

Commission's proposal for

HORIZON 2020

Rules for Participation and Dissemination

CPU meeting

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HORIZON 2020 Rules

Stakeholders consultations

Horizon 2020 Rules for participation and dissemination are built upon the outcome of an extensive consultation with authorities and stakeholders, including:



Green Paper on a Common Strategic Framework: public consultation

** From 9 February 2011 to 20 May 2011: 775 position papers received ranging from Ministries to individual participants; over 1300 on-line replies*



Impact assessment: on-line survey on administrative costs and baseline scenario for Horizon 2020

** From 11 February 2011 to 4 March 2011: nearly 3900 replies from all type of participants*



Meetings and workshops with stakeholders

** 4-5 April 2011: meeting with the National Contact Points (NCPs)*

** 28 April 2011: Stakeholders Workshop on Simplification and Intellectual Property Rights*

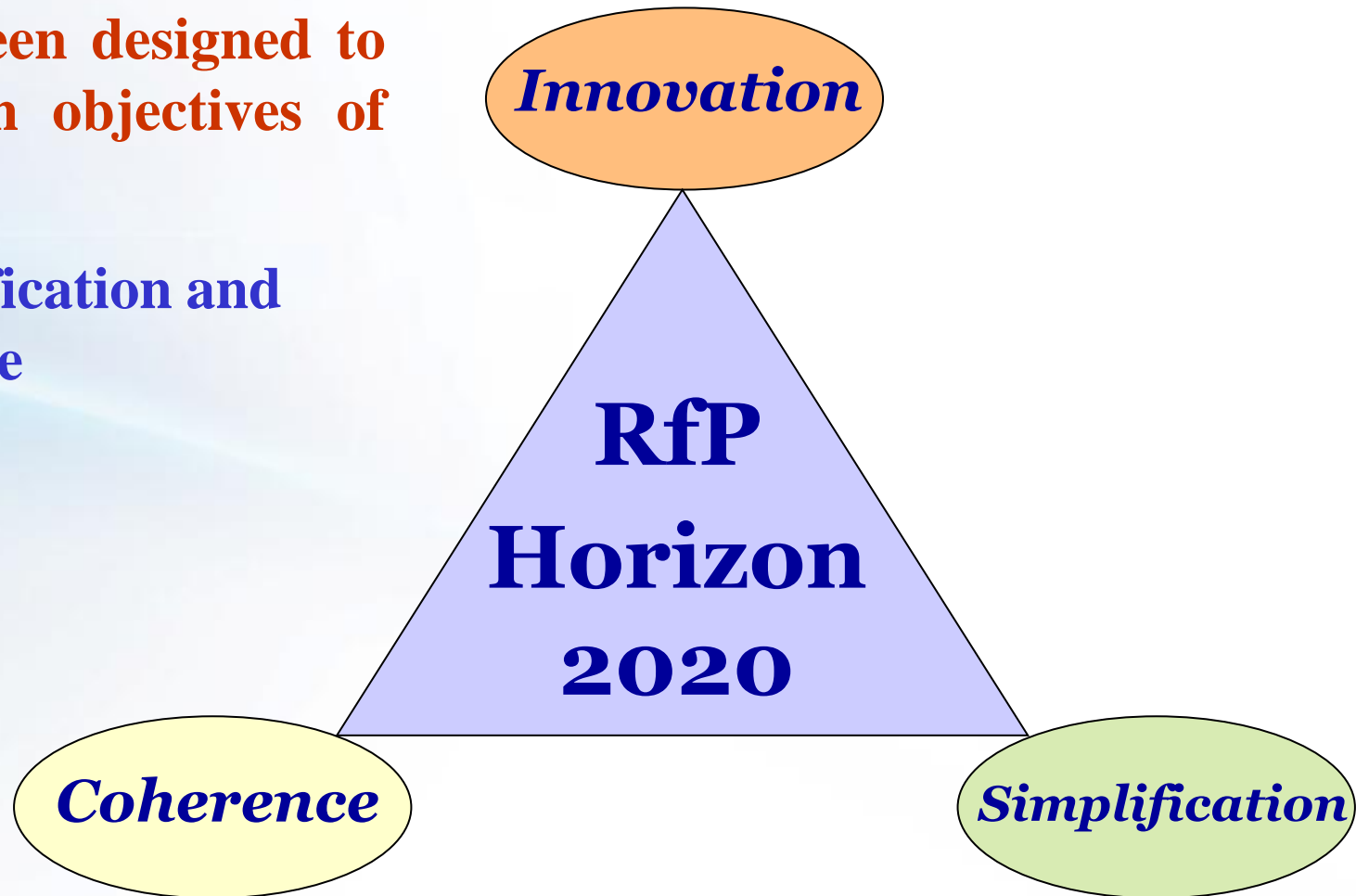
Some key messages from the stakeholders

REDUCE	INCREASE	MAINTAIN & IMPROVE
<ul style="list-style-type: none">➤ Different sets of rules➤ Administrative burden➤ Complexity➤ Excessive controls➤ Time-to-grant➤ Time-to-pay	<ul style="list-style-type: none">➤ Trust➤ Reliance on the usual accounting practices➤ Consistency in the application of the rules➤ Innovation➤ New forms of funding (eg. prizes, output based, etc)	<ul style="list-style-type: none">➤ Reimbursement of real costs as the main funding mode➤ Simplification measures➤ Funding levels➤ Basic IPR orientations➤ Other successful elements of FP7

Horizon 2020 Rules for Participation and Dissemination

The new Rules have been designed to achieve the three main objectives of Horizon 2020:

Innovation, Simplification and Coherence



A SINGLE SET OF RULES: the overarching principle



SINGLE SET OF RULES ***for Horizon 2020***

- Covering all research & innovation programmes and funding bodies (art.185 initiatives, art. 187 initiatives, CIP, EIT)...
- ...but flexible to accommodate specificities where needed.
- In accordance with the new Financial Regulation and its Delegated Act.
- Coherent with the rules of the other EU programmes.
- Also applicable to Euratom.

FORMS OF FUNDING

- ✓ **Grants**
- ✓ **Public procurement**
- ✓ **Pre-commercial procurement**
- ✓ **Procurement of innovative solutions**
- ✓ **Prizes, including inducement prizes**
- ✓ **Financial instruments:** a debt financial instrument, a financial instrument providing equity finance for R&I, etc.

GRANTS

What would remain from



- ✓ **Grant Agreements as the main funding stream** (adding possibility of Grant Decisions).
- ✓ **Reimbursement of costs as the main funding method.**

What would be *NEW*

- ✓ **Enhanced use of lump-sums (including output-based grants), flat rates and scales of unit.**
- ✓ **Broader acceptance of usual accounting practices.**
- ✓ **Possibility to sign grant agreements electronically**

MINIMUM NUMBER OF PARTICIPANTS IN GRANTS

General Rule

At least **three** independent legal entities established in different MS or AC

One legal entity established in a Member State or associated country:

- ⇒ European Research Council (ERC) frontier research actions
- ⇒ SME instrument
- ⇒ Programme co-fund actions
- ⇒ justified cases provided for in the work programme or work plan

Exceptions legal entity without requirement on the place of establishment:

- ⇒ Support actions and
- ⇒ Training and mobility actions

Additional conditions possible in Work programmes or work plans (Examples: conditions related to the number of participants, the type of participant or the place of establishment)

PARTICIPATION OF ENTITIES ESTABLISHED IN THIRD COUNTRIES

Legal entities established in third countries and international organisations may participate in Horizon 2020.

The work programme may restrict the participation of legal entities established in third countries if:

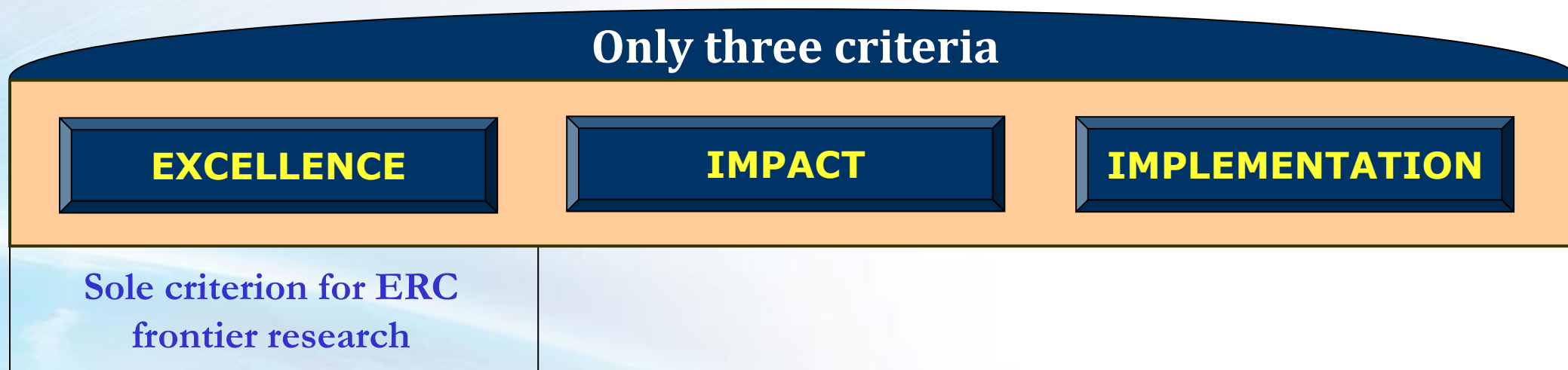
- conditions for the participation of legal entities from MS in the third country's programmes are prejudicial to the EU's interests; or
- justified by security reasons.

WHO CAN GET EU FUNDING THROUGH GRANTS

- ✓ Any legal entity established in a Member State or associated country,
- ✓ Any legal entity created under Union law;
- ✓ Any international European interest organisation;
- ✓ A legal entity established in a third country **if**:
 - The third country is identified in the Work Programme; or
 - The Commission deems essential the participation of the entity in the action; or
 - The funding is provided for under a bilateral scientific and technological agreement.



AWARD CRITERIA



A review procedure will be available for non-awarded applicants who consider that the evaluation of their proposal has not been carried out in accordance with the procedures (~ Redress).

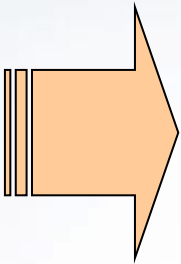
This examination shall only cover the procedural aspects of the evaluation, not the merit of the proposal.

A SINGLE FUNDING RATE (Art. 22)

- Up to 100 % of the total eligible cost
- Limited to maximum 70 % for actions close to application



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% (***)

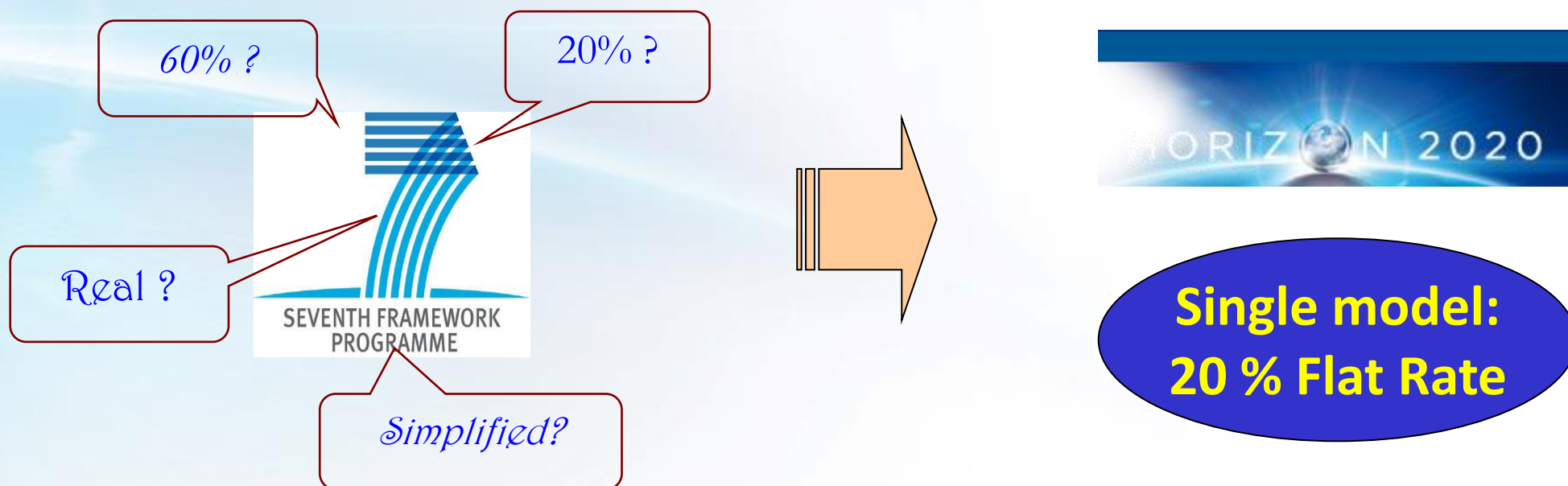


One project = One rate

- Same rate for all beneficiaries and all activities in the grant.
- The rate is fixed ex-ante in the WP (not negotiated per project).
- The specific rate shall be determined in view of the overall character of the activities to be supported.

INDIRECT COSTS (Art. 24)

- Indirect eligible costs shall be determined by applying a flat rate of 20 % of the direct eligible costs.



Art. 24 RfP: “Indirect eligible costs shall be determined by applying a flat rate of 20 % of the total direct eligible costs, excluding 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, as well as financial support to third parties.”

ADVANTAGES OF THE HORIZON 2020 SYSTEM

SINGLE FUNDING RATE

- Simplifies the budgeting of the project and the administration of the consortium.
- Removes the need for separate time-recording per activity.
- Brings more flexibility in adapting on-going projects.

INDIRECT COSTS FLAT RATE

- Concentrates EU funding on costs directly incurred for research and innovation.
- Increases legal certainty on cost claimed.
- Removes a recurrent source of financial errors (real indirect costs) leading often to extrapolation and liquidated damages.
- Builds on the successful approach of ERC.

- SIMPLIFICATION MEASURE / REDUCES COMPLEXITY OF RULES
- Reduces the administrative burden both for participants and the Commission
- Ensures an average level of EU funding equivalent to FP7 for all types of participants
- Removes the need for validations of the type of participant (helping to reduce time-to-grant)

- Complies with the Co-financing principle

PERSONNEL COSTS

- ✓ **Wider acceptance of average personnel costs** (under scale of unit costs, Art. 27)
Minimizing in Horizon 2020 the basic conditions for acceptance of average personnel cost accounting practices (including cost-centre approaches).
- ✓ **Simplifying participation for SMEs** (Art. 26)
Providing in the Rules for a scale of unit system for SME owners and natural persons without a salary.
- ✓ **Less requirements for time records** (Art. 25)
No time records for researchers working exclusively in the project.
- ✓ **...and more in the Horizon2020 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.

SIMPLIFICATION RESULTING FROM THE NEW FINANCIAL REGULATION

The Commission's proposal for the revised Financial Regulation includes a number of simplification measures which would directly apply to Horizon2020.

➔ **Eligibility of VAT:** Contrary to FP7, the Horizon 2020 RfP does not make explicit reference to the eligibility of VAT; the FR will directly apply.



The inter institutional debate on the FR allows to expect that irrecoverable VAT would become an eligible cost in Horizon 2020 (all identifiable VAT was ineligible in FP7).

➔ **Interest on pre-financing:** Commission's proposal for the FR ⇒ as a general rule, interest on pre-financing will not be due to the Union save otherwise provided for in the agreements.

➔ **Extension of audit findings:** current proposal ⇒ no extension of audit findings to non-audited grants (“extrapolation”) if errors are non-material.

CONTROLS AND AUDITS

- Financial viability** ⇒ Most participants exempt from detailed analysis; only systematic check for coordinators when requested EU funding for the project is ≥ 500.000 €
- Certificates on the Financial Statements** {
⇒ Only for final payments when total EU contribution claimed by the beneficiary on the basis of actual costs ≥ 325.000 €
⇒ Optional Certificates on average personnel costs (now under scale of unit costs)
- Ex-post audits** {
⇒ The provisions are in **Horizon 2020 Regulation** !
⇒ Audit strategy focused on risk and fraud prevention
⇒ Integrated governance: toward a single representative sample
- Extrapolation** ⇒ New Financial Regulation will apply
- Guarantee Fund** ⇒ Extension of the GF to all actions under H2020 implemented by the Commission and Union bodies (if they apply the RfP)

INTELLECTUAL PROPERTY RIGHTS

The rules on IPR, exploitation and dissemination of results are built on the basis of proven FP7 provisions with an appropriate balance between legal security and flexibility. Basic orientations regarding:

⇒ **Results:**

- ❖ **Ownership** for the participant that generates the result, only joint-ownership where jointly generated (default joint ownership regime maintained).
- ❖ **Protection** where appropriate.
- ❖ **Exploitation:** best efforts obligation; in specific cases the work programme/grant agreement can foresee specific exploitation obligations in the European strategic interest.
- ❖ **Transfer and exclusive licences** outside the Union/Associated Countries: right to object is maintained in case a participant has received Union funding; prior notification to be inserted in the grant agreement where appropriate.
- ❖ **Dissemination:** principle maintained; new emphasis on open access to research publications and experiments with open access to other results.

INTELLECTUAL PROPERTY RIGHTS (II)

⇒ Access rights:

- ❖ **Participants** in the same action for implementation and for exploitation purposes (also for affiliated entities established in MS/AC).
- ❖ **Union** for non-commercial, policy related purposes (broader and also for MS in certain security research actions).

⇒ Specific cases:

- ❖ **Tailor-made provisions** to be set out in the grant agreement: security-related activities, ERC frontier research, SME instrument, mobility, CSAs, KICs, etc.

⇒ New forms of funding:

- ❖ **Flexible provisions** for pre-commercial procurement, procurement of innovative solutions and prizes.

Thank you very much for
your attention!