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NOTE

From: Presidency

To: Permanent Representatives Committee/Council

Subject: *Preparation of the Competitiveness Council of 26-27 September 2019*
Horizon Europe Package: Synergies with other programmes
- *Policy debate*

Delegations will find attached a Presidency note on "Horizon Europe Package: Synergies with other programmes" with a view to the policy debate at the Competitiveness Council on 27 September 2019.

“HORIZON EUROPE AND SYNERGIES WITH OTHER PROGRAMMES”

As agreed in the Common Understanding between the Council and the European Parliament, one of the principles of the programme is that “Horizon Europe shall be implemented in synergy with other Union funding programmes while seeking maximal administrative simplification”. The Presidency is of the view that the Council should give guidance on this issue for the on-going Strategic Planning process and for advancing in the negotiations on Horizon Europe.

In order to maximise efficiency and impact on society and economy at large and to contribute better to the creation of growth and jobs, different EU programmes must be coherent and work in synergy. Synergies are based on complementarity between programme design and objectives and also on compatibility of financing rules and processes at implementation level. A single set of rules, flexibility between programmes, and coherent support will be important features for synergies to succeed. Increasing synergies and better connecting various EU funding instruments should not lead to increased complexity for beneficiaries and applicants.

The Horizon Europe Strategic Planning process is a key element and point of reference in ensuring that maximum benefit is obtained from these synergies. The transition to climate-neutral economy and industry, as well as digital transformation, require seamless co-operation and mutual alignments across the policy areas and funding programmes. The co-creation process for the Strategic Plan will allow a better definition of what is needed to make the societal and systemic changes enabling inclusive and sustainable growth and therefore to drive the research and innovation agenda in a mission-oriented way. In addition to financial resources, a broader research and innovation policy mix will deliver results and impact more rapidly.

Annex IV of the proposed legislation for Horizon Europe, together with equivalent provisions in other legislation, is the starting point for the development of these synergies. This annex reflects the political willingness to make synergies between EU funding programmes work more effectively. During the previous and current Presidencies, the synergies between Horizon Europe and other programmes have been discussed both informally and formally. Most recently, informal workshops have been held by the Finnish Presidency.

These discussions have clearly showed that in the field of digital and education, the programme landscape is complementary and enables development of necessary skills and capabilities for wider deployment of innovations that enhance impact of the Horizon Europe programme. In the field of SME funding, the main focus at EU level needs to be on funding SMEs that are the most disruptive and offer the best potential for scale-up, while ensuring innovation diffusion more widely. The demand for designing a simple, seamless, customer-friendly funding landscape for innovative SMEs in Europe has also emerged from the discussions. The enhanced Seal of Excellence model in Horizon Europe and the proposed General Block Exemption Regulation on State Aid could complement and significantly facilitate the funding opportunities for innovative SMEs in particular. It is also essential to enhance co-funding opportunities enabling national and regional R&I resources to gain significant leverage effect and benefit from European level collaboration, opening doors to wider global knowledge and markets.

To gain optimal synergies, the importance of more intensive communication, coordination, dissemination and exploitation activities should not be underestimated.

At this point of the examination, the following major questions arise:

- How can other EU Programmes including Structural Funds as well as national funds, private funds and other sources such as the EIB be best activated to complement the support for strategic research and innovation initiatives in synergy with Horizon Europe? What EU level mechanisms are necessary to ensure synergies between different EU programmes?
- How do Member States, in turn, intend to consider synergies with Horizon Europe in their Structural Funds and national programmes, e.g. via the Smart Specialisation Strategies and Seal of Excellence projects?