples: COFASP ERA-NET<sup>13</sup> identifying and enabling funding synergies within the fisheries sector, a soft collaboration approach used by BONUS Programme (Art 185) and Interreg Baltic Sea Region (Interreg BSR), Interreg BSR project platforms, and a recent transnational call for proposals where both Finland and Latvia used their EMFF funds to fund R&I projects.

### **COFASP ERA-NET**

In the EU funded project COFASP ERA-NET (2013-2017, FP7) - Strengthening cooperation in European research on sustainable exploitation of marine resources in the seafood chain – the funding synergies were elaborated through the case study<sup>14</sup> which brought together EMFF experts from 10 countries to explore different ways in which member states can work together to create synergies between their policy, implementation of the fund and the financed projects. The main outcome of the case study was that deeper and more efficient cooperation between Member States is needed for increasing the quality of implementation and better use of public money within the EMFF.

In addition to the case study, COFASP administered three joint transnational calls (2014, 2015 and 2016) during its implementation period and within those funded 16 projects. As an ERA-NET network, funding of joint projects was not foreseen, and all of these were funded from national sources. In case of Greece, the EMFF funds were successfully used for funding some their partners in the projects. As all the project funding was based on national contributions and FP7 funds were only used for coordination of the network, no double funding was foreseen, thus enabling the Greek use of EMFF funds.

### **A ‘soft’ cooperation approach**

An example of ‘soft’ cooperation – synergies without funding aspect – was the active cooperation between BONUS Programme and Interreg BSR that lasted for several years. The cooperation was based on an open exchange of information between the two secretariats, communication to BONUS and BSR projects on further funding opportunities and encouraging the sharing of the results of the funded projects. This relatively simple approach of soft cooperation was much valued by both the programmes involved as well as the participants of the funded projects, increasing the stakeholder engagement, knowledge and data exchange, as well as the expected impacts of the funded projects.

### **BSR project platforms**

A BSR project platform has been a framework for cooperation of core partners of projects funded by Interreg BSR and other funding programmes in a certain thematic field. The main aim of project platforms has been to increase the impact of Interreg BSR and other funded projects (BONUS, other Interreg programmes, H2020, etc) in the selected domains. Among nine funded project platforms, four included BONUS projects and among these, two project platforms have been coordinated by a representative of the BONUS project. In addition, the involvement of two centrally funded EMFF projects (Baltic SCOPE and PanBaltic SCOPE) in two project platforms demonstrates well the synergies between different funding programmes. Results of

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<sup>12</sup> EU Funds outside the HE Framework Programme

<sup>13</sup> <https://cofasp.bluebioeconomy.eu/>

<sup>14</sup> Perspectives for the Fisheries, Aquaculture, Seafood processing in the EU – The COFASP Case Studies ([https://cofasp.bluebioeconomy.eu/wp-content/uploads/2020/01/COFASP\\_Case\\_studies\\_online\\_final.pdf](https://cofasp.bluebioeconomy.eu/wp-content/uploads/2020/01/COFASP_Case_studies_online_final.pdf))

the Interreg BSR call on project platforms have been seen as a good example for solid cooperation between projects funded by all programmes.

### **A transnational call for proposals**

Both the Ministry of Agriculture and Forestry of Finland and the Ministry of Education and Science of the Republic of Latvia are currently using their EMFF funds for supporting research and innovation in the transnational context by participating in the joint funding of the Nordic research and innovation programme for sustainable aquaculture<sup>15</sup> led by NordForsk<sup>16</sup>. In total eight national funding agencies from five Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) and Estonia and Latvia are participating in the programme with total budget of approx. 72 million NOK (approx. EUR 7 million). The programme was launched in 2019 and the funding call for proposals was in 2020. Subsequently nine funded projects have started only recently, in which there are five Finnish partners in four projects and one Latvian partner in one project. Based on the experience<sup>17</sup> gained so far, the coordination of funding periods and different reporting requirements concerning EMFF vs. national funding pose some practical challenges to the project partners as well as to the EMFF implementing agencies. For example, in Finland the regional governmental organisation - Centre for Economic Development, Transport and the Environment (ELY Centre) - is responsible for the management of EMFF and its processes are not optimal from a research funding and management perspective. In contrast, in Latvia where the EMFF funds are the responsibility of the ministry, the management of the funds has been more straightforward as no additional regional authorities are involved and the ministry has existing working procedures in place for management of R&I activities. Another practical challenge is the timing of the funding period. As Latvian partners are funded by the previous EMFF framework, they need to finish all funded actions in accordance with EMFF rules which may not be optimal for projects.

## **7. Recommendations**

This report shows that some changes in the regulations have been made to promote synergies between different EU funding programmes and currently there are several funding practices that allow for increased synergies in the field of research and innovation. However, these practices are relatively poorly known by the implementers of funds and by the research community, and relatively few examples of successful synergy achievements still exist.

Synergies rarely develop automatically, so active measures should be taken to promote them. Below are some recommendations for measures divided into three groups according to the different actors:

### European Commission:

- All Directorates-General (DG) are encouraged to align their strategic agendas and strive for a common approach. It appears that DG Research & Innovation actively promotes achieving synergies, and this could serve as an example for other DGs as well. Especially in those funds where shared management is followed, awareness, encouragement, stronger guidance and target setting for Member States could be beneficial. In addition, solutions to the timing challenges between different operational and working programmes of different funds should be actively sought at in the Commission level.

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<sup>15</sup> <https://www.nordforsk.org/programs/nordic-research-and-innovation-programme-sustainable-aquaculture>

<sup>16</sup> NordForsk is an organisation under the Nordic Council of Ministers providing funding for and facilitates Nordic cooperation on research and research infrastructure

<sup>17</sup> Based on the interviews of Ministry of Agriculture and Forestry of Finland and NordForsk in September 2021

- Regarding the changes in the funding regulations there is an urgent need for more detailed financial rules for European Partnerships: how to implement cumulative (or combined) funding in practise. A detailed description of how it is envisioned to be carried out, and later, concrete examples of projects/programmes that have successfully managed in synergies - compiled in one place - would also be a useful resource for those involved in the strategic and financial planning of other initiatives.
- Although e.g. reporting requirements of EU funds have been eased and streamlined in recent years, administrative workload arising from different rules and practises of funds still seems relatively excessive to many parties and organisations. Therefore, harmonisation and simplification of rules between different instruments and funds should be continued.
- Incentives for pursuing synergies to stimulate cooperative activities could be beneficial. Currently, synergies do not always offer a direct benefit (e.g. top of funds) to those who implements the Operational Programmes/R&I programmes, but instead it means additional administrative workload.

#### Members States:

- In Member States ESI funds are typically implemented by several different ministries and local authorities. In addition, it is possible that totally different ministries are involved in the planning of European Partnerships and other HE activities. In such a complex environment it would be necessary to align common overarching targets and themes of a Member State in a coordinated and structured way. Common platforms for knowledge sharing, communication and decision making would be beneficial, not only inside state administration, but regions should also be invited to this.
- For increasing synergies and thus achieving stronger impact and added value, the Operational Programmes of the Member States for implementing ESI funds should allow and encourage transnational collaboration in research & innovation activities. The Commission could play a stronger role in this respect by actively recommending it.
- More practical guidance on the rules and practises of all funding instruments should be available for implementers.

#### Regional funders (Interreg programmes and regional seas initiatives):

- Increase active communication and knowledge sharing in all relevant national and regional platforms to enable the 'soft' collaboration approach by all appropriate actors.
- Engage with the European Partnerships and seek for potential areas/themes of collaboration
- Promote and enable project clusters and platforms for collaboration in a Member State and/or a regional level for increasing knowledge and data sharing between projects.

## Annexes

**Annex 1:** Article 15 of the Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013

**Annex 2:** Extracts of the Common Provisions Regulation (CPR) (Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021)

**Annex 3:** A letter template for contacting national authorities

## Annex 1

Article 15 of the Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013

### **Article 15** Alternative, combined and cumulative funding and transfers of resources

1. The Programme shall be implemented in synergy with other Union programmes, in accordance with the principle set out in Article 7(7).
2. The Seal of Excellence shall be awarded for calls for proposals specified in the work programme. In accordance with the relevant provision of the Common Provisions Regulation for 2021-2027 and the relevant provision of the 'CAP Strategic Plan Regulation', the ERDF, the ESF+ or the EAFRD may support:
  - (a) co-funded actions selected under the Programme; and
  - (b) actions which were awarded a Seal of Excellence provided that they comply with all of the following conditions:
    - (i) they have been assessed in a call for proposals under the Programme;
    - (ii) they comply with the minimum quality requirements of that call for proposals; and
    - (iii) they have not been financed under that call for proposals only due to budgetary constraints.
3. Financial contributions under programmes co-financed by the ERDF, the ESF+, the EMFAF and the EAFRD may be considered to be a contribution of the participating Member State to European Partnerships under points (b) and (c) of Article 10(1) of this Regulation, provided that the relevant provisions of the Common Provisions Regulation for 2021-2027 and the fund-specific regulations are complied with.
4. An action that has received a contribution from another Union programme may also receive a contribution under the Programme, provided that the contributions do not cover the same costs. The rules of the relevant Union programme shall apply to the corresponding contribution to the action. The cumulative financing shall not exceed the total eligible costs of the action. The support from the different Union programmes may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.
5. Resources allocated to Member States under shared management may, at the request of the Member State concerned, be transferred to the Programme subject to the conditions set out in the relevant provisions of the Common Provisions Regulation for 2021-2027. The Commission shall implement those resources directly in accordance with point (a) of the first subparagraph of Article 62(1) of the Financial Regulation or indirectly in accordance with point (c) of that subparagraph. Those resources shall be used for the benefit of the Member State concerned.
6. Where the Commission has not entered into a legal commitment under direct or indirect management for resources transferred in accordance with paragraph 5, the corresponding uncommitted resources may be transferred back to one or more respective source programmes, at the request of the Member State, in accordance with the conditions set out in the relevant provisions of the Common Provisions Regulation for 2021-2027.

## Annex 2

Extracts of the Common Provisions Regulation (CPR) (Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021)

### Preamble:

(49) In order to optimise the added value from investments funded wholly or in part through the budget of the Union, synergies should be sought in particular between the Funds and other relevant instruments, including the Recovery and Resilience Facility and the Brexit Adjustment Reserve. Those synergies should be achieved through user-friendly key mechanisms, namely the recognition of flat rates for eligible costs from Horizon Europe for a similar operation and the possibility of combining funding from different Union instruments in the same operation as long as double financing is avoided. This Regulation should therefore set out rules for complementary financing from the Funds.

(61) The synergies between the Funds and directly managed instruments should be optimised. The provision of support for operations that have already received a Seal of Excellence or were co-funded by Horizon Europe with a contribution from the Funds should be facilitated. Conditions already assessed at Union level, prior to the attributing of the Seal of Excellence quality label or the co-funding by Horizon Europe, should not be assessed again, as long as the operations comply with a limited set of requirements established in this Regulation. This should also facilitate following the appropriate rules set out in Commission Regulation (EU) No 651/2014.

### Article 11 - Content of the Partnership Agreement

1. The Partnership Agreement shall contain the following elements:

- (a) the selected policy objectives and the specific objective of the JTF, indicating by which of the funds covered by the Partnership Agreement and programmes these objectives will be pursued and a justification thereto, taking into account relevant country-specific recommendations, the integrated national energy and climate plan, the principles of the European Pillar of Social Rights and, where relevant, regional challenges;
- (b) for each of the selected policy objectives and the specific objective of the JTF:
  - (i) a summary of the policy choices and the main results expected for each of the funds covered by the Partnership Agreement;
  - (ii) coordination, demarcation and complementarities between the Funds and, where appropriate, coordination between national and regional programmes;
  - (iii) complementarities and **synergies between the funds** covered by the Partnership Agreement, the AMIF, the ISF, the BMVI, and other Union instruments, including LIFE strategic integrated projects and strategic nature projects, and, **where appropriate, projects funded under Horizon Europe**;

### Article 26 – Transfer of resources

1. Member States may request, in the Partnership Agreement or in a request for an amendment of a programme if agreed by the monitoring committee of the programme pursuant to point (d) of Article 40(2), the **transfer of up to 5 % of the initial national allocation of each Fund to any other instrument under direct or indirect management**, where such possibility is provided for in the basic act of such an instrument.

2. Transferred resources shall be implemented in accordance with the rules of the Fund or the instrument to which the resources are transferred and, in the case of transfers to instruments under direct or indirect management, for the benefit of the Member State concerned.

**Article 63(9) – Eligibility:**

An operation may receive support from one or more Funds or from one or more programmes and from other Union instruments. In such cases, expenditure declared in a payment application for one of the Funds shall not be declared for either of the following:

- (a) support from another Fund or Union instrument;
- (b) support from the same Fund under another programme.

The amount of expenditure to be entered into a payment application of a Fund may be calculated for each Fund and for the programme or programmes concerned on a pro rata basis, in accordance with the document setting out the conditions for support.

**Article 71(5) – Programme authorities**

Where a programme provides, in line with its objectives, support from the ERDF or the ESF+ to a programme co-funded by Horizon Europe, as referred to in point (b) of Article 10(1) of the Horizon Europe Regulation, the body implementing the programme co-funded by Horizon Europe shall be identified as an intermediate body by the managing authority of the relevant programme, in accordance with paragraph 3 of this Article.

**Article 73(4) - Selection of operations by the managing authority**

For operations attributed a Seal of Excellence, or operations selected under a programme co-funded by Horizon Europe, the managing authority may decide to grant support from the ERDF or the ESF+ directly, provided that such operations meet the requirements set out in points (a), (b) and (g) of paragraph 2.

## Annex 3

### A letter template for contacting national authorities

*Dear [name]*

*I am approaching you in my capacity as the [French/Dutch/etc] member of the Baltic and North Sea Coordination and Support Action's (BANOS CSA) consortium, and [xxx of IFREMER/NWO/SWAM etc].*

*Together with 13 countries' key national R&I funders, we are currently developing the framework of the future, joint Baltic and North Sea Research and Innovation Programme (BANOS). The future programme, as planned in BANOS CSA, will set out to underpin and develop EU and national policies and to achieve high level of scientific, administrative as well as financial integration in the research and innovation efforts in the Northern European regional seas (attached a leaflet for your convenience with further information).*

*The national operational programmes implementing the European Maritime, Fisheries and Aquaculture Fund (EMFAF) are currently being prepared within the member states' respective processes. Alignment of future EMFAF activities and associated funding with the forthcoming research and innovation framework programme Horizon Europe has been endorsed by the Common European Agenda<sup>18</sup>. Such alignment would not only increase the effectiveness and transparency but also lead to synergies and avoidance of overlaps in maritime funding. In addition, the alignment of the activities and a joint effort to tackle marine and maritime issues, which one country can not solve on its own, would lead to significantly stronger impact and EU-added value.*

*Unfortunately, however, the alignment of the activities and funding sources has been hindered in the current EMFF programme. The national operational programmes and their respective guidelines do not allow for much, if any, transnational collaboration.*

*Therefore, when drawing up the forthcoming national operational programme plans and use of the associated funds under shared management in the EMFAF, we would encourage you to consider allocating part of the funds to be used for transnational activities, or allow for a flexible use in timing and scope in order to address transnational challenges. This would be especially needed in the monitoring and research activities towards the management of marine resources and in the efforts to reach the goals of the MSFD, marine Natura2000 areas, etc. All in all, there is potentially significant synergies within these activities to work effectively across national boundaries.*

*It is my sincere hope that you would take a positive view of our suggestion in the frame of your forthcoming national operational programme plans. In the meanwhile, I remain at your disposal for further discussion or other assistance viewed helpful in any matters raised in this letter.*

*Yours sincerely,*

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<sup>18</sup> E.g. Joint Institute for Innovation Policy (JIIP), 2017: Synergies between Framework Programmes for Research and Innovation and European Structural and Investment Funds