



EUROPEAN COMMISSION

MEMO

Brussels, 21 November 2013

Horizon 2020 – the EU's new research and innovation programme

The European Parliament today approved the regulation setting up Horizon 2020, the EU's research and innovation programme for 2014-2020, as well as its accompanying rules for participation and the future legislation governing the European Institute of Innovation and Technology (see separate [MEMO/13/1021](#)). EU Member States must now give a final seal of approval ahead of the first calls for proposals under Horizon 2020, currently set for 11th December.

How is funding organised under Horizon 2020?

Horizon 2020 is built around three pillars:

- 1) Support for "Excellent Science" – including grants for individual researchers from the [European Research Council](#) and Marie Skłodowska-Curie fellowships (formerly known as Marie Curie fellowships);
- 2) Support for "Industrial Leadership" – including grants for small and medium-sized enterprises and indirect finance for companies through the European Investment Bank and other financial intermediaries;
- 3) Support for research to tackle "societal challenges". During negotiations between the European Parliament and Council it was decided to support research towards meeting seven broad challenges:
 1. Health, demographic change and wellbeing
 2. Food security, sustainable agriculture and forestry, marine, maritime and inland water research, and the bioeconomy
 3. Secure, clean and efficient energy
 4. Smart, green and integrated transport
 5. Climate action, environment, resource efficiency and raw materials
 6. Inclusive, innovative and reflective societies
 7. Secure & innovative societies

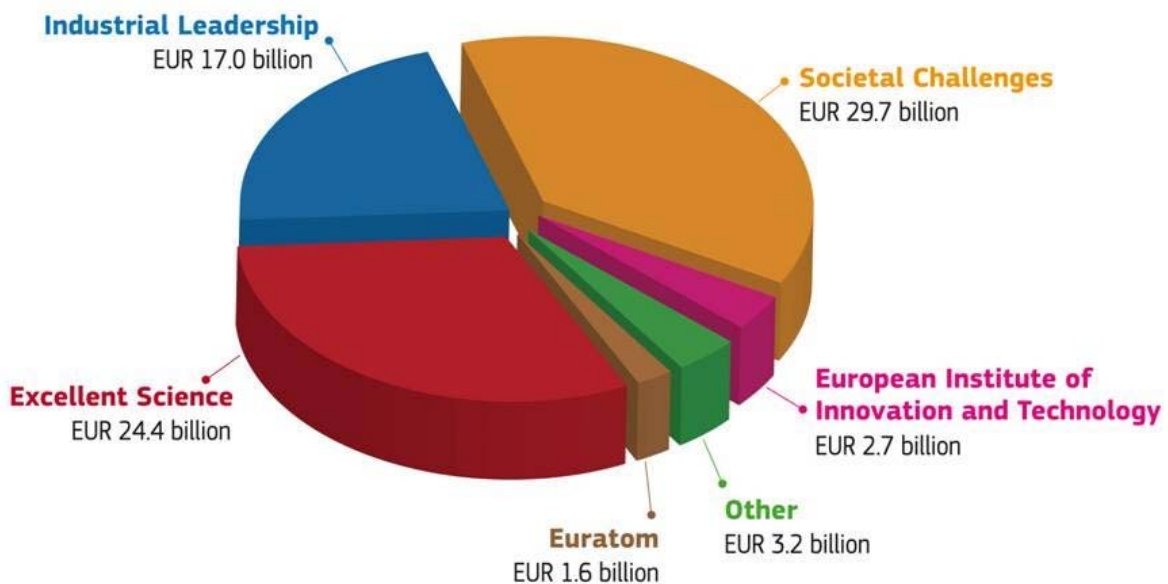
In addition, part of the Horizon 2020 budget goes towards funding the [European Institute of Innovation and Technology](#) (EIT), research activities carried out under the Euratom Treaty and non-nuclear research carried out by the [Joint Research Centre](#), the European Commission's in-house science service.

How much funding is available under Horizon 2020 and for what?

Horizon 2020 is worth nearly €80 billion over seven years, including funding for nuclear research under [Euratom](#). This is an increase of nearly 30 percent in real terms compared with its predecessor, the Seventh Framework Programme for Research and Technological Development (FP7). The structure of Horizon 2020 is different to FP7 and the programme encompasses the EIT and parts of the former Competitiveness and Innovation Framework Programme (CIP).

Breakdown of Horizon 2020 budget by main area

HORIZON 2020 BUDGET (EUR 78.6 billion, current prices)



Why is the budget for Horizon 2020 in current prices higher than that mentioned in the EU's Multi-annual Financial Framework?

The MFF was negotiated on the basis of 2011 "constant" prices to make comparisons easier; on this basis, the budget agreed for Horizon 2020 was €70.2 billion. This baseline is adjusted for inflation (assumed to be two percent a year) over the lifetime of the programme to get to amounts in current prices. Current prices represent the real money that will be requested to the budget authority and finally distributed to beneficiaries, hence calls, legal bases, annual budgets, etc. are always expressed in current value.

How does EURATOM fit in?

Because of its different legal base, the budget for Euratom is set for five years (until 2018 included). For the years 2014-2018, the budget is foreseen to be €1.6 billion and an "envelope" for the years 2019-2020 is estimated for a total amount of €770 million (all amounts in current prices).

How much will my country get?

Funding for Horizon 2020 is allocated on the basis of competitive calls and is managed centrally by the European Commission and/or its executive agencies; there are no pre-allocated country quotas as is the case for other areas of EU spending, such as European Structural and Investment Funds (ESIF). Decisions on financing are taken after all project proposals are independently evaluated and ranked. Historically, some countries' research organisations have performed better than others, which is why in Horizon 2020 there is also a focus on "widening" participation. Details of how individual countries' research organisations have performed in FP7 can be found in the last annual monitoring [report](#).

Will there be less red tape?

Yes. We want to attract as much of the best talent and skills as possible, and have researchers and businesses focus on their work, not filling out forms. This is why simplification has been a central goal when designing Horizon 2020. Elements to highlight include:

- a simpler programme architecture which makes it easier for participants to identify where funding opportunities exist;
- a single set of participation rules (covering issues such as eligibility, evaluation, Intellectual Property Rights, etc.) applying to all funding provided under Horizon 2020, with derogations only possible when justified by specific needs;
- electronic signature of grants and amendments; to simplify and speed up administrative procedures;
- simpler funding rules, with two standard funding rates, one funding rate per project and indirect costs covered by a single flat-rate (see below);
- a reduced burden of financial controls and audits, thanks partly to the use of flat rates for indirect costs, a major source of error in the past.

Who can apply for funding from Horizon 2020?

Horizon 2020 funding is based on competitive calls that are open to everyone, also to organisations or individuals outside the EU. Participants from countries associated to the EU research framework programme (meaning those countries also contribute to the EU budget) have the same rights as EU participants; for other countries, the situation varies. It is up to individual researchers, research organisations, companies or other organisations to decide whether to get involved. Draft work programmes – setting out in broad terms the areas of research that will be the focus of the first calls – are being published [here](#).

How can people apply for funding? How long does it take? How much can they get?

Deadlines for submission of proposals are specific to each call. All applications have to be made via a common [Participants Portal](#), which will be re-designed to be more user-friendly, one of several changes being made to encourage the widest possible participation in Horizon 2020. Project proposals are selected (success rate about one in five, or lower for ERC grants) after they have been ranked by independent evaluators.

The Commission enters into grant preparations with the selected proposals. Once all administrative and technical details are fixed, the grant agreements are signed. Consortia receive pre-financing at the project start and further payments following the acceptance of interim and final reports. The projects are co-financed by the EU and the participants. For research and development projects the share of the EU contribution can be up to 100% of the total eligible costs. For innovation projects up to 70% of the costs, with the exception of non-profit legal entities which can also receive up to 100% in these actions. In all cases indirect costs will be covered by a flat rate of 25% of the direct costs.

The Commission is committed to reduce in Horizon 2020 the time to grant (defined as the administrative period between submission of a proposal and signature of the grant agreement) to a general maximum of 8 months except in duly justified cases and ERC actions.

Will there be direct support for wider participation?

New twinning and teaming actions as well as ERA chairs will help strengthen the scientific excellence and innovation capacities of institutions that have not reached their full potential. Teaming aims at the creation of centres of excellence in Member States and regions that are not performing well in research and innovation. It will focus on the preparatory phase for setting up or upgrading and modernising an institution, facilitated by a teaming process with a leading counterpart elsewhere in Europe. Twinning aims at strengthening a defined field of research in an emerging institution through links with at least two other internationally-leading institutions. Twinning will be supported through measures such as staff exchanges, expert visits, short-term on-site or virtual training, workshops; conference attendance; organisation of joint summer school type activities dissemination and outreach activities. ERA Chairs will offer funding to attract outstanding academics to institutions with a clear potential for research excellence.

What's in it for small businesses?

Small- and Medium-sized Enterprises (SMEs) are encouraged to participate across the whole Horizon 2020 programme. They can engage in collaborative projects as part of a consortium, or seek support through a new dedicated SME instrument for highly innovative smaller companies. The integrated approach and simplification efforts should lead to a minimum of 20%, or about €8.65 billion, of the total combined budgets of the specific objective 'Leadership in enabling and industrial technologies' (LEITs) and the 'Societal Challenges' going to SMEs. The SME instrument will be crucial in achieving this target. Over the course of Horizon 2020, at least €3 billion will be allocated to the SME instrument.

What is the Fast Track for Innovation?

Fast Track to Innovation (FTI) is a new element of Horizon 2020 added during the legislative process. It will be launched as a pilot action in 2015. It will support innovation actions under the specific objective "Leadership enabling and industrial technologies" and under the "societal challenges", relating to any technology field, on the basis of a continuously open call, and time to grant not exceeding six months. Proposals may be submitted at any time. The Commission shall issue three cut-off dates per year to evaluate proposals. Any legal entity may apply, with a minimum of three up to a maximum of five participants in any action. Up to 100 proposals are foreseen to be funded under the pilot action.

What is happening to the Public-Private Partnerships (PPPs) that existed under FP7?

Horizon 2020 includes provisions to continue supporting public-private partnerships.

The Commission has proposed ([IP/13/668](#)) an investment of €17.5 billion, with just under €10 billion coming from industry, under the €22 billion Innovation Investment Package into the following Joint Technology Initiatives (JTIs):

- Innovative Medicines 2 (IMI2): to develop next generation vaccines, medicines and treatments, such as new antibiotics;
- Fuel Cells and Hydrogen 2 (FCH2): to expand the use of clean and efficient technologies in transport, industry and energy;
- Clean Sky 2 (CS2): to develop cleaner, quieter aircraft with significantly less CO2 emissions;
- Bio-based Industries (BBI): to use renewable natural resources and innovative technologies for greener everyday products;
- Electronic Components and Systems for European Leadership (ECSEL): to boost Europe's electronics manufacturing capabilities.

What about gender equality in Horizon 2020?

Gender equality is a cross-cutting issue in Horizon 2020 and shall be implemented across all priorities. This will extend to promoting the gender dimension in research and innovation content. Gender equality is also included in Horizon 2020 monitoring and evaluation exercises. Key objectives include:

- Gender balance in decision-making: The aim is to reach the Commission's target of 40% of the under-represented sex in each group and panel. For Horizon 2020 Advisory Groups, the target was raised to 50%, given the high response rate from women to the Commission's call for interest launched in February 2013 (see [IP/13/1026](#)).
- Gender balance in research teams at all levels: Applicants for funding are encouraged to promote equal opportunities and to ensure a balanced participation of women and men at all levels in research and innovation teams and in management structures. Gender balance in teams will also be taken into account when ranking proposals with the same evaluation scores.
- Gender dimension in research and innovation content: Gender is explicitly integrated into several topics across the Horizon 2020 Work Programme. Topics with an explicit gender dimension are flagged, to ease access for applicants.