

# HORIZON 2020: NEW RULES FOR PARTICIPATION AND FINANCIAL ISSUES

**INFORMATION DAY**

**Horizon 2020**

24.02.2014, DUSHANBE

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Horizon 2020  
The EU Framework  
Programme for Research and Innovation

## Horizon 2020: a real break from the past

- bringing together **three separate programmes/ initiatives** into a single programme;
- **coupling research to innovation** – from research to retail, all forms of innovation;
- focusing on **societal challenges** facing EU society, e.g. health, clean energy and transport;
- providing **simplified access, for all** companies, universities, institutes in all EU countries and beyond.

## **Rules for participation: Three main objectives**

**REGULATION (EU) No 1290/2013 OF THE EUROPEAN  
PARLIAMENT AND OF THE COUNCIL of 11 December 2013**

**laying down the rules for participation and dissemination in  
"Horizon 2020 - the Framework Programme for Research and  
Innovation (2014-2020)"**

- **Innovation**
- **Simplification**
- **Coherence**

# I. **Simplification and Coherence**

## **Main Principles**

- **A single set of rules**
- **A single funding rate**
- **A single indirect cost model**
- **Further simplification efforts**

## **A single set of rules**



**Covering all H2020 research and innovation actions**



**Keeping flexibility where needed**



# A single funding rate

## FP7

Maximum reimbursement rates	Research and technological development activities (*)	Demonstration activities	Other activities
Network of excellence	50% 75% (**)		100%
Collaborative project(****)	50% 75% (**)	50%	100%
Coordination and support action			100% (***)

(\*) Research and technological development includes scientific coordination.

(\*\*) For *beneficiaries* that are *non-profit public bodies*, secondary and higher education establishments, *research organisations* and *SMEs*

(\*\*\*) The reimbursement of indirect eligible costs, in the case of coordination and support actions, may reach a maximum 7% of the direct eligible costs, excluding the direct eligible costs for subcontracting

(\*\*\*\*) Including research for the benefit of specific groups (in particular SMEs)

## A single funding rate

### HORIZON 2020

## One project = One rate



- ✓ For all beneficiaries and all activities in the grant.
- ✓ Defined in the Work Programme:
  - Up to 100 % of the eligible costs;
  - but limited to a maximum of 70 % for innovation projects (exception for non-profit organisations - maximum of 100%)
  - Specific reimbursement rates for programme co-fund actions

# Personnel costs

**Wider acceptance of average personnel costs** (now under unit costs)  
*Broadening the basic conditions for acceptance of average personnel cost accounting practices.*

**Acceptance of supplementary payments for non-profit organisations of up to 8000 Euro/year/person**

**Simplifying participation for SMEs**

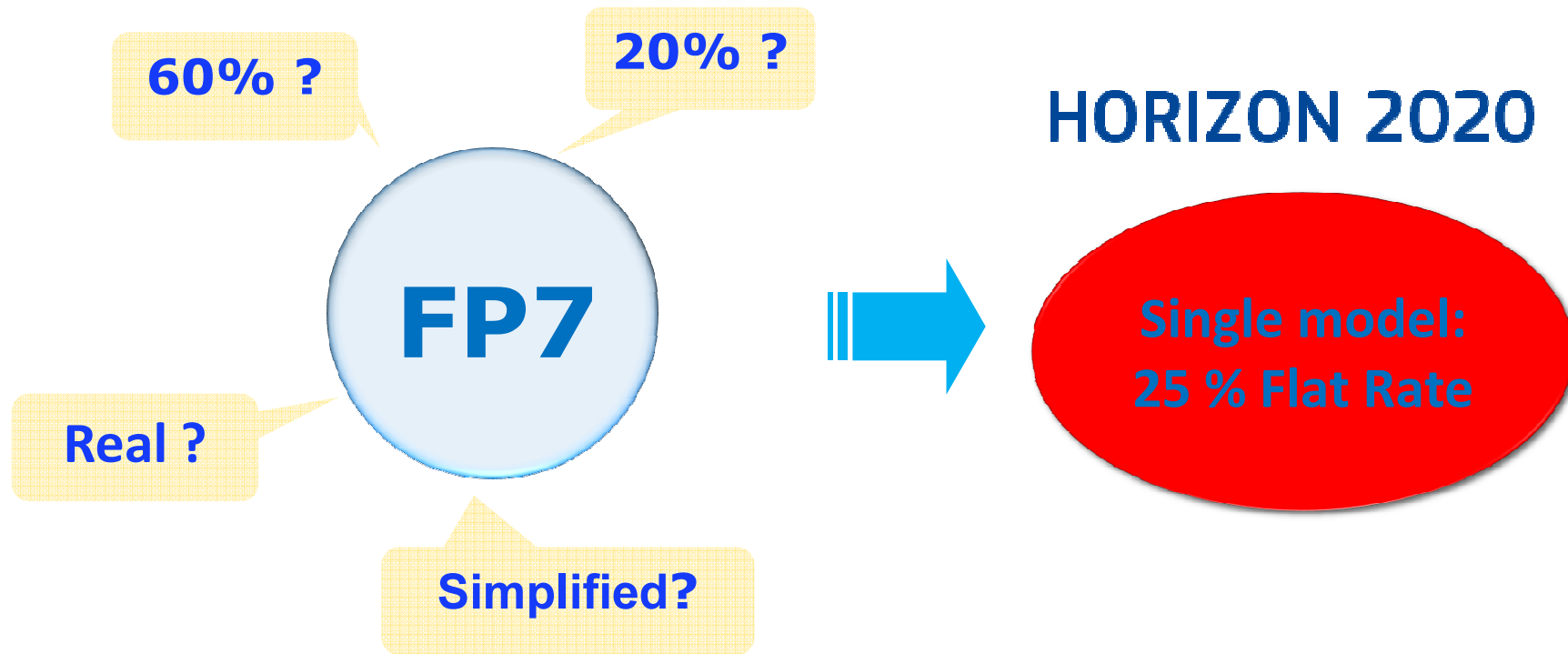
*Providing in the Rules for a unit cost system for SME owners and physical persons without a salary.*

**...and more in the Horizon 2020 Grant Agreement**

*The Grant Agreement will add further elements of simplification regarding personnel costs like simplified provisions on productive hours and clear minimum rules on time-recording.*



## Single indirect cost model



*Unique method - aiming at simplifying project management and reducing recurrent errors*

# New funding model: what impact on the EU contribution?

An example:

## FP7

<i>Majority of HES &amp; RTOs</i>	Direct costs	Indirect costs	Total costs	% EU contribution	EU contribution
<b>Flat-rate (60%)</b>	100	60	<b>160</b>	75%	<b>€ 120</b>



## HORIZON 2020

	Direct costs	Indirect costs	Total costs	% EU contribution	EU contribution
<b>100/25 Funding</b>	100	25	<b>125</b>	100%	<b>€ 125</b>



**Time to grant:  
speeding up the process (1)**

**A maximum TTG of 8 months**



*Some exceptions apply, including complex actions or  
where requested by applicants*

# Time to grant: speeding up the process (2)

## How to speed up the process?

- **Preparation rather than negotiation:**
  - Each proposal evaluated 'as it is', not as 'what could be'
  - Final GA based to maximum extent possible on Part B of the proposal
- **Legal entity validated in parallel**
- ✓ **No more paper:**  
e-communication & e-signature of grants!



On this site you can find and secure **funding** for research & innovation projects under the following EU programmes:

- 2014-2020 Horizon 2020 - research and innovation framework programme
- 2007-2013 7th research framework programme (FP7) and Competitiveness & Innovation Programme (CIP)

**Non-registered users**

- search for funding
- read the funding guide & download the legal documents
- check if an organisation is already registered
- contact our support services or check our FAQs

**Registered users**

- submit your proposal
- sign the grant
- manage your project throughout its lifecycle



WHAT'S NEW?



FUNDING OPPORTUNITIES



HOW TO PARTICIPATE



WORK AS AN EXPERT



MY PERSONAL AREA



INFORMATION AND SUPPORT

## Other Simplification Efforts

### Similar evaluation criteria with FP7

- Excellence – Impact – Quality and efficiency of the action

### Simpler time-recording requirements

- No time-sheets for personnel working full time on a single project

### Fewer Certificates on Financial Statements and fewer but targeted audits

- CFS only if total amount of the grant for the beneficiary as reimbursement of actual costs or average personnel costs is  $\geq$  EUR 325.000 at the time of the payment of the balance
- Audit strategy focused on risk and fraud prevention

# Controls and Audits

**Financial viability** → Restricted to coordinators for projects  $\geq$  €500 k€

**Audit certificates** [ → Only for final payments/per beneficiary /for actual costs  $\geq$  €325 000 €  
→ Optional Certificates on average personnel costs

**Ex-post audits** [ → Provisions in **Horizon 2020 Regulations!**  
→ Commission's audits up to two years after payment of the balance  
→ Audit strategy focused on risk and fraud prevention

**Guarantee Fund** → Continuity with FP7



## II. Innovation = What is new?

- **Basic principles remain**
- **Types of actions and forms of funding**
- **Specific Instruments**
- **Importance of Work Programme**
- **International Participation and IPR**



# Conditions for Participation

## Minimum conditions

- **Standard collaborative actions**
- At least three legal entities each established in a different Member State or an Associated Country
- **ERC, SME instrument, programme co-fund, coordination and support, training and mobility actions:**
- One legal entity established in a Member State or in an Associated Country

## Additional Conditions

### ✓ **In the work programme**

Number of participants, nature of participants (e.g. ERA-NET, EJP)

## Forms of funding (1)

### What is continued?

- **Use of Grant Agreements**
- **Actual costs**

## Forms of funding (2)

### What is new?

✓ **Specific provisions targeting innovation:**

- pre-commercial procurement
- procurement of innovative solutions
- inducement prizes

✓ **Financial instruments:**

- a debt financial instrument,
- a financial instrument providing equity finance for R&I, etc.

✓ **Possibility of output-based grants (lump-sums per project)**

✓ **Enhanced use of other lump-sums, flat rates and unit costs**

## Research and Innovation Actions v. Innovation Actions

(through collaborative projects)

**Coordination and Support Actions** (through calls for proposals or to identified beneficiaries)

## Programme Co-fund Actions

- ERA-NET
- PCP-PPI (not in current Energy WPs)
- Marie Skłodowska-Curie (separate Work Programme)
- European Joint Programme

## Other Types of Actions

- SME Instrument
- Financial Instruments
- Prizes
- Procurement (studies, conferences, specific services)

## Types of Actions – Research/Innovation (1)

Research and Innovation Actions – NO RfP definition but description in the WP annexes

*They are actions with Research and Development activities as the core of the project intending to establish new scientific and technical knowledge and/or explore the feasibility of a new or improved technology, product, process, service or solution*

*- may include basic and applied research, technology development and integration, testing and validation on a small-scale prototype in a laboratory or simulated environment*

*- may contain closely connected but limited demonstration or pilot activities aiming to show technical feasibility in a near to operational environment*

- **100% funding rate**

## Types of Actions – Research/Innovation (2)

### "Pure" Innovation Actions – RfP definition

*"Innovation action' means an action primarily consisting of activities **directly aiming** at producing plans and arrangements or designs for new, altered or improved products, processes or services. For this purpose they may include prototyping, testing, demonstrating, piloting, large-scale product validation and market replication,,*

- **70% funding rate (100% for non-profit legal entities)**

## Types of Actions – Research/Innovation (3)

### Overlaps

*'prototyping', 'testing', 'demonstrating' and 'piloting' not specific to innovation activities; they are also used to describe research and development activities (**100% funding**)*

- In the case of a Research and Innovation action, these activities are undertaken on a small scale prototype, in a laboratory or simulated environment*
- Innovation projects may include limited research and development activities.*
- Type of project expected, funding and Technology Readiness Level scale indicated in the WP topics*

# Types of Actions – Coordination and Support

## Coordination and Support Action

*Actions consisting primarily of accompanying measures such as standardisation, dissemination, awareness-raising and communication, networking, coordination or support services, policy dialogues and mutual learning exercises and studies, including design studies for new infrastructure and may also include complementary activities of strategic planning, networking and coordination between programmes in different countries.*

- **Substantially similar to FP7**



## Specific types of action – SME

### SME Instrument:

- Implemented via single centralised management structure
- Bottom-up approach
- Continuously open call
- Only SMEs eligible for participation

## Specific types of action – FTI

### Fast Track to Innovation Pilot:

To be launched in **2015**, with the following features:

- maximum of **5 partners/ maximum €3 M per project**
- Bottom-up approach
- Continuously open call with three cut-off dates per year
- Time to grant not exceeding 6 months
- Covering all fields across LEITs (Leadership in enabling and industrial technologies) and Societal Challenges

Placeholder text only in Energy WP



## Specific types of action – Programme co-fund

### Programme co-fund:

*'programme co-fund action' means an action funded through a grant the main purpose of which is supplementing individual calls or programmes funded by entities, other than Union bodies, managing research and innovation programmes. A programme co-fund action may also include complementary activities of networking and coordination between programmes in different countries'*

### ERA-NET

- **Pre-Commercial Procurement and Public Procurement of Innovative Solutions ('PCP'-'PPI')**
  - Not in Energy WP (only preparatory CSA actions)
- **Marie Skłodowska-Curie (separate stand-alone H2020 WP)**
- **European Joint Programme ('EJP') – Euratom WP only (Fusion, radioprotection)**

## Specific types of actions - Prizes

### Inducement and recognition prizes

#### Three main aims:

- Stimulate groundbreaking technologies
- Mobilize private research and innovation investments
- Generate public enthusiasm for new technologies

#### Subject to contests:

- Directly foreseen in the Work Programme
- Organized by a beneficiary of a CSA

Rules exhaustively set in Work Programme



# The importance of the Work Programme

## Work Programme may:

- Restrict eligibility of **participants from third countries** (e.g. security concerns, reciprocity)
- Introduce additional eligibility criteria  
*Number of participants, type of participant and place of establishment*
- Lay down further details for the application of the award criteria, and specify weighting and thresholds – see general annexes
- **Specify third countries that are eligible for funding**
- Specify the funding rate for an action
- Specify that lump sums or scale of unit costs can be used for an action (subject to prior separate Commission Decision)
- Identify beneficiaries for grants without a call for proposals

# International Cooperation (1)

## Participation

Open for **all legal entities established in third countries** and for international organisations.

**Restrictions only possible if introduced in the work programme**

- ✓ **For reciprocity reasons;**
- ✓ **For security reasons.**

## International Cooperation (2)

### Funding

- Third country **identified in the Work Programme**  
or
- participation deemed by the Commission **essential in the action**  
or
- when provided under a **bilateral scientific and technological agreement**

# Intellectual Property Rights (1)

## What is continued?

- **Ownership**
  - for the participant who generates results,
  - joint-ownership only in specific circumstances
- **Protection**  
where appropriate
- **Exploitation**  
General obligation to exploit
- **Dissemination**  
principle maintained



## Intellectual Property Rights (2)

- **Transfer and exclusive licences outside the EU/Euratom/Associated Countries**
  - the grant agreement may foresee right to object if a participant has received Union funding
- **Access rights**
  - for implementation and for exploitation purposes (also for affiliated entities established in MS/AC)
- **Tailor-made provisions in the MGA for:**
  - security-related activities,
  - EURATOM,
  - ERC frontier research,
  - SME instrument,
  - mobility,
  - support,
  - KICs, etc.

# Intellectual Property Rights (3)

## What is new?

- **Additional exploitation/dissemination obligations**  
(in the work programme)
- **Open access:**
  - obligatory for scientific publications and,
  - to research data (in appropriate areas and when foreseen in the work programme)
- **Access rights:**
  - for the Union/Euratom under all parts of the programme and,
  - for MS under 'Secure societies'
- **Specific provisions:**
  - for pre-commercial public procurement and
  - for procurement of innovative solutions

# THANK YOU FOR YOUR ATTENTION

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