Request for Projects - 2015
Rules for applicants

Supporting dual-use technology projects for access to European Structural and Investment Funds co-financing

Appendix 6.2

European Structural & Investment Funds

Theoretical Background

Contents

1. **What are European Structural and Investment Funds (ESIF)?**

    The EU Cohesion Policy is an investment policy that aimed at reducing economic, social and territorial disparities between regions in Europe. Its budget is the second largest after that of the Common Agricultural Policy (CAP) and directly targets projects on the ground. It supports job creation, competitiveness, economic growth, improved quality of life and sustainable development. These investments support the delivery of the Europe 2020 strategy. The budget allocated to Europe's Member States, their regions and cities will be dedicated to eleven key priorities, called Thematic Objectives, which will structure Operational Programmes allocation of funds.

2. **Why applying ESIF?**

    EDA, in cooperation with the European Commission and Member States, wishes to optimize existing resources in Europe dedicated to economic, social and environmental challenges to support security and defence industry investments in both, R&T and industrial capacities. EDA's experimentation showed 18 months ago, that dual-use technology projects are fully compatible with ESIF eligibility rules and selection criteria.

    Five reasons to explore ESIF Funds for dual-use technology:

    ► Due to the economic crisis and budget austerity plans in Member States, defence and security investments in Europe are facing a critical challenge;
    ► Currently, defence activities generate 750,000 direct and indirect jobs across Europe, most of them highly qualified, and a turnover of €170 billion. Indeed, investment in defence is of overall benefit to the economy at large;
    ► Since technology is increasingly dual in nature, there is a considerable potential for synergies between civil and defence research;
    ► Dual-use technology projects leverage ESIF competitiveness objective and drive smart, sustainable and inclusive growth, the three pillars of EU 2020 strategy;
    ► Dual-use technology projects are in the majority of cases related to regional assets and infrastructures such as clusters, research centers, universities, enterprises and impact directly the regional or local governments.

3. **What is a Managing Authority (MA)?**

    The Managing Authority (MA) is the entity in charge of managing ESIF with the overall responsibility of implementing an Operational Programme. MAs are organised either on a national, regional or local level and can be a public authority or a public/ private body. They are responsible for the effective and efficient implementation of the Funds which implies a number of functions related to programme design and management, financial management and controls, as well as project selection.
    Currently, the MAs are finalizing OPs for the period 2014-2020. To be compliant with the ESIF regulation, they have launched public consultations to get additional input from all stakeholders. MoDs have been invited to participate to this dynamic.

4. What is the Regional Smart Specialisation?

"Smart Specialisation" strategy, is not new but has been introduced for the new programming period as a pre-condition before funds can be channeled. It has consisted in identifying specific assets based on knowledge and economic capacities in each region to build a very focus strategy and to allow regions to take advantage of scale, scope and spillovers in knowledge production and use, which are important drivers of productivity. The underlying rational behind the Smart Specialisation concept is that by concentrating knowledge resources on specific sectors and linking them to a limited number of priority economic activities, countries and regions can become — and remain — more competitive in the global economy.

5. **What is an Operational Programme (OP)?**

Operational Programmes (OPs) are multiannual programmes (7 years) agreed on at national or at regional level and then negotiated with the European Commission. OPs establish the funding priorities for the specific policy area or region and the amount of money from the different funding instruments that will be made available.

The content of ESIF programmes must satisfy a range of EU regulatory requirements and demonstrate how they will address country-specific priorities which have also been set out by the European Commission and presented in partnership agreement for each country. Each OP points out maximum six of the eleven Thematic Objectives with Investment Priorities (See the list Appendix 1). However, ESIF should focus on a limited number of common Thematic Objectives to maximize the impact and address priorities.

6. What are the Thematic Objectives?

The European Commission has decided to align EU 2020 strategy with the cohesion policy and ESIF by fixing 11 Thematic Objectives (TOs) to be implemented through OPs. Regarding dual-use technology projects, EDA and MoDs will focus on the TOs listed here below.
Under each TO, there are several Investment priorities (IPs).

► TO 1: Strengthening research, technological development and innovation

o IP1: enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest;

o IP2: promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications,

demand stimulation, networking, clusters and open innovation through Smart Specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies.

► TO 2: Enhancing access to, and use and quality of, ICT

o IP1: extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy;

o IP2: developing ICT products and services, e-commerce, and enhancing demand for ICT;

o IP3: strengthening ICT applications for e-government, e- learning, e-inclusion, e-culture and e-health;

► TO 3: Enhancing the competitiveness of SMEs

o IP1: promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators;

o IP2: developing and implementing new business models for SMEs, in particular with regard to internationalisation;

o IP3: supporting the creation and the extension of advanced capacities for product and service development;

o IP4: supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes;

► TO 4: Supporting the shift towards a low-carbon economy in all sectors

o IP1: promoting the production and distribution of energy derived from renewable sources;

o IP2: promoting energy efficiency and renewable energy use in enterprises;

o IP3: supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector;

o IP4: developing and implementing smart distribution systems operating at low and medium voltage levels;

o IP5: promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures;

o IP6: promoting research and innovation in, and adoption of, low-carbon technologies;

o IP7: promoting the use of high-efficiency co-generation of heat and power based on useful heat demand;

► TO 6: Preserving and protecting the environment and promoting resource efficiency

o IP1: investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements;

o IP2: investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements;

o IP3: conserving, protecting, promoting and developing natural and cultural heritage;

o IP4: protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure;

o IP5: taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures;

o IP6: promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution;

o IP7: supporting industrial transition towards a resource- efficient economy, promoting green growth, eco-innovation and environmental performance management in the public and private sectors;

► TO 10: Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure;

For the European Regional Development Fund (ERDF), the first four Thematic Objectives are considered as top priorities.

7. What are the EU priorities for dual-use technologies?

Based on the conclusions of the European Council considerations about common security and defence policy, the security challenges are linked to the following topics:
► Cyber Defence;
► EU Maritime Security Strategy;
► Synergies between CSDP and Freedom/Security/Justice actors;
► Improvement of the border management;
► Energy security;

The council also listed the key technologies that are of critical importance:
► The development of Remotely Piloted Aircraft Systems (RPAS) in the 2020-2025;
► The development of Air-to-Air refuelling capacity;
► Satellite Communication: preparations for the next generation of Governmental Satellite Communication through close cooperation between the Member States, the Commission and the European Space Agency; a users' group should be set up in 2014;
► Cyber: developing a roadmap and concrete projects focused on training and exercises, improving civil/military cooperation on the basis of the EU Cyber-security Strategy as well as the protection of assets in EU missions and operations.

8. How to get Specific Regional Smart Specialisation details?

Regional Smart Specialisations are important to know how to position your input in appropriate sectors. To get the specific regional Smart Specialisation, you should:
► Go to the S3 platform, the website provides presentation of Smart Specialisation Strategies of the regions that have participated in the S3 Platform peer reviews and in most cases background material that provides context to the cases and direct link to the Region's website[1];
► Contact the Desk Officer of your country[2] who possesses a global view and overall knowledge in regards with Smart Specialisation in the country. (Link below).

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[1] Available contact by region through the following link:

http://s3platform.jrc.ec.europa.eu/fr/s3-platform-registered-regions;jsessionid=19zMTTNR47m6c8QQzgV41QY79kTZY1J8rXQdFMRGgPs9p3qnPYhS!1363157316!1397640497750

[2] List of available Desk Officers through the following link:
http://ec.europa.eu/staffdir/plsql/gsys_www.branchorgid?pLang=EN&pOrgId=19

9. How to get specific OP strategic and thematic priorities?

OP will help you identify typologies of projects to be eligible. To get OP strategic and thematic priorities, you can either contact:
- ► **The Coordinating Authority**: List of Coordinating Authority per country is available in Appendix3;
- ► **The Managing Authority**: List of the Managing Authorities per country is available in Appendix 2. This smart data base has been updated with the new programming period 2014–2020 contacts.