

MINISTRY OF REGIONAL DEVELOPMENT  
National Coordination Authority

# EU Funding Programmes: the Czech perspective

8th November, 2018,  
Bratislava



EUROPEAN UNION  
Cohesion Fund  
Operational Programme Technical Assistance



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# The Czech Experience with EU Programmes

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# Current Experience

Joining the EU programs opens the way for international cooperation and increased competitiveness.

- EU programs bring about a significant change in the grant environment - a shift towards excellence, an interdisciplinary approach, international projects and important foreign contacts.



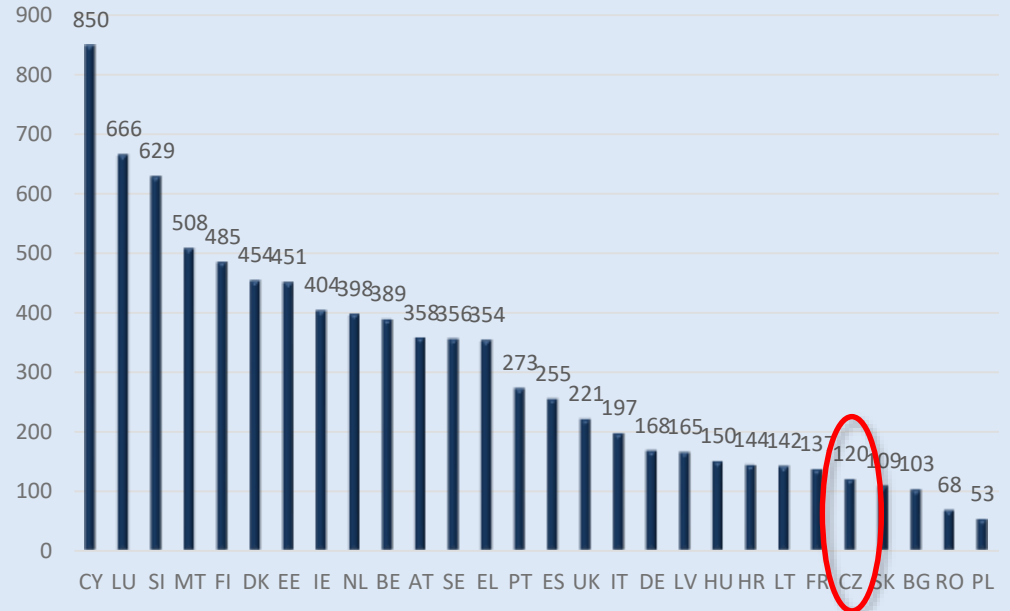
ESI funds for the Czech applicants are still a preferred option

- ESI funds are more accessible (national envelope; less competition; sometimes higher co-financing)

# Horizon 2020 / Horizon Europe

- It belongs to the EU funding programmes that are used by Czech applicants below the European average (the 5th country with the lowest number of applications).
- The Czech Republic might not be able to make full use of the increased budget in the period 2021+.
- On the other hand, there are positive changes to the current program → an opportunity for Czech applicants.

Number of applications submitted per population (2015), per member state

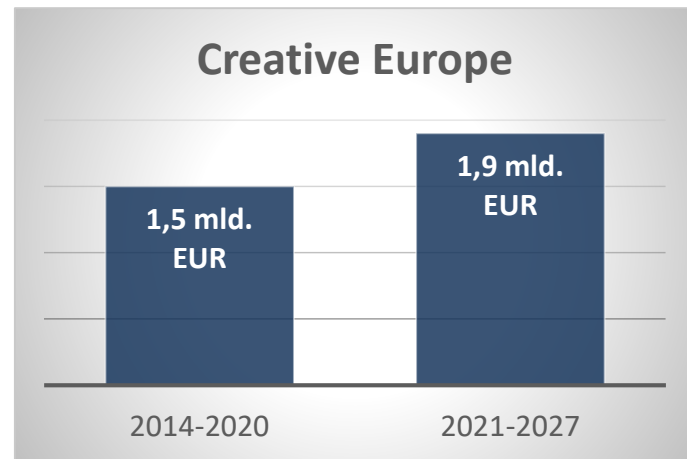
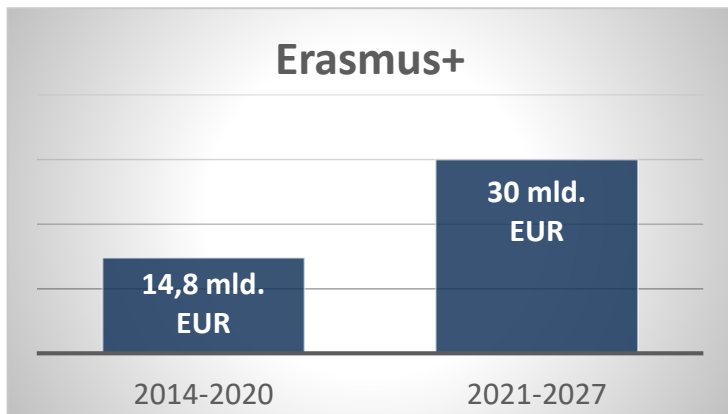


# Erasmus+

and

# Creative Europe

- **Erasmus** is one of the most successful EU programs in the Czech Republic.
- Because of the great interest, only about 20-30% of applications can be supported.
- Doubling the funds will therefore lead to the possibility of financing a higher number of quality applications.



**Creative Europe** also belongs in the Czech Republic to quite successfully used EU funding programmes.

# Reflection ...

For most EU programs, the drawing is still below the European average in the Czech Republic.

## Main reasons:

- 
- Lacking **coordination** and methodological guidance
  - **Small awareness** about EU programs
  - International **competition**
  - Large **administrative burden** and complexity
  - Few high quality **contacts abroad**
  - Deficits in **communication** of the NCPs and ESIF bodies
  - Little **attention** at the political level

# Reflection ...

## **Analysis of EU programmes in the context of complementarity with ESI Funds (2016) identified the following obstacles:**

- the lack of coordination and methodological guidance at the national level,
- insufficient capacity of organizations to prepare the application,
- mismatch of planned projects with program focus or the entity's ineligibility to file an application,
- poor communication with potential applicants, little awareness of EU programmes,
- missing pre-financing,
- limited communication between the national contact points and the EC,
- unclearness of the websites of individual programmes at the national level and their user-friendliness,
- international competition,
- the deficiency of strong ties with foreign partners and in EC,
- insufficient communication of national contact points and ESIF bodies,
- excessive administrative burden and complexity.

# Follow-up meetings with national coordinators of Union programmes (2017) – key conclusions

1. Undesirable **overlaps in supported areas**.
2. Conversely, if the programmes do not overlap at all, it is difficult to require that unsuccessful projects from Union programmes be funded from ESIF.
3. It is desired that the MoRD-NCA provides **information service "in one place"**.
4. A **need to support the participation of Czech applicants in international consortia**.
5. National coordinators would welcome **harmonization of rules** with the ESIF towards simplification.
6. Disparate possibilities to participate in the debate on the future of cohesion policy and programmes with potential synergies.
7. A need to provide **guidance in preparing applications**, incl. Czech translations of the documentation for the various programmes.
8. Financial instruments under the Union programmes - space for coordination.
9. A need to **ensure co-financing** for successful applicants.
10. A need to promote mobility of national experts.
11. A need to encourage and involve the evaluators more closely in the implementation of EU programs
12. A need to **evaluate programmes** and to **inform about successful and unsuccessful applicants**.

## Meeting with NCP representatives (May 2018) – key conclusions

Established a coordination platform to share information between MoRD-NCA and NCPs and to interconnect activities between ESIF and EU programmes

Need to pay attention to all sources of funding from the European budget in the context of decreasing resources for Cohesion Policy

Need to coordinate activities in the field of EU programs

Further tasks to be undertaken by the MoRD-NCA in this area



# CZ Experience with Seal of Excellence

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# CZ Support schemes for SoE - national

- Seal of Excellence – an initiative of DG REGIO & DG RTD to support synergies between Horizon 2020 and ESIF
- The first test was in H2020 – SME Instrument (possibility to support *Phase 1 – Feasibility Study of innovative idea* and *Phase 2 – bring innovation to the market*)
- CZ applied the model in several support schemes:
  - » City of Brno together with SouthMoravian Innovation Centre designed the support scheme for SMEs that received SoE and were located in SouthMoravian region.  
Funded from municipal budget
  - » Technological Agency of CZ started a support scheme within the GAMA programme (focused on Applied Research, Experimental Development and Innovation)  
Funded from national sources (state budget)
  - » CZ checked the possibility to support projects with SoE also from ESIF (OP EIC) but we found out that condition for ESIF implementation are too complicated and the number of projects is too low that it would not be efficient to prepare it.



# CZ Support schemes for SoE - ESIF

- OP RDE supports activities both in research and development (ERDF) and human resources for research and development (ESF)
- OP RDE supports synergies with Horizon 2020 by national co-financing:
  - » Teaming via ERDF
  - » MSCA-IF via ESF (financing Seal of Excellence projects)
- The call of Teaming is aimed at complementary support for projects successful in the Challenge of Teaming Phase 2 in Horizon 2020), which aims to develop research centres through cooperation with foreign leading scientific institutions
- The possibility to support project that were above the threshold but could not be funded due to lack of finance



# An example – support of MSCA under OP RDE

- One of the activities supported in OP RDE is the mobility of researchers and also of people in research and development
- This activity created possibility to support also MSCA - projects in no-money list including Seal of Excellence holders
- The aim was to use similar (or the same) way of financing as Horizon 2020 does – simplified cost options (unit)
- The aim was to use one unit for MSCA call for proposals, as well as for another call for proposals for mobility of researchers (not MSCA SoE holders)
- That is why the unit had to be more flexible than in MSCA (e.g. mobility period 6-24 months, possibility to interrupt)
- It took approx. 4 months for mobility unit to be approved

# Statistics of Phase 1

SEAL OF EXCELLENCE


European Commission

## SEALS BY SMEI CUT-OFF


SMEI cut off-Phase 1	Total proposals submitted	Above threshold	% of submitted	Funded	Funded as % of above threshold	SoE - Above threshold not funded	SoE - above threshold not funded as % above threshold	Success rate
18-06-2014	2 658	317	12%	155	49%	162	51%	6%
24-09-2014	1 943	237	12%	178	75%	59	25%	9%
17-12-2014	2 302	320	14%	259	81%	61	19%	11%
18-03-2015	1 569	251	16%	149	59%	102	41%	9%
17-06-2015	2 029	342	17%	128	37%	214	63%	6%
17-09-2015	1 872	336	18%	122	36%	214	64%	7%
25-11-2015	2 055	316	15%	175	55%	141	45%	9%
24-02-2016	1 993	330	17%	174	53%	156	47%	9%
03-05-2016	2 005	329	16%	160	52%	154	48%	8%
07-09-2016	1 038	365	35%	182	50%	183	50%	9%
09-11-2016	2 030	364	18%	176	48%	188	52%	9%
15-02-2017	2 111	383	18%	178	46%	205	54%	8%
03-05-2017	2 165	409	19%	128	31%	281	69%	6%
06-09-2017	2 130	442	21%	117	26%	325	74%	5%
09-11-2017	2 590	489	19%	193	39%	296	61%	7%
08-02-2018	2 009	479	24%	253	53%	226	47%	13%
03-05-2018	2 149	511	24%	239	47%	272	53%	11%
Overall Phase 1	26 616	6 211	17%	2 972	48%	3 239	52%	8%



# Statistics of Phase 2



SEAL OF EXCELLENCE



European Commission

## SEALS BY SMEI CUT-OFF

SMEI cut off-Phase 2	Total proposals submitted*	Above threshold	% of submitted	Funded	Funded as % of above threshold	SoE - Above threshold not funded	SoE - above threshold not funded as % above threshold	Success rate
09-10-2014	578	132	23%	80	45%	72	55%	10%
17-12-2014	629	180	29%	74	41%	106	59%	12%
18-03-2015	613	230	37%	37	16%	193	84%	6%
17-06-2015	962	357	37%	44	12%	313	88%	5%
17-09-2015	960	373	39%	33	9%	340	91%	3%
25-11-2015	1.090	425	39%	30	7%	395	93%	3%
03-02-2016	553	208	38%	47	23%	161	77%	8%
14-04-2016	969	450	46%	48	11%	402	89%	5%
15-06-2016	1.180	582	49%	56	10%	526	90%	5%
13-10-2016	1.378	710	52%	51	7%	659	93%	4%
18-01-2017	1.534	758	49%	66	9%	692	91%	4%
06-04-2017	1.222	620	51%	64	10%	556	90%	5%
01-06-2017	1.514	772	51%	57	7%	716	93%	4%
18-10-2017	2.123	972	46%	62	6%	910	94%	3%
10-01-2018	1.163	405	35%	57	14%	348	86%	5%
14-03-2018	1.280	509	40%	64	13%	445	87%	5%
23-05-2018	1.658	690	42%	63	9%	633	91%	4%
<b>Overall Phase 2</b>	<b>19.415</b>	<b>8.379</b>	<b>43%</b>	<b>913</b>	<b>11%</b>	<b>7.466</b>	<b>89%</b>	<b>5%</b>
<b>Total</b>	<b>55.031</b>	<b>14.590</b>	<b>27%</b>	<b>3.895</b>	<b>27%</b>	<b>10.705</b>	<b>73%</b>	<b>7%</b>

\*Total submitted includes evaluated (rejected and above the threshold), withdrawn, ineligible, inadmissible or duplicated proposals

# Ranking of SoE per country

SEAL OF EXCELLENCE

European Commission

## SEALS PER COUNTRY

Country	Phase 1	Phase 2	Total	Country	Phase 1	Phase 2	Total
ES	622	1.276	1.898	IS	32	52	84
IT	504	918	1.422	BG	31	30	61
UK	334	679	1.013	CZ	31	16	47
DE	205	517	722	EL	26	48	74
FR	156	553	709	LT	26	18	44
IL	142	438	580	LV	21	33	54
SE	121	397	518	SK	14	42	56
NL	119	315	434	RS	13	13	26
DK	88	337	425	UA	12	6	18
FI	79	377	456	RO	10	7	17
HU	77	181	258	CY	6	12	18
PT	72	160	232	HR	6	21	27
PL	69	110	179	FO	4	0	4
CH	67	59	126	AM	3	0	3
AT	63	142	205	AI	2	3	5
NO	62	171	233	LU	2	11	13
IE	55	154	209	MD	2	1	3
BEL	48	122	170	MT	2	12	14
SI	42	77	119	MK	1	2	3
EE	36	108	144	VG	1	0	1
TR	33	47	80	BA	0	1	1



# Ranking of SoE per country – Phase 1

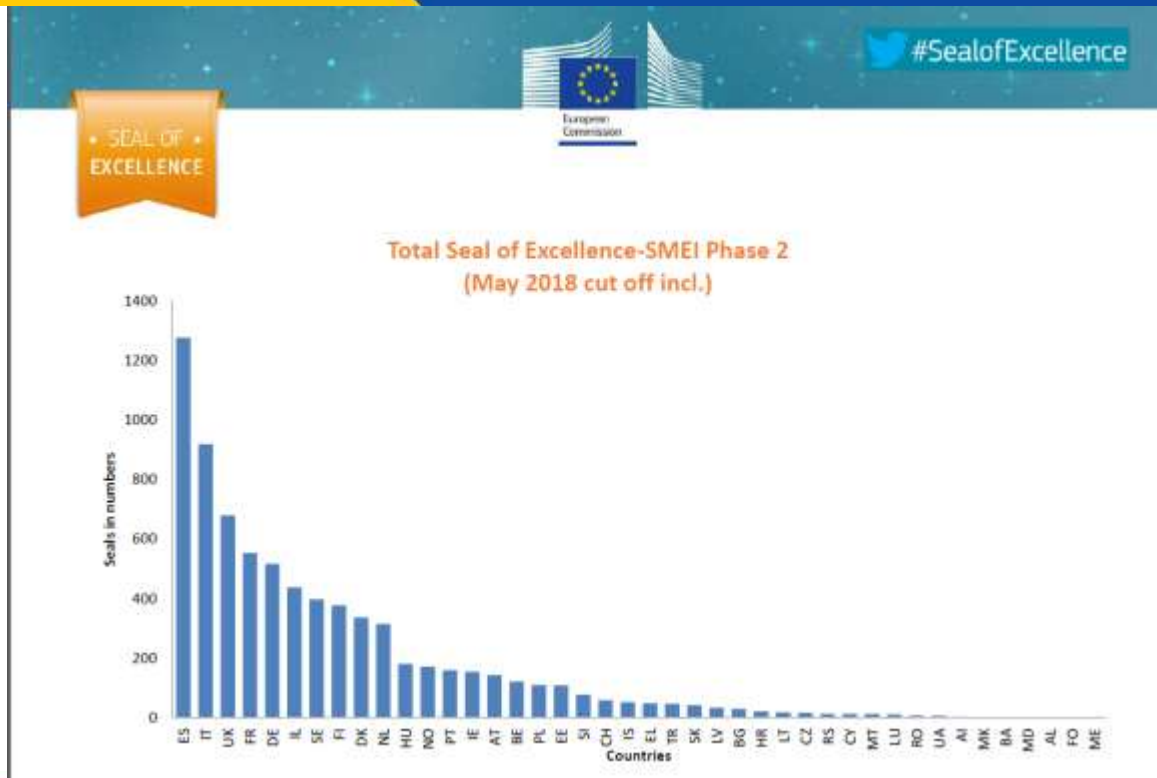


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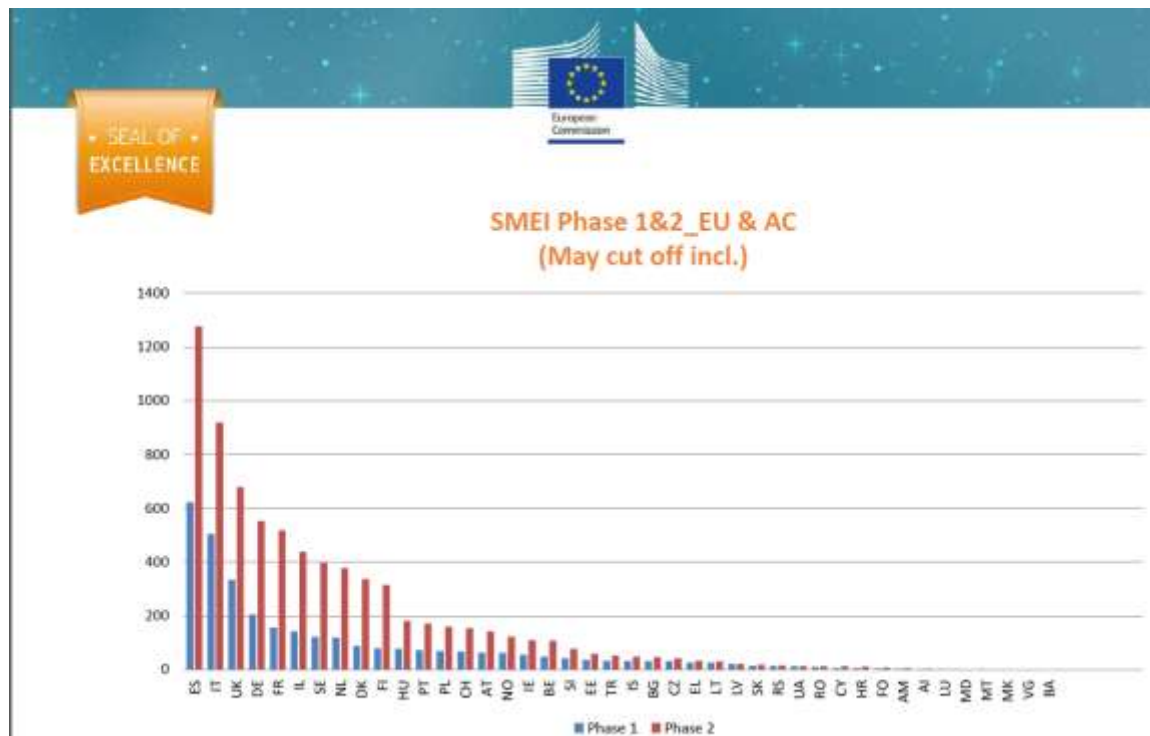


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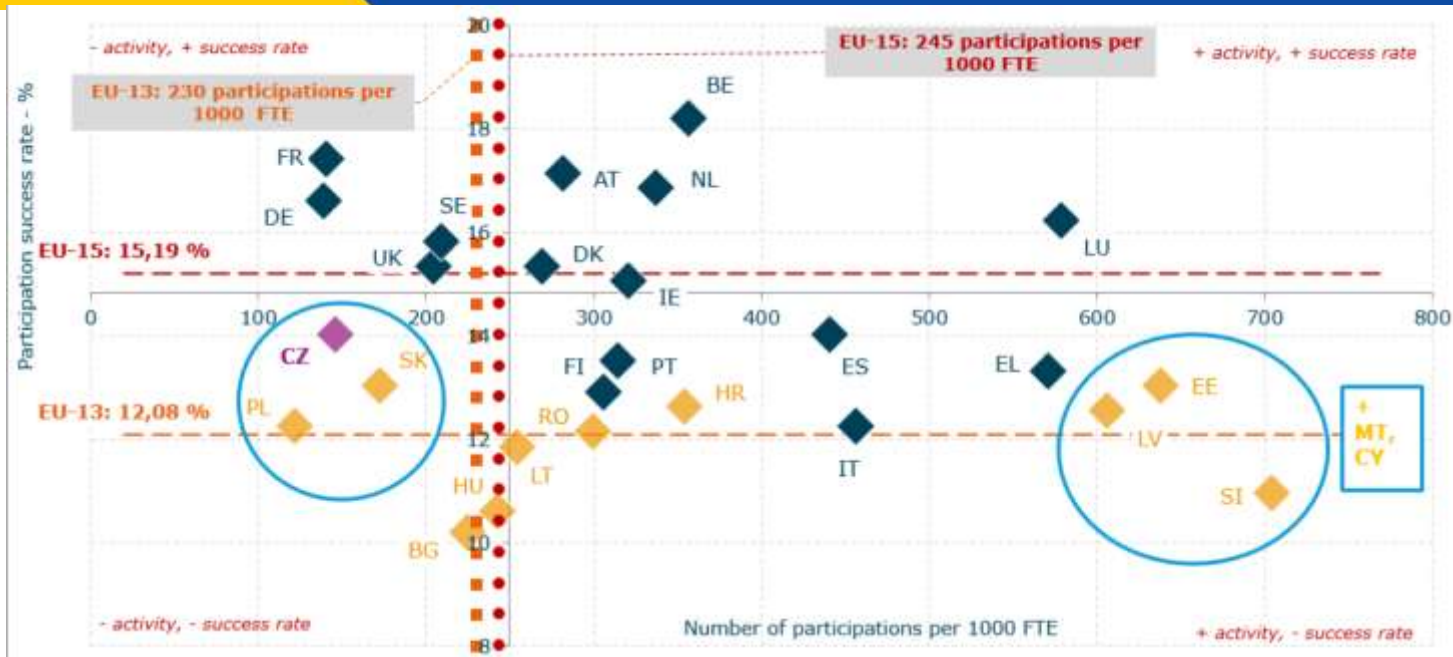
# Ranking of SoE per country – Phase 2



# Ranking of SoE per country – Phase 1 + Phase 2



## Participation success rate vs Number of participations per 1 000 FTE



CZ, PL and SK have relatively low activity

CY, EE, LV, MT, and SI participate almost at EU-15 level

# CZ „Success“ in Horizon 2020

- There is a lot of projects submitted into H2020 that have positive assessment (above the threshold) but they didn't receive funding due to lack of finance
- Why CZ (and some other EU13 MS) are not keen to participate and submit proposals to H2020?
  - » low success rate discourages potential beneficiaries
  - » limited abilities of management and low skills with international project management
  - » quite easy access to national funds for research projects
  - » long time period from proposal submission to signature of contract
  - » low self-confidence to abilities to prepare high-quality project and to capture the focus of the call
- What can help to increase participation of CZ organizations?
  - » to increase number of smaller projects; verification of feasibility of the project
  - » to grant subsidies for project focus verification accordingly with focus of the call
  - » To transfer know-how from more skilled coordinators to „newcomers“
  - » to increase the number of expert in EU advisory bodies and evaluators in assessment panels
  - » to support international co-operation (e.g. Under the Thematic platforms of smart specialisation)
- The success rate of the Czech Republic in H2020 is decreasing over time, and it is expected to continue this trend



# EU15 and EU13 Gap in Horizon 2020

- About 50 % of finance from H2020 are absorbed by cca 15 organizations
- EU13 has only 5 % of project lead partners/coordinators
  - » It can be traced a pan-European trend of „pull effect“ - the coordinator is „snowballing“ more national organizations than only a consortium member. This fact weakens participation in H2020.
  - » The links among institutions within a country are presumably stronger than links to foreign institutions. "Pull effect" can have a positive impact on the involvement of research teams without experience with FPs.
- Consortia with EU coordinators<sup>13</sup> are significantly less successful (lower-quality projects, other less objective reasons)
- It is possible to identify approximately 25 institutions which, if they are co-ordinators, the project is usually well assessed and supported. These institutions are involved in a large number of projects
- EU13 is not quite homogeneous, some MS are more successful and support from countries is different
- More or less the same group of about 350 institutions from the CZ participates in H2020 and 1200-1600 participants (from these institutions) is involved in the H2020
- Commonly published statistics show in absolute terms that stakeholders from **EU-13 countries are benefitting less from their participation in H2020 than those from EU-15 countries**

# Block II – Future Steps

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# Increasing role of EU programs

Selected programs	Allocation in bln. EUR		Decrease/increase in bln. EUR
	2014 - 2020	2021 - 2027	
Asylum, Migration and Integration Fund (AMIF)	3,1	10,4	+7,3
Connecting Europe Facility (CEF)	30,4	42,3	+11,9
Creative Europe (CE)	1,5	1,9	+0,4
Erasmus+	14,7	30	+15,3
EU Programme for Employment and Social Innovation (EASI)	0,92	0,76 (part of ESF+)	-0,16
Fund of European Aid to the Most Deprived (FEAD)	3,8	(10,1) (part of ESF+)	/
Horizon 2020/Horizon Europe	77	97,6	+20,6
Internal Security Fund (ISF)	3,8	2,5	-1,3
LIFE	3,4	5,5	+2,1
Youth Employment Initiative (YEI)	8,8	(10,1) (part of ESF+)	/



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# Target and challenges of the program period 2021+ in the field of EU funding programmes

## Target

- **more intense involvement** of the Czech Republic in the use of EU funding programs,
- **more efficient information sharing** within the ESIF,
- **eliminating or minimizing the problems** associated with drawing up EU funding programmes in the Czech Republic.

## Challenges

- Efforts to **harmonize rules across European funds in relation to the EC.**
- **Coordination and interconnection of EU programs and ESIF.**

# Harmonization of ESIF rules and Union programmes

## Alignment and uniformity



ESIF applications do not meet the demands of EU programs => The need to ensure uniform terminology and **reconciliation of eligibility and evaluation criteria**.

## Co-financing and networking



Ensuring greater project efficiency through **co-financing and networking**.

## Funding and reimbursement



**Different way** of financing and reimbursement for ESIF and EU programs.

## Alternative means



Alternative funding from different sources (**e.g. Seal of Excellence**).

## Indicators



ESIF must meet common and **specific indicators**, which are continuously evaluated.

## Eligibility of expenditure



ESIF precisely defines which **expenditures are eligible and which are not**. For EU funding programmes, the definition is more relaxed.

## Public support



Support from EU funding programmes is **not public support** (as opposed to ESIF support).

## Cooperation



Harmonization of programmes requires **the active cooperation of all players** (EC, NCA, ESIF governing bodies, etc.).

# CZ Positions to proposal of new regulation

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# Shared management

- Art 5 - Shared management
  - » 2. However, the Commission shall implement the amount of support from the Cohesion Fund transferred to the Connecting Europe Facility ('CEF'), the European Urban Initiative, Interregional Innovative Investments, the amount of support transferred from the ESF+ to transnational cooperation, the amounts contributed to InvestEU and technical assistance at the initiative of the Commission under direct or indirect
- CZ position:
  - » The Czech Republic opposes the transfer of funds from the Cohesion Fund to CEF. We are missing balance between cut in the Cohesion fund and transfer to the CEF.
  - » The Czech Republic strongly opposes the EUI and III to be directly managed by Commission

# Content of programmes

- Art 17 - Content of programmes
  - » f) a financing plan containing:
    - » (i) a table specifying the total financial allocations for each of the Funds and for each category of region for the whole programming period and by year, **including any amounts transferred pursuant to Article 21**;
- CZ comment:
  - » That means the amounts of transfers and to which funds/instruments should be clear during preparation of the OP
  - » It may be quite difficult in the beginning of the programming

# Amendment of programmes

- Art 19 – Amendment of programmes
  - » The Member State may transfer during the programming period an amount of up to 5 % of the initial allocation of a priority and no more than 3 % of the programme budget to another priority of the same Fund of the same programme. For the programmes supported by the ERDF and ESF+, the transfer shall only concern allocations for the same category of region.
- CZ position:
  - » To narrow the amendment only on ERDF, CF, ESF+ and EMFF
  - » To increase the percentage of transfer during the programming period up to 15 % of the initial allocation of a priority
  - » To delete programmes AMIF, ISF and BMVI
  - » To increase the percentage of transfer between priorities in the same fund up to 10 %



# Transfers of Funds

- Art 21 - Transfer of resources
  - » 1. Member States may request the transfer of up to 5 % of programme financial allocations from any of the Funds to any other Fund under shared management or **to any instrument under direct or indirect management.**
  - » 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.

## CZ position:

- » To keep voluntary transfer, depending only on MS decision (CEF!)
- » CZ recommends to raise the limit for transfer of financial allocations from 5 % to 10 % and to specify, whether the limits are established for allocation of the whole programming period, or just for the 2021-2025 period.
- » CZ is not happy from the setting of different rules for using funds under shared management and under direct/indirect Commission management

# Synergies through voluntary transfers

- 10 proposed EU programmes allow to receive voluntary transfers according to Art 21
  - » Horizon Europe
  - » Digital Europe Programme
  - » Single Market Programme
  - » InvestEU
  - » Creative Europe
  - » Erasmus+
  - » Space programme
  - » Rights & Values Programme
  - » Reform Support Programme
  - » Connecting Europe Facility 2

# Selection of operations

- Art 67 - Selection of operations by the managing authority
  - » Projects may receive directly, without a new qualitative evaluation, ERDF/ESF+ funding under CPR rules (check of eligibility, contribution to programme objectives, S3 priorities)
  - » The cost eligibility rules for ERDF programme can be aligned to Horizon Europe eligibility cost rules, including SCO (unit costs, lump sums, flat rates)
  - » The co-financing rate of the instrument providing the SoE certification „shall“ be used
  - » Beneficiary is provided with a document setting out all the conditions for support, incl. the method for determining the eligible costs and the conditions for payment of the grant
- CZ position:
  - » CZ is very sceptical to these proposals and considers them to be very risky
  - » These rules may be in a conflict with national legislation
  - » EC should issue a „general exemption“ for this

# Extending of Seal of Excellence

- 12 Union programmes can implement SoE model
  - » Horizon Europe
  - » Digital Europe Programme
  - » Single Market Programme
  - » LIFE
  - » Creative Europe
  - » Space Programme
  - » Defence Fund
  - » CEF2
  - » Rights & Values Programme
  - » Euratom
  - » ...

# Future outlook at the national level

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# MoRD-NCA Activities in the field of Cohesion Policy and EU programs

- Cohesion Policy will be increasingly linked with EU programs
- MoRD-NCA thus already undertakes tasks such as:
  - » Coordination of monitoring and evaluation of synergies between ESIF and EU programs.
  - » Preparations for programming period 2021+ at the national level: attention is paid also to EU programs.
  - » Preparation of a strategic document identifying priorities for funding in 2021+ which takes into account also the availability of resources other than ESIF.

# MoRD-NCA Activities in the field of EU programs

- Active engagement in related areas (e.g. Smart Cities or cross-border cooperation).
- Publication of a study Analysis of EU programmes in the context of complementarity with ESI Funds (2016) and related follow-up meetings (6 in total, jointly with NCPs and managing authorities).
- Further activities to reduce the current weaknesses in the field of EU programs (meetings, fostering cooperation, incl. with the EC, promotion, ...).
- Currently: undertaking an analysis of the coordination of EU funding programmes in selected EU Member States

# An analysis of the coordination of EU funding programmes in selected EU Member States

## Partner:

- European Policies Research Centre (EPRC)

## Objective:

- To obtain information on the coordination of EU funding programmes abroad from the point of view of **institutional set-up**.
- There will be analyzed **5 – 6 selected key EU funding programmes**.
- Covering EU MS such as **Spain, Belgium, Austria or Estonia**.

## Expected outputs:

- Identification of the main reasons for success/failure in the area of EU funding, including the collection/identification of good practice.
- Identification if / how coordination of EU programs and other complementary programs is ensured.
- Recommendations on how to improve the current institutional setting in CZ to provide for a better coordination of the EU programs and other financial schemes (especially ESIF)

# MoRD-NCA Activities in the field of EU programs – Future outlook

**In the future, there is also a need to focus, in close cooperation with the National Contact Points, on the following activities methodological support for NCP / applicants:**

- management of the Platform for coordination of the EU programs,
- sharing good practice and program information,
- coordinating the environment of EU programs at the national level and supporting the administrative capacity of NCPs,
- enhancing education,
- a single web environment,
- creating a database of experts,
- creating and negotiating an overview of EC requirements,
- analyzing the possibilities and solutions of the pre-financing activities related to the preparation of projects in the Union instruments,
- regular collection of information on Czech applicants' use in EU programs.

# Discussion

- What do you see as the largest challenge (or opportunity) in 2021+ with respect to EU programs?
- What is your experience with the interface between EU programs and ESIF?
- ...

# Thank you for your attention

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