



Origin and current status

The proposed Framework Programme for Research and Innovation, which will enter into force in 2014, will bring together the current Framework Programme for Research (FP7), the Competitiveness and Innovation Framework Programme (CIP) and the European Institute of Innovation and Technology (EIT). It will also include mainstreamed funding to support the EU's Innovation Union. The set of proposals for Horizon 2020 consists of:

- a proposal for Horizon 2020, laying down the general objectives
- a proposal for a single specific programme to implement Horizon 2020, laying down the implementation modalities and the content in terms of the broad lines of activities;
- a proposal for a single set of Rules for Participation and Dissemination, laying down the modes of funding and reimbursement of costs, conditions for participation, selection and award criteria and the rules on ownership, exploitation and dissemination of results;
- a separate proposal for the part of Horizon 2020 focussing on nuclear research
- a separate proposal revising the regulation governing the activities of the European Institute for Research and Innovation.

The total proposed budget for Horizon 2020 is now €70 bln. The programme will be more streamlined than current funding schemes, and will be implemented through a set of harmonised rules and procedures. This way, research and innovation activities will be coupled together coherently, and the impact of EU funding will be increased.. Horizon2020 will be implemented through three priorities:

Part I: Excellence in the science base (26% of proposed Horizon2020 budget): This block will aim at developing talent within Europe and attracting leading researchers to Europe. The emphasis will be on:

- stronger support for frontier research (through the European Research Council);
- future and emerging technologies;
- skills, training and career development of researchers (Marie Curie Actions);
- networking of, access to, and development of priority research infrastructures.

Part II: Creating industrial leadership and competitive frameworks (30% of proposed Horizon2020 budget): This objective will aim at supporting and promoting business research and innovation in enabling technologies, services and emerging sectors with a strong focus on leveraging private sector investment in R&D, and to address SME-specific problems. It will be achieved by creating a coherent set of instruments, along the whole "innovation chain", from basic research to bringing in innovative products and services to market, as well as support non- technological innovation, like in design and marketing. Priority actions will cover:

- increasing strategic investments and leadership in current and future enabling and industrial technologies and services, with dedicated support for ICT
- space research and innovation and low carbon and adaptation technologies
- facilitating access to risk finance and venture capital (building on the FP7 Risk Sharing
- Finance Facility and CIP financial instruments);

Part III: Tackling societal challenges (44% of proposed Horizon2020 budget). To respond directly to the challenges identified in the Europe 2020 strategy, activities covering the entire spectrum from research to market will be supported. This include innovation actions (pilots, demonstration, test-beds, support to public procurement and market uptake of innovation), cross-disciplinary approaches, and socio-economic and humanities research. The focus will be on:

- **Health, demographics changes and well-being** -including active ageing, independent and assisted living;
- **Food security and the bio-based economy;**
- **Smart, green and integrated transport, including**
 - Improving transport and mobility in urban areas
 - Substantial reduction of traffic congestion
 - Substantial improvement in the mobility of people and freight;
- **Climate Change and resource-efficiency, including raw materials, focusing on**
 - Climate Change adaptation
 - Providing knowledge & tools for effective decision making and public engagement;
- **Secure, clean and efficient energy**
 - Bring to market technologies and services for smarter and more efficient energy use
 - Unlock the potential of efficient and renewable heating-cooling systems
 - European Smart Cities and Communities;
- **Inclusive, innovative and secure societies**
 - Building resilient and inclusive societies in Europe
 - Closing the research and innovation divide
 - Strengthening evidence base for Innovation Union and European Research Area
 - Supporting new forms of innovation, including social innovation and creativity
 - Innovation in smart digital public services
 - Ensuring societal engagement in research and innovation.

A further Part IV deals with the activities of the European Commission's Joint Research Centre (JRC), which provides scientific support to European Union institutions and a further part deals with the European Institute of Technology and Innovation (EIT)

Links between Cohesion Policy and Horizon 2020

The Commission is proposing a clear division of labour between cohesion policy and Horizon 2020. Current capacity building in Research & Innovation like Regions of Knowledge would be cut or moved to Cohesion Policy.

Cohesion policy: provide capacity building and support for regions in building up their research and innovation capacity through ERDF and European Territorial Cooperation

Horizon 2020: Focusing on raising excellence, implemented through open competition and independent reviews regardless of geographical location of the involved actors. A specific programme would focus on "closing the innovation divide".

Funding instruments

Actions financed under Horizon2020 will be implemented using the below set of funding instruments

- **Research and innovation grant** (principal funding scheme for Horizon2020) - Actions may cover all or some parts of the innovation & research activities, including fundamental research, industrial R&D, training, mobility and career development, dissemination, demonstration, pilots, testing and user involvement, market replication, support to research & innovation infrastructures, standard setting, networking and coordination.
- **Training and mobility grant** - Funding to single beneficiaries, funding bodies or consortia to undertake activities focussing on training, mobility and career development of researchers.

- **Programme co-fund grant** - Funding to bodies managing non-Union research & innovation programmes to support activities including networking and coordination between programmes in different countries.
- **Coordination and support grant** - Funding for accompanying measures other than procurement contracts, notably: dissemination, awareness raising and communication actions; networking, coordination or support services; policy dialogues and mutual learning exercises and expert support (for instance for evaluation, assessment or review), studies.
- **Debt finance and equity investment** - Debt facility will provide loans for investment in R&I, guarantees to beneficiaries offering loans in research & innovation, and guarantees for national and regional debt-financing in R&I. Equity facility will provide venture capital to individual enterprises during start-up phase.
- **Prizes** - Prizes may take the form either of a reward for past achievements or of inducement prizes to be awarded for the achievement of a pre-specified target. Prizes can have an open date for submission.
- **Procurement** - Contracts in order to obtain, against payment of a price the supply of movable or immovable assets, the execution of works or the provision of services. This may include
- **Public pre-commercial procurement** -procuring R&D services which involve risk-benefit sharing under market conditions with clear separation of the R&D phase from deployment of commercial volumes of the end-product.
- **Public procurement of innovative solutions**, where contracting authorities act as a launch customer for innovative goods or services which are not yet available on a large-scale commercial basis.

Funding Rates

A simplified funding model will be used for the reimbursement of activities. It will be based on a single reimbursement rate for eligible costs that will be applied to all activities within an action. The reimbursement would reach a maximum of 100 % of the total eligible costs of an action, with a ceiling of 70 % for those innovation actions closer to the market and for programme co-funded actions. Non-profit organisations will benefit a reimbursement of maximum 100% also in innovation actions. . A flat rate of 25% of the total direct eligible costs will be reimbursed to cover indirect costs.

Next steps

European Commission	European Parliament	EUROCITIES
<ul style="list-style-type: none"> • December First H2020 calls expected 	<ul style="list-style-type: none"> • Autumn 2013 Expected EP plenary vote on Horizon 2020 	<ul style="list-style-type: none"> • 27-29 November EUROCITIES Annual Conference - Smart Citizens(in Ghent)

Further info

Horizon2020 website: http://ec.europa.eu/research/horizon2020/index_en.cfm

EUROCITIES response to the consultation on the Green Paper on a Common strategic framework for EU research and innovation funding:

http://ec.europa.eu/research/horizon2020/pdf/contributions/post/european_organisations/eurocities.pdf#view=fit&pagemode=none

Innovation Union: http://ec.europa.eu/research/innovation-union/index_en.cfm

Europe 2020: http://ec.europa.eu/europe2020/index_en.htm

FP7: http://ec.europa.eu/research/fp7/index_en.cfm

CIP: <http://ec.europa.eu/cip/> EIT: <http://eit.europa.eu/>

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