HORIZON 2020
Instruments and Rules for Participation

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Horizon 2020
Rules for Participation

- Three main objectives:
  - Innovation
  - Simplification
  - Coherence
Horizon 2020
Rules for Participation

- Four Principles:
  - A single set of rules
  - A single funding rate
  - A single indirect cost model
  - Further simplification efforts
Horizon 2020
A Single set of rules

EU Financial Regulation
Specific rules for participation

COVERING ALL RESEARCH AND INNOVATION ACTIONS

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**Horizon 2020**

**A Single funding rate**

- **H2020:** 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

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<table>
<thead>
<tr>
<th>Maximum reimbursement rate</th>
<th>Research and technological development activities (*)</th>
<th>Demonstration activities</th>
<th>Other activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network of excellence</td>
<td>50% 75% (**)</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Collaborative project(****)</td>
<td>50% 75% ( )</td>
<td>50% 100%</td>
<td></td>
</tr>
<tr>
<td>Coordination and support action</td>
<td>100% (***)</td>
<td>100% (***)</td>
<td></td>
</tr>
</tbody>
</table>

(*) 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 and the costs of resources made available by third parties which are not used on the premises of the beneficiary.
(***): Including research for the benefit of specific groups (in particular, EPSRs).

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Single Indirect Cost Model

FP7

60% ?
Real ?

20% ?
Simplified?

HORIZON 2020

Single model: 25% Flat Rate

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Horizon 2020 - New funding model: what impact on the EU contribution?

An example

<table>
<thead>
<tr>
<th></th>
<th>Direct costs</th>
<th>Indirect costs</th>
<th>Total costs</th>
<th>% EU contribution</th>
<th>EU contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FP7</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat-rate (60%)</td>
<td>100</td>
<td>60</td>
<td>160</td>
<td>75%</td>
<td>€ 120</td>
</tr>
<tr>
<td><strong>HORIZON 2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100/25 Funding</td>
<td>100</td>
<td>25</td>
<td>125</td>
<td>100%</td>
<td>€ 125</td>
</tr>
</tbody>
</table>
Horizon 2020
Further 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/average personnel costs is ≥ EUR 325,000 at the time of the payment of the balance + Audit strategy focused on risk and fraud prevention

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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
Horizon 2020
Conditions for Participation

- EU Member States: Austria, Belgium, Bulgaria, Croazia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

- H2020 Associated Countries: Iceland, Norway, Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkey, Israel, Moldova, Switzerland (partially), Faroe Islands
Horizon 2020 - Extra-UE
Countries Eligibility for funding

- **Automatically eligible for funding:**
  
a) **Associated countries** - they participate in Horizon 2020 under the same conditions as EU Member States. There are, as of December 2014, **eleven countries associated to Horizon 2020**. Please check more information on the **status of Switzerland in Horizon 2020**.

b) **Developing countries** - Research organisations in some 130 developing countries are automatically eligible for funding. The full list of these countries is provided in **Annex A of the Horizon 2020 Work Programmes**.
Horizon 2020 - Extra-UE Countries Eligibility for funding

- Not automatically eligible for funding

*Industrialised countries and emerging economies* - candidates from these countries will have to cover their own participation costs. Several countries, like Mexico, have created mechanisms to fund their participation on Horizon 2020 actions.

More information at:
http://ec.europa.eu/research/participants/docs/h2020-funding-guide/cross-cutting-issues/international-cooperation_en.htm#countries
Horizon 2020 - Forms of Funding

Maintained: Use of Grant Agreements + Actual costs

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
Horizon 2020 - Types of Actions

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)

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Horizon 2020 - Types of Actions - Research/Innovation

- Research and Innovation Actions

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
Horizon 2020 - Types of Actions - Research/Innovation

▶ "Pure" Innovation Actions

"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)
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
Horizon 2020
Technology Readiness Levels

<table>
<thead>
<tr>
<th>TRL</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Actual Technology Proven Through Successful Use in an Operational Environment</td>
</tr>
<tr>
<td>8</td>
<td>Actual Technology Completed and Qualified Through Tests and Demonstrations</td>
</tr>
<tr>
<td>7</td>
<td>System Prototype Demonstration in an Operational Environment</td>
</tr>
<tr>
<td>6</td>
<td>System/Subsystem Model or Prototype Demonstrated in a Simulated Environment</td>
</tr>
<tr>
<td>5</td>
<td>Component Validation in a Simulated Environment</td>
</tr>
<tr>
<td>4</td>
<td>Component Validation in a Laboratory Environment</td>
</tr>
<tr>
<td>3</td>
<td>Analytical and Experimental Critical Function and/or Characteristic Proof-of-Concept</td>
</tr>
<tr>
<td>2</td>
<td>Technology Concept and/or Application Formulated</td>
</tr>
<tr>
<td>1</td>
<td>Basic Principles Observed and Reported</td>
</tr>
</tbody>
</table>

*Real World*

*Simulated World*

*Research Lab*
Horizon 2020 - Types of Actions
Coordination and Support Action

- 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
Horizon 2020 - Specific Types of Actions - SME Instrument

Projects sought
Projects at the technology readiness level 6 or higher (technology demonstration) have the best chances to receive funding.

PHASES

The instrument is structured in three phases, with the aim of transforming disruptive ideas into concrete, innovative solutions with a European and global impact. SMEs are recommended to apply for Phase 1, but may also apply directly for subsequent phases:

PHASE 1 - Concept & Feasibility Assessment
- Idea to concept (6 months)
- The SME will draft an initial business proposal.
- The European Union will provide €50,000 in funding and business coaching.

PHASE 2 - Demonstration, Market Replication, R&D Concept to Market Maturity
- 1-2 years
- The SME will further develop its proposal through innovation activities, and draft a more developed business plan.
- The EU may contribute between €0.5 million and €2.5 million* and provide business coaching.

PHASE 3 - Commercialisation
- Prepare for Market Launch
- The SME will receive extensive support to help polish its concept into a marketable product, and have access to networking opportunities.
- The EU will not provide funding in this phase.

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Horizon 2020 - Specific Types of Actions - SME Instrument

- Implemented via single centralised management structure
- Bottom-up approach
- Continuously open call
- Only SMEs eligible for participation
- For the SME Instrument only applications from SMEs established in EU Members States or countries associated to Horizon 2020.
Horizon 2020 - Specific Types of Actions - Fast Track to Innovation

Fast Track to Innovation Pilot
THE ULTIMATE BOOST FOR OUTSTANDING BUSINESS INNOVATORS WITH A NEED FOR SPEED...

PREPARE YOUR PROPOSAL
Build your Industry Innovation demonstrator* (maximum 3 partners) in a period of 6 months (between June 2014 and March 2015 associated maximum)

DEVELOP YOUR INNOVATION
Actions on EU grants of EUR 1 million to 3 million (with the funding, companies will receive funds within 6 months from the time they submit their proposals)

DEPLOY YOUR INNOVATION
Outstanding business innovation concept (high readiness level TRL 5, clearly demonstrated in a relevant environment)

READY FOR THE MARKET!
Start your commercial activities

... AND EAGER TO COMPETE ON GLOBAL MARKETS...!

ACTIVITIES SUPPORTED
- Systems validation in real working conditions
- Testing
- Piloting
- Business model validation
- Standard setting
- Pre-normative research
- EU quality label

GET READY TO PARTICIPATE NOW VIA

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Horizon 2020 - Specific Types of Actions - Fast Track to Innovation

- At least three and maximum five legal entities can participate in a project. Each of the three shall be established in a different Member State or associated country.

- Further Minimum conditions:
  - 60% of budget to industrial partners, or
  - industry participants must be 2 in a consortium of 3 or 4 partners, and 3 in a consortium of 5 partners.

- Maximum €3M per project
Horizon 2020 - Specific Types of Actions - Fast Track to Innovation

- 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
- Only applications involving entities all of whom are established in the EU Member States or countries associated to Horizon 2020
Horizon 2020 - Specific Types of Actions - 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)

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Horizon 2020 - 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
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
The importance of the Work Programme

- 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

- **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.

- **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
Thank you!