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EUSDR Embedding – State of Play & Next steps

Johan Magnusson DG REGIO, D.1 Baltic and Danube team

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Why embedding?

Embedding nothing new!

- Zagreb November 2019

- Cooperation high on the EU agenda: It was asked for by stakeholders: And it became a horizontal objective for EU Cohesion Policy 2021-2027

- Cooperation central to the implementation of MRS: and if we want to succeed with the MRS, the transnational Interreg programmes are not enough

- We know embedding is a political priority: Commission's third report on the implementation of MRS, clear message from the ministerial meeting at the EUSDR AF 2020

- And in the Council Conclusions on the implementation of the MRS

- An inclusive process where we all have important roles to play!

Which facilitating tools already exist?

- **The EUSDR Embedding tool**: Supports PACs in the selection of strategic topics (shortlist). Used by NCs when approaching managing authorities. Provided to authorities responsible for the strategic planning and programming of the ESI/IPA III/NDICI funds.

- **Sources for embedding**: Compilation of funding instrument sources according to CPR Proposal of the European Commission as of May 2018

- **EMBEDDING in a nutshell** with the EUSDR EMBEDDING MA LEAFLET: A comprehensive and compact summary of EUSDR Embedding for representatives of managing/programming authorities, NCs, PACs and other stakeholders working on EUSDR Embedding into EU programmes for the period 2021 – 2027.

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Which are the legal provisions?

Programming phase:

CPR supports embedding**:**
- Art. 17(3)(a)(vi) CPR
- Art. 17(3)(d)(i) CPR

Article 17 on Content of programmes

Under 3: Each Programme shall set out:

(a) a summary of the main challenges, taking into account:

(vi) macro-regional strategies and sea-basin strategies where Member States and regions participate in such strategies;

(d) for each specific objective:

(i) the related types of actions and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

What do we do in the Commission?

Screening of mainstream national and regional programmes within European Commission: REGIO geographical units should consult units D1 and D2 on the draft (and final version) of programmes received. D1 and D2 screens the programmes and make comments that GUs are asked to forward to Member State authorities. We also attend meetings with Member State authorities to explain the rationale:

- Thematic embedding of MRS into national and regional 'mainstream programmers' (including link to Annex D)

- Mechanisms for implementing the embedding at project level: Potential tools which can be utilised by managing authorities to incorporate the EUSDR objectives into their actions

- Coordination between funding instruments: Participation in MA networks

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What do we want to see in the programmes?

Section 1: Programme strategy: main development challenges and policy responses

- The activities described in the Programme shall be in line with the relevant MRS/SBS (latest Action Plan adopted), explicitly or implicitly, and the intervention logic should include relevant references.

- The potential areas for cooperation as mentioned in **Annex D of the European Semester 2019 Country Report** for EU Member States should be taken into account, when describing the main challenges and policy responses in this section.

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Annex D: An example

ANNEX D Investment Guidance on Cohesion Policy Funding 2021-2027 for Lithuania[1]

Policy Objective 1: A Smarter Europe — Innovative and smart industrial transformation
The general innovation performance of Lithuania and proportion of innovative and high added value enterprises, which both are the main drivers of productivity and competitiveness, are lagging behind the EU28 average. Significant investment needs are identified to **enhance research and innovation capacities and the uptake of advanced technologies**, where appropriate, in cooperation with other countries and in line with the EU Strategy for the Baltic Sea Region, as well as building on the lessons learned in Lithuania during the implementation of the Commission pilot project on industrial transition, and in particular to: • strengthen innovation performance and foster productivity growth by identifying smart specialisation areas on the basis of national and regional needs and potential; • increase the number of innovative firms in the smart specialisation sectors with the highest potential, and taking into account regional specialisations; • strengthen the supply side of R&I by increasing the attractiveness and competitiveness of the research system; • support collaborative research between universities and businesses, enabling technology transfer, commercialisation of research outcomes.
The uptake of broadband in households, the use of advanced data-driven technologies by firms remain limited despite Lithuania's relatively high ranking in terms of broadband coverage. Sizeable investment needs are identified to **reap the benefits of digitisation for citizens, companies and governments**, and in particular to: • increase ICT uptake in SMEs, including supporting infrastructures and services; • promote the range, quality and interoperability of e-services provision and their uptake by citizens; with special focus on rural areas and the older population, and in a cross-border context; • upscale and accelerate open data, e-government.
Firms in Lithuania are relatively small and weakly integrated in domestic and international clusters and global value chains. The start-up ecosystem is relatively young and dynamic and needs further development. Significant Investment needs are identified to **enhance growth and competitiveness of SMEs**, and in particular to: • strengthen competitiveness and growth prospects of the innovative SMEs; • internationalise their activities and move up the global value chains; • identify new export markets, cooperation networks and interregional clusters, including in the Baltic Sea region; • promote entrepreneurship, as well as creation and growth of start-ups/scale-ups, accelerators, also in synergy with PO 4.

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What do we want to see in the programmes?

Section 2: Priorities other than technical assistance

Section 2.1: Title of the priority

- The content of the MRS/SBS (Action Plan, pillars/priorities) shall be reflected in the different priority axes, where relevant.

- In Section 2, the Programme priorities - or part of them – should be in line with the MRS/SBS (even if these priorities are not explicit in this regard).

What do we want to seein the programmes?

Section 2.1: Title of the priority

Section 2.1.1: Specific objective

- Under each priority (except TA), **and for each specific objective** of these priorities actions with beneficiaries located in at least one other Member State (or outside the Union, where relevant), should all be described.

- The potential areas for cooperation as mentioned in Annex D of the European Semester 2019 Country Report for (MS), and any other area for cooperation identified after that date, should be taken into account under each priority and for each specific objective.

What do we want to see in the programmes?

Section 6 (Partnership): Coordination between ESIF, other EU or national funding instruments, EIB:

- The section on coordination between funding instruments should include arrangements to ensure coordination of the Programme with the MRS/SBS structures in the Member State/region (e.g. Priority Area Coordinator and/or the focal points/ line ministries)

- It could also refer to the participation in MA networks (Council conclusions)

Which are the next steps?

Implementation phase:

Council conclusions from 2 December 2020: Actions which need to be addressed as priorities in 2021 based on the Council conclusions:

- Council calls on COM to report on the embedding

- Council calls on all participating countries/regions, with the support of the Commission and as soon as possible, to establish networks of (managing) authorities of relevant 2021-2027 EU funding programmes (Cohesion Policy Funds, EAFRD, EMFF, IPA, NDICI)

- Monitoring of the embedding: current work by DSP