

**Restarting the economy with the support of the  
new competitiveness programmes**

**Sharing experiences about the closure of  
Competitiveness OPs in the 2014-2020 period  
and first experiences of the 2021-2027**

**Alexandra Vilela**  
**Member of the Board**  
**COMPETE 2020**



# Where we are

## 1. Almost past ...

- PT2020 / COMPETE2020

## 2. Present

- COMPETE2020
- REACT\_EU
- *RRP - Recovery and Resilience Plan*

## 3. Future

- PT 2030

## 4. Lessons learned for the next programming period 2021-2027



# 1

# COMPETE 2020 - *Instruments*

4.383 M€



Science



R&D



Incentive Scheme Innovation – SMEs and Big Companies



Incentive Scheme Internationalisation and Qualification for SMEs



Collective Actions



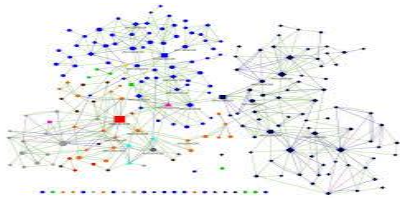
Training Action



Training SME workers



Public Administration



Clusters



Transports



1

# COMPETE 2020 - *Numbers*

119.074 projects

37.937 M€  
*applications*

107.078

*project approved*

11.832 M€

*eligible - investment*

7.007 M€

*approved - fund*

4.522 M€

*payment - fund*

4.078M€

*execution*

2

## COMPETE2020 *in 2021*

**Closing Last Call “Innovation Incentive Scheme”**  
Stimulate greener and more digital business investment

**Eligibility of Non-SMEs**

**Add-on Digital Transformation**  
**Add-on Climate Transition**



## Closing Last Call “Innovation Incentive Scheme” To stimulate greener and more digital business investment

### Digital Transformation

- Advanced information systems; digital infrastructure; artificial intelligence and predictive algorithms; advanced data analytics; cloud computing; cyber-security
- Connectivity between systems, equipment, products and people; advanced sensors and IoT; augmented reality; intelligent machines
- Advanced manufacturing systems; advanced and connected products and materials; modular operations; additive manufacturing; autonomous robots



# COMPETE2020 *in 2021*

**Closing Last Call Innovation Incentive Scheme**  
Stimulate greener and more digital business investment

## Climate Transition

- Eco-design of processes and products; eco-efficiency; eco-innovation; efficient use of resources, including by-products and waste, in order to improve their joint economic performance, with positive effects for the environment
- Valorisation of by-products and waste; renewable energies; energy efficiency; forest biomass



2

# COMPETE2020 *in 2021* - REACT-EU

Supporting Economic Survival  
and Stability  
of Business Activity

Support for business activity:  
APOIAR: Working Capital  
Garantir Cultura

Climate Transition Support

Green Business Innovation

Job Creation Support

ATIVAR.PT

Health System Support

Vaccines

Learning Recovery Support

Educational Resources and  
COVID testing in schools





## 2 RRP - Recovery and Resilience Plan

### Mobilising Innovation Agendas

### Mobilizing Innovation Green Agendas

- Promote economic, social and territorial cohesion and mitigate the social and economic impact of the crisis
- Support activities with higher added value and intensive in knowledge
- Increasing exports of goods and services
  - ✓ Increasing investment in R&D - 3% of GDP by 2030
  - ✓ Reduction of CO2 emissions - 55% by 2030

**930 million euros**

# 2

## Mobilising Innovation Agendas

### Innovation Pacts

- Indicative investment: at least 50 M€
- Developed by Consortiums including a minimum of 10 entities – companies, scientific and technological centers or others
- Concluded and with results achieved by 31.12.2025

### Mobilising projects

- Indicative investment: 20 M€
- Maximum duration: 36 months



# 3 PORTUGAL 2030 - 4 agendas

People First - a better demographic balance, greater inclusion, less inequality

Digitalisation, Innovation and Qualifications - drivers of development

Climate Transition and Resources Sustainability

A country which is competitive externally and cohesive internally



# 3 PORTUGAL 2030 - *OPs*

## 12 Operational Programmes:

- 4 thematic programmes
- 7 regional programmes (including the 2 overseas regional OPs)
- 1 capacity building OP

## Thematic Programmes:

- *Innovation and digital transition - COMPETE2030*
- Climate transition and resource sustainability
- Demography and Inclusion
- Sea

## Innovation and digital transition - *COMPETE2030 – ERDF and ESF*

- PO 1 - More competitive and smarter Europe by promoting innovative and smart economic transformation and ICT connectivity
- PO 2 - Greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, the circular economy, and climate change mitigation
- PO 4 – More social and inclusive Europe implementing the European Pillar of Social Rights



### OP 1 – Specific Objectives -ERDF

- Research and innovation capacities
- Digitisation for citizens, companies, and public authorities
- Sustainable growth and competitiveness of SMEs, including by productive investments

### OP 2 –Specific Objectives - ERDF

- Promoting energy efficiency and reducing greenhouse gas emissions
- Promoting renewable energy
- Promoting the transition to a circular and resource efficient economy;

### OP 4 –Specific Objectives - ESF

- Adaptation of workers, enterprises and entrepreneurs to change

## 4 LESSONS LEARNED *from 2020*

All evaluations underline that companies have become more competitive, i.e. have increased their presence on the market - but...

*There are some concerns and questions to be posed:*

- Funding activities that firms would have undertaken anyway?
- Distortion of competition and trade?
- Micro and small firms are more likely to be financially constrained?
- Which externalities may arise from supporting large firms?
- Which instruments are more effective in enhancing competitiveness and regional development?
- Empirical results are mixed: positive effects on employment are found, but not so often on productivity
- Public subsidies, when properly designed, should produce externalities to the region and to the country

*Assessment on financial incentives for companies in Portugal: QREN (2007-2013) and PT2020 (2014-2018), DG REGIO.*

# 4 LESSONS LEARNED *from 2020*

## *Main take-ways*

- Significant impact of ERDF incentives on firms' investment, employment, value-added, exports and productivity - however, **the effect on those variables seems to be more robust to medium and large-sized firms than for micro-sized firms**
- **Impact ERDF incentives increases with the number of awarded projects to each firm**
- There is no impact of repayable assistance and prizes on the firms' performance - a **combination of grants and repayable assistance may effectively increase impact**

## *The empirical results of this report suggest that:*

- It might be **suboptimal to allocate high share of ERDF incentives to micro-sized firms**
- It might be **beneficial to allocate several ERDF incentives to the same firm instead of giving single ERDF incentives to many firms – concentration and selectivity**
- **Grants or a combination of different instruments**, namely grants and repayable assistance, may be more effective than ERDF incentives through repayable assistance
- The **involvement of SMEs in projects with large-sized firms and the scientific and technological system** may be an option to improve the impact of ERDF incentives

*Assessment of financial incentives for companies in Portugal: QREN (2007-2013) and PT2020 (2014-2018), DG REGIO.*





# 4 LESSONS LEARNED *from 2020*

## *Case studies – Good Practices*

**‘Interface Programme’ with the following goals – cooperation with the scientific centers**

- Empowering SMEs to integrate networks of global, innovative and internationally competitive suppliers
- Accelerate the integration of technologies that facilitate adaptation to Industry 4.0.
- Promote the transformation to the technological requirements of processes and products that provide specialized know-how, resources and critical knowledge, greater productivity, more flexibility and higher quality of products;
- Substitute imports by increasing national value-added and exports

**The ‘Suppliers Club’ Programme – ex. Bosch (approved 3 SC - Bosch, WV and Citroen)**

- Support to 31 firms in IDT, productive investment and internationalization
- All the projects were implemented by co-promotion between companies and research and technological centers
- The aggregate value of employment, assets, turnover and exports increased by 65.7%, 88.4%, 106.2% and 112.6%, respectively

*Assessment of financial incentives for companies in Portugal: QREN (2007-2013) and PT2020 (2014-2018), DG REGIO.*

# 4 LESSONS LEARNED *from 2020*

## *Conclusions*

- The instruments should increase co-promotion between companies
- It is crucial to maintain support for cooperation between companies and the Scientific and Technological System - universities, research and technological centers
- Competitiveness depends on cluster dynamics ;
- The instruments should be synergetic and/or complementary;
- It is fundamental to have transparent selection criteria and great selectivity;
- Focus on simplified cost options – process simplification



# 4

## CHALLENGES

- **Simultaneity of different and substantial financial envelopes**
- **Management capacity of public agencies**
- **Simplification vs Control – “*fraud myth*” and public opinion**
- **Interoperability of information systems**
- **Focusing on results and impacts - "programming chains" and "accountability"**
- **Bet on PEOPLE – entrepreneurs, managers, researchers, officials and ESIF managers...**



**Thank you!**

**[alexandra.vilela@compete2020.gov.pt](mailto:alexandra.vilela@compete2020.gov.pt)**

**[www.compete2020.gov.pt](http://www.compete2020.gov.pt)**

