



REPLIES OF THE EUROPEAN COMMISSION

TO THE EUROPEAN COURT OF
AUDITORS' SPECIAL REPORT

**Synergies between Horizon 2020 and
European Structural and Investment Funds:**
Not yet used to full potential

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This document presents the replies of the European Commission to observations of a Special Report of the European Court of Auditors, in line with Article 259 of the [Financial Regulation](#) and to be published together with the Special Report.

EXECUTIVE SUMMARY (Paragraphs I-IX)

Commission replies:

I. Horizon 2020 and its successor Horizon Europe (HE) are the main European Union programmes supporting research and innovation. Their final aim is to create jobs, to boost economic growth, to promote industrial competitiveness and to boost the attractiveness of the Union in the field of research and development (R&I).

The European Structural and Investment Funds (ESIF) have also mobilised significant resources to support innovation and Member States and to help bridge the innovation divide.

The Commission's budget allocated to research and innovation during the period 2014-2020 reflects the EU's ambition to invest in Europe's future.

II. Bringing cohesion policy and HE closer together has been an important priority for the Commission in recent years, particularly when preparing for 2021-2027. The aim is to reinforce the impact of both policies by creating complementarities, especially in less developed and peripheral regions. Promoting an integrated approach and strengthening synergies between these key EU instruments (and their respective pillars and policy objectives) can offer new win-win situations where everyone benefits. One can, for example, foster sustainable and smart regional economic development, while at the same time improve the EU's innovation ecosystem overall and make it better at responding to key societal challenges and developing key strategic value chains.

This approach creates new opportunities to help foster innovation in all regions and to better integrate less-developed and peripheral regions into the European Research Area (ERA) and the European Innovation Ecosystem (EIE).

V. Since 2014, the guidance document prepared by the Commission¹ already stressed that “translating this new reality will be a learning process, given that ESIF implementation is under Member States' shared management rules while Horizon 2020, COSME, Erasmus +, etc. support is allocated at EU level (directly or indirectly by the Commission).”

The Commission has been working on several aspects aimed at supporting stronger synergies especially for the 2021-2027 period, such as simplifying and aligning regulations related to these policies in collaboration with the budget authorities. This is a sign of its commitment to make synergies a reality. In addition, some actions have been undertaken for promoting synergies. The Commission has published a booklet on examples of synergies in the past programming period and has promoted examples of schemes supporting Seal of Excellence (SoE) and of Seal holders receiving funding through the SoE website.

Nevertheless, a better understanding at Member State level of the aims of the EU policies may contribute to ensuring the better design of their strategic documents. The Commission recognises that there is some room for improving the synergies and alignment between EU policies objectives and programmes both at EU and national level, and that more needs to be done.

¹ European Commission, Directorate-General for Regional and Urban Policy, *Enabling synergies between European Structural and Investment Funds, Horizon 2020 and other research, innovation and competitiveness-related Union programmes : guidance for policy-makers and implementing bodies*, Publications Office, 2014, <https://data.europa.eu/doi/10.2776/84939>

VI. The recent study² on prioritisation in smart specialisation strategies in the EU found that priority areas of S3 strategies in the EU are largely based on a set of objective data-driven identification processes. This has led to prioritisation approaches across EU Member States/regions that define a limited, but often broad set of priority areas oriented towards R&D and more technology driven themes.

The Commission considers that often smart specialisation strategies correspond to priority areas of Horizon, even if not explicitly cross-referenced.

A broad scope of smart specialisation priorities does not necessarily limit the possibility to create synergies.

VII. At the same time, while all beneficiaries of Horizon 2020 grants have to set out their plans for downstream exploitation, they may not always consider or explicitly reference ESIF funding as a mechanism to further exploit their research results. It is not problematic per se if exploitation plans are not contingent on continued subsidy from the EU budget.

Many managing authorities are successfully implementing innovation support measures and create thus opportunities for downstream synergies. Nevertheless, Member States also should further enhance their internal capacity to maximise the opportunities for enhanced synergies.

VIII. One key synergies instrument is the Seal of Excellence that recognises the value of the proposal and helps other funding bodies take advantage of the high-quality Commission evaluation process.

Seal of Excellence recipients are not obliged to report on uptake of their projects by other funding instruments. Therefore, the Commission cannot determine the precise amount of project proposals that have received such funding, but it may be higher than what voluntary reported by the members of the Seal of Excellence Community of Practice.

IX. The Commission accepts the recommendations.

INTRODUCTION (Paragraphs 1-9)

Commission replies:

01. As reflected in the Commission Communication³ on Horizon 2020, “Research and innovation help deliver jobs, prosperity, quality of life and global public goods. They generate the scientific and technological breakthroughs needed to tackle the urgent challenges society faces. Research and innovation have been placed at the centre of the Europe 2020 strategy to promote smart, sustainable and inclusive growth“.

² European Commission, Directorate-General for Regional and Urban Policy, Study on prioritisation in smart specialisation strategies in the EU: final report, Publications Office, 2021, <https://data.europa.eu/doi/10.2776/60867>

³ COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Horizon 2020 - The Framework Programme for Research and Innovation /* COM/2011/0808 final *

In addition, the current European Commission (2019-2024) keeps this policy at the core of its political priorities.⁴

03. The Commission emphasises the general need to develop synergies with the other Union programmes like the Common Strategic Framework for Economic, Social and Territorial Cohesion and with the Competitiveness and SMEs Programme.

04. Horizon Europe Regulation also reflects this aim: “...the Programme should seek synergies with other Union programmes, from their design and strategic planning, to project selection, management, communication, dissemination and exploitation of results, monitoring, auditing and governance. ... with a view to avoiding duplication or overlaps, to increasing the leverage of Union funding and to decreasing the administrative burden for applicants and beneficiaries, it should be possible to promote synergies, in particular by alternative, combined, cumulative funding and transfers of resources”.

The Common Provisions Regulation (CPR)⁵ (Recital (61)) states: “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”.

05. The above references stress the importance of developing synergies among European Union policies, an endeavour that has been recognised by the key stakeholders. In this context, the Commission issued a guidance document on the opportunities to maximise the synergies between Horizon Europe (HE) and the European Regional Development Fund (ERDF). The document highlights the new possibilities for synergies and clarifies the practical implementation to cohesion policy managing authorities, HE National Contact Points and HE project promoters/proposers. It stresses the shared responsibility of all actors in ensuring success.

07. The ECA highlights the complexity of this endeavour as several aspects (objectives, management, implementation and priority settings) of the different instruments do not completely match with each other.

Horizon 2020 focuses on supporting excellent R&I, in line with Article 179 of the Treaty on the Functioning of the European Union (TFEU). Cohesion policy aims to promote and support the overall harmonious development of Member States and their regions, in line with Article 174 TFEU, particularly by reducing regional disparities. ERDF and Horizon are EU instruments supporting investments in research and innovation.

Bringing cohesion policy and HE closer together was an important priority for the Commission in recent years, particularly when preparing for 2021-2027. The aim is to reinforce the impact of both policies by creating complementarities, especially in less developed and peripheral regions.

⁴ POLITICAL GUIDELINES FOR THE NEXT EUROPEAN COMMISSION 2019-2024 (https://ec.europa.eu/info/sites/default/files/political-guidelines-next-commission_en_0).

⁵ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy; OJ L 231, 30.6.2021, p. 159–706

Promoting an integrated approach and strengthening synergies between these key EU instruments (and their respective pillars and policy objectives) can offer new win-win situations where everyone benefits.

AUDIT SCOPE AND APPROACH (Paragraphs 10-13)

No Commission replies.

OBSERVATIONS (Paragraphs 14-78)

Commission replies:

14. The Commission policies subject to the ECA audit pursue objectives related to regional development and research and innovation. These policies have been largely implemented separately. The focus on developing synergies is a relatively recent step forward in the implementation of the above policies. The Commission is actively working on promoting synergies since the beginning of the 2014-2020 programming period. The Commission's role on simplifying and aligning regulations related to the above policies is a sign of its commitment to ensure the success of building stronger synergies.

16. Making the different programmes of the Union work together and consistently in the pursuit of the European Union's objectives has been a permanent endeavour of the Commission. The Commission appreciates that its efforts to align the regulations for the 2021-2027 period are noted.

The Commission considers that already the joint effort which resulted in the changes introduced for the 2021-2027 period enabled an increase in awareness and reciprocal knowledge of objectives and opportunities that had by itself a positive impact.

19. The European Parliament Research Service shows the complexity of this endeavour. The document provides some insights and remarks on how to go ahead and overcome the difficulties encountered impeding the progress of stronger synergies.

The Commission services have been cooperating closely in enhancing the opportunities for synergies through more coordinated rules for the 2021-2027 period and mirroring provisions in all relevant legislation (Horizon Europe, Cohesion Policy, State Aid General Block Exemption Regulation). The services are currently working together in ensuring that the opportunities that the new Multiannual Financial Framework offer to create and maximise different type of synergies are seized by ERDF managing authorities and R&I stakeholders. The new possibilities were already presented in various occasions to Member States, regions and stakeholders. In addition, a new guidance on the opportunities to maximise the synergies between Horizon Europe and the European Regional Development Fund is available since 5 July 2022.⁶

⁶ C(2022) 4747 final: COMMUNICATION TO THE COMMISSION Approval of the content of a draft Commission Notice on the synergies between ERDF programmes and Horizon Europe, 5 July 2022

21. While there are numerous venues and mechanisms for exchanges between the Commission and the national and regional stakeholders, including formal process for the engagement between Commission, Member States and relevant stakeholders during the legislative process and the subsequent programming and implementation of the instruments (e.g. strategic programming, the Seal of Excellence Community of Practice), further efforts should be made to ensure synergies in the implementation (see Commission reply to paragraph 19).

BOX 1 - The “Seal of Excellence community of practice”: a positive example of multilevel cooperation.

SoE Community of Practice members are mostly ERDF managing authorities but also other public and private bodies with funding powers committed to implement SoE-friendly actions that decided to join the community on a voluntary basis. Today, the community has around 250 members and it works through regular meetings chaired by the Commission. It has a community platform (SINAPSE) that allows the exchange of information and best practice on the Seal of Excellence.

24. Since the very early stages of H2020, the Commission’s view goes in the direction that better communication at national level may improve the consistent implementation of EU programmes.

This is confirmed by point 3.3 of the (2014) Guidance document (“Actions for National and Regional authorities involved in Horizon 2020 and other relevant EU programmes”). This point refers to the need of the different EU programme bodies such as National Contact Points (NCPs) H2020, Enterprise Europe Network (EEN) and etc., to cooperate with the national managing authorities and raise awareness on the possibilities combined use of ESIF and H2020 funding.

In addition, it recommends to organising workshops bringing together the relevant Managing Authorities (MAs) and bodies in charge of Research and Innovation for Smart Specialisation with representatives in the different Horizon 2020, COSME, etc. programme committees, to brainstorm about possible synergies and synchronisation of funding decisions, to regularly exchange information and mutually learn about the state of play of the Research and Innovation Strategies for Smart Specialisation (RI S3) implementation. For example, they could explore potential alternative funding / reorientation of high-quality Horizon 2020 proposals with a score above threshold, for which there was not enough Horizon 2020 budget available.

26. Information on projects supported by the Framework Programmes is available through the Horizon Dashboard⁷ and CORDIS⁸, Kohesio⁹ and individual programme websites.

Moreover, Framework Programmes data are published as open data on the official portal for European data “data.europa.eu”¹⁰, supporting transparency, re-use and linking by any external stakeholder.

29. The Commission has developed data and information tools to provide easy and transparent information on R&I Framework Programmes beneficiaries (Horizon Dashboard accessible also through the Funding & tender opportunities portal¹¹) and on EU Cohesion Policy (Kohesio) in operation since March 2022.

⁷ <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/horizon-dashboard>

⁸ <https://cordis.europa.eu/>

⁹ <https://kohesio.ec.europa.eu/en/>

¹⁰ <https://data.europa.eu/en>

¹¹ <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/home>

Access to R&I programmes data, notably Horizon 2020 is publicly available. For R&I Horizon 2020 projects, apart from CORDIS, Commission provided Member States restricted eCORDA database until the public H2020 dashboard was launched in 2018 (and integrated in the Horizon Dashboard in 2021). The dashboard is available on the Funding & tender opportunities portal and is open to the wide audience.

See also reply to paragraph 31.

30. Horizon and Cohesion policy databases have different format, reflecting the differences in the legal framework for these instruments.

A common and static taxonomy is difficult to implement, also because of the different scopes of the instruments. For S3 strategies, these are not required to be set within a certain fixed classification (ex. NACE, the Nomenclature of Economic Activities), but are established in a bottom up place based process of Entrepreneurial Discovery Process.

31. Reporting and monitoring mechanisms for ESIF are in line with legislative requirements and considered appropriate for policy monitoring.

The Commission considers that, even though the two databases are not interoperable, the existing functionalities already allow to some extent to identify relevant information.

In particular, Kohesio allows indeed the identification of all Cohesion-funded projects in R&I through the intervention field filter. The large majority (>85%) of the total investment associated with the S3 strategy is concentrated in a short range of intervention fields.

Users can combine this thematic filter with additional ones (e.g. country, program, fund) to refine their search and obtain the list of R&I projects as well as insights about the geographical coverage and detailed information on the related beneficiaries.

In addition, Kohesio uses semantic search functionalities powered by Artificial Intelligence, allowing users to discover R&I projects in specific areas not directly covered by the abovementioned intervention fields (e.g. cancer research).

Ongoing efforts aim at classifying project title and description according to the EuroVoc controlled vocabulary maintained by the Publication Office. This step will further enhance searchability of data included in Kohesio.

Moreover, CORDIS is already delivering against the EuroSciVoc classification, allowing for a certain level of mapping with Kohesio.

The Commission acknowledges the need to improve existing data frameworks, the searchability and mapping of the data, the monitoring of synergies and the promotion of examples of good practice.

32. The Commission and the National Authorities are mostly focused on the implementation of the policies they are in charge of. Monitoring synergies was also not part of regulatory requirements for monitoring under the CPR.

33. The Commission is continuously working on the better implementation of its policies. The better design of the monitoring process is therefore key for this aim. How the relevant information is captured to the decision making process is also important.

In this context the capture of the information to conclude on the implementation of the programme (monitoring) has to be based on practical arrangements to facilitate the process without imposing excessive burden to the programmes' beneficiaries. The legal framework for the monitoring system for Cohesion policy funds does not foresee mandatory and systematic reporting by managing authorities on the uptake of Seals of Excellence (SoE).

Similarly, there is no monitoring system in place for the SoE proposals as they are in fact outside the 'Horizon' projects follow-up process.

As compared to H2020, more information will be collected on follow-up of project results under HE thanks to its reporting framework and services and tools available to beneficiaries under the Horizon Dissemination & Exploitation strategy, such as Horizon Results Booster, Horizon Results Platform.

34. The role of the National authorities cannot be neglected in this aspect of the programmes.

36. The Commission has undertaken several actions as referred to by the ECA.

The synergy guidance document, issued at a very early stage of the H2020 implementation, is a key document for this purpose.

With relation to Policy Support Facility, the Mutual Learning Exercise is not meant to gather all MS. The dissemination of the results of such discussion, to the benefit of other countries, is ensured by the reports and the workshops presenting the conclusions, available on the website of the Policy Support Facility.

The Commission has also run/participated to numerous workshops at national and regional level to present synergies at request of the local or national authorities.

41. Authorities at national level in charge of the management of the EU programmes play a key role in the design of their strategic actions and their successful implementation.

47. EU Member States/regions defined a limited but often broad set of priority areas oriented towards R&D and more technology-driven themes. However, the size of the priority domain does not necessarily limit the possibility to create synergies.

51. The Commission reiterates the importance of capacity-building in national administrations to support the potential beneficiaries in the application stage of the grant award procedures as it helps substantially the successful implementation of the Union programmes (at national level).

COMMON REPLY TO PARAGRAPHS 56. TO 63.:

The Commission acknowledges the importance of supporting downstream synergies as a possible mechanism to further disseminate and exploit the results of those research projects that can have a meaningful impact in the socio-economic development of a territory

64. An example of the interoperation between information emanating from the directly managed R&I programmes, such as H2020 and ERDF financed Interreg, was the creation of the H2020-Interreg Synergies Mapping Tool (matchmaking tool), introduced as a follow-up of a need expressed after roll-out of the Interreg CE experimental capitalization call. This tool is publicly available on the Funding & tender opportunities portal (see reply to paragraph 29). Further steps

are taken to enrich the Interreg keep.eu database¹², managed by the Interact, with the participants' persistent identifiers such as PIC, reinforcing in the future aspect of synergies in both programmes.

69. The Seal of Excellence was first initiated under H2020 and it is reinforced under Horizon Europe. The uptake of the Seal of Excellence in the Cohesion policy programmes is intended to be further promoted in the context of reinforcing synergies between the R&I Framework programmes and European Regional Development Fund (ERDF).

71. Despite the absence of references to the SoE in the 2013 CPR and in the Operational Programmes, adopted before the launch of the Seal initiative in 2015, the Commission tries to collect information about national/regional Seal support schemes set up by the CoP (Community of Practice) members. However, the report is on a voluntary basis. Only for Seal of excellence of EIC Accelerator/SME - Phase 2 15 support schemes, in 11 countries were reported. The same number of schemes were set up for MSCA Seal of Excellence. However, the Commission has no precise data on the number of Seal of Excellence projects that were ultimately funded.

72. As regards the three Teaming projects although measures to provide support for the SoE were not included in the OPs the Commission is aware of their uptake by the ERDF.

74. Since the launch of Seal of Excellence initiative several actions to improve the uptake of projects with SoE were undertaken by the Commission. One example being the amendment of the General Block Exemption Regulation (GBER) allowing Member States to implement certain aid measures (including funding of SoE projects) without prior notification.

This allowed to introduce simplifications considered key by the Managing Authorities in order to implement synergies: support Seals directly (i.e. without new evaluation of the R&I quality of the proposal), and applying the categories, maximum amounts and methods of calculation of eligible costs under Horizon Europe. This avoids duplication of effort by beneficiaries and Managing Authorities when submitting, evaluating and selecting operations for ERDF support.

75. Cohesion policy regulations for both 2014-20 and 2021-27 have established as a general rule of supporting investment only in SMEs as support for small- and medium-sized enterprises is a political priority of the Union.

Similarly to 2014-2020, for 2021-27 the regulations make one exception for investment in enterprises other than SMEs when such investment is made in cooperation with SMEs in research and innovation activities.

Lack of support for undertakings in difficulty is another cornerstone of the policy based on sound financial management. The only deviations from the general rule were granted following the COVID-19 pandemic enabling support to undertakings in difficulty if authorised under a temporary State aid framework established to address exceptional circumstances or under de minimis.

COMMON REPLY TO PARAGRAPHS 76. AND 77.:

Automatic notification mechanism about all types of awarded Seal of excellence might be difficult to develop and the cost may overweight the benefit. However, such development is under consideration by the Commission for EIC Seal of Excellence in the future.

¹² <https://keep.eu/>

In the meanwhile, managing authorities and other interested funding bodies receive, upon request, full information on project proposals with Seal of Excellence in their country/region, that gave consent. This information is also made available since 2015 to the CoP members through Community platform (SINAPSE). However, not all managing authorities are members of CoP as registration is not an obligation.

Since 2015 a dedicated website on the Seal of Excellence is providing detailed information on the initiative, how to use it, funding opportunities, and information for funding bodies through its SoE website. A functional mailbox is accessible from the website to provide answers to possible questions.

The Commission provides aggregated data on the project proposals awarded SoE on the public Horizon Dashboard.

78. The Commission encourages the Managing Authorities in every Community of Practice meeting to share their national or regional best practices and to discuss with them implementation questions. The Commission is aware of other Member States that have put systems in place to ensure an optimal information flow on the Seal of Excellence.

CONCLUSIONS AND RECOMMENDATIONS (Paragraphs 79-91)

Commission replies:

COMMON REPLY TO PARAGRAPHS 79. AND 80.:

While recognizing the room for further improvement in the implementation of downstream synergies, the Commission notes that opportunities for synergies between Horizon Europe and Cohesion policy programmes have been greatly enhanced in the 2021-2027 period through more coordinated rules in all relevant legislation (Horizon Europe, Cohesion Policy, State Aid GBER), that are designed to ensure Union added value, to avoid overlaps and to seek maximum efficiency and administrative simplification. The objective of ERDF in the area of research and innovation is to support close to the market research and uptake of research results (the latter including deriving from Horizon projects). This is the main prerequisite to implement downstream synergies.

The Commission underlines that the relevant legal bases do not require systematic monitoring of synergies. Nevertheless, the Commission identified and promoted some good practices, such as a compilation of examples ('EU funds working together for jobs & growth'). Examples of synergies between the framework programmes for research and innovation (Horizon 2020) and the European Structural and Investment Funds (ESIF)', and dissemination on the Interreg Central Europe experimental call 'Capitalisation through coordination'.

81. The Commission considers that its main services in charge of the R&I Framework Programmes and ESIF, i.e. DG Research and Innovation and DG for Regional and Urban Policy, cooperate well, both formally and informally and, in the case of the SoE Community of Practice, also involve stakeholders responsible for designing and implementing programmes at national and regional level. However, cooperation at national level between those bodies with responsibility in implementing or helping implement the programmes can be further encouraged.

Recommendation 1 – Improve cooperation between bodies involved in the management of the ESIF and the framework programmes

The Commission accepts the recommendation.

The Commission recognises the importance and added value of improving cooperation between Member States' authorities with R&I policy and operational responsibilities, and the national Cohesion policy authorities in charge of R&I. Bringing these communities closer together will help create and foster connections and exchange of knowledge and practices.

82. The Commission considers that it is important to facilitate access to information on projects and beneficiaries supported by its funds and instruments. On the ERDF side, the recently launched (March 2022) Kohesio database contains comprehensive and up to date information on projects and beneficiaries supported by the Cohesion policy. It aggregates, standardises and republishes in an interoperable format the information published by the Managing Authorities in the list of operations.

The Horizon Dashboard includes detailed data on funded projects and their beneficiaries.

83. While recognising the need to improve existing data frameworks, the searchability and mapping of the data, the Commission considers that an interoperable database with a common and static taxonomy is at present not needed for providing appropriate functionality for, e.g., database searches or mapping exercises. The Commission considers that the functionalities of existing databases allow for the identification of relevant information.

84. The Commission considers that it is important to monitor the uptake of the synergy mechanisms that exist. In some cases this is intrinsically difficult, also because relevant information is only available at Member State level. A legal requirement for reporting does not exist but the Commission is exploring voluntary approaches to collect relevant information, such as the Dashboard for the Seal of Excellence.

Even without a systematic monitoring in place, the Commission has been able to identify and promote good practice examples. https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/seal-excellence_en

The Commission continuously engages in activities to raise awareness (via SoE website, social media channels, via National Contact Points and European Enterprise Network) and to promote the synergy concept on various targeted events (e.g. Research Working Party, European week of regions and cities).

Recommendation 2 – Exploit the potential of data to foster synergies

The Commission accepts the recommendation.

The Commission acknowledges the need to improve existing data frameworks, the searchability and mapping of the data, the monitoring of synergies and the promotion of examples of good practice.

85. In order to support stronger synergies, the Commission published on 5 July 2022 a Commission Notice on Synergies between Horizon Europe and ERDF programmes ('Synergy guidance')¹³, strengthening the expertise and capacities of stakeholders to implement the new opportunities.

86. The Commission embarked as of July 2022 on a set of dissemination events and workshops to explain the new 'Synergy guidance' to interested stakeholders in Member States. These activities will continue in the coming months.

87. The recent study¹⁴ on prioritisation in smart specialisation strategies in the EU found that priority areas of S3 strategies in the EU are largely based on an objective data-driven identification processes. This has led to prioritisation approaches across EU Member States/regions that define a limited, but often broad set of priority areas oriented towards R&D and more technology driven themes. However, the size of the priority domain does not necessarily limit the possibility to create synergies.

90. All beneficiaries of Horizon 2020 grants have to set out their plans for downstream exploitation, they may not always consider ESIF funding as a mechanism to further exploit their research results. This is not problematic per se if exploitation plans are not contingent on continued subsidy from the EU budget.

The low number of references to ERDF is also due to the fact that it is difficult to identify many years in advance which funds will be used.

Recommendation 3 – Increase the use of downstream synergies

The Commission accepts the recommendation.

Recommendation 4 – Improve the information flow about projects that have received the Seal of Excellence

The Commission accepts the recommendation and it will improve the flow of information on projects receiving the Seal of Excellence.

¹³ reference see reply to paragraph 19

¹⁴ European Commission, Directorate-General for Regional and Urban Policy, *Study on prioritisation in smart specialisation strategies in the EU: final report*, Publications Office, 2021, <https://data.europa.eu/doi/10.2776/60867>