



H2020 Forms of funding, types of actions and general rules

Disclaimer : Any information contained in this presentation is legally not binding

Single set of rules

- Covering **all research and innovation** programmes, initiatives and funding bodies (art. 185 and art. 187 initiatives, EIT,...), but flexible to accommodate specificities where needed (through delegated acts)
- Coherent with the rules contained in the **Financial Regulation (FR)**, but containing "derogations"

Forms of funding

- **Grants**

- Direct financial contribution by way of donation in order to finance an action

- **Prizes**

- Financial contribution given as reward following a contest

- **Procurement**

- Supply of assets, execution of works or provision of services against payment

- **Financial instruments**

- Equity or quasi-equity investments; loans; guarantees; other risk-sharing instruments

GRANTS

Types of actions supported by grants

- Research and innovation actions
- Innovation actions
- Coordination and support actions
- SME instrument
- Programme Co-fund
 - ERANET Co-fund
 - Pre-commercial procurement Co-fund
 - Public procurement of innovative solutions Co-fund

Research and innovation actions

- Actions primarily consisting of activities aiming to establish new knowledge and/or to explore the feasibility of a new or improved technology, product, process, service or solution.
- For this purpose they may include basic and applied research, technology development and integration, testing and validation on a small-scale prototype in a laboratory or simulated environment.

Innovation actions

- Actions 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.

Coordination and support actions

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 networking and coordination between programmes in different countries.

SME Instrument

For single SMEs or SME consortia

- **Phase 1:** Feasibility study verifying the technological/practical as well as economic viability of an innovation idea
- **Phase 2:** Innovation projects that demonstrate high potential in terms of company competitiveness and growth underpinned by a strategic business plan.
- Phase 2 proposals should be based on a strategic business plan either developed through phase 1 or another means

ERANET Cofund

ERA-NET Cofund actions support public-public partnerships in their preparation, establishment of networking structures, design, implementation and coordination of joint activities as well as Union topping-up of a trans-national call for proposals.

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Pre-Commercial Procurement (PCP) Cofund

- PCP Cofund actions support the preparation, single joint procurement and implementation of contracts for research and development services and related additional coordination activities.
- 'Pre-commercial procurement' means procurement of research and development services involving risk-benefit sharing under market conditions and competitive development in phases, where there is a separation of the research and development phase from the deployment of commercial volumes of end-products

Public Procurement of Innovative Solutions (PPI) Cofund

- PPI Cofund actions support the preparation, single joint procurement and implementation of contracts for innovative solutions and related additional coordination activities.
- 'Public procurement of innovative solutions' means procurement where contracting authorities act as a launch customer for innovative goods or services which are not yet available on a large-scale commercial basis.

Conditions for participation

- **Minimum conditions**

- For standard collaborative actions
 - At least, 3 legal entities, each established in different MS/AC
- For SME Instrument and programme co-fund
 - 1 legal entity established in a MS/AC
- For CSA : 1 legal entity
- For Fast Track to Innovation
 - Max. 5 participants

- **Additional conditions**

- To be set out in the Work Programme (i.e. number of participants, type of participants, etc.)

Eligibility for funding

- Entities established in MS or associated countries or third country identified in the WP
- Entities created under Union law
- International European interest organisation
- Other entities may receive funding if :
 - **participation is essential or**
 - **such funding foreseen in bilateral arrangement between the Union and third country/international organisation**

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Call for proposals

- **Call for proposals shall be issued in accordance with the FR/RAP**
- **Exceptions to call for proposals :**
 - For CSAs and programme co fund actions to be carried out by entities identified in the work programme
 - For cases provided for in the RAP (Monopoly situations,...)
- **Rules regarding joint calls with third countries or international organisations**

Evaluation of proposals

- **Award criteria**
 - Excellence
 - Sole criterion for ERC frontier research actions
 - Impact
 - Higher weighting for innovation actions
 - Quality and efficiency in the implementation
 - Details, Weightings and thresholds to be laid down in WP
- Evaluation to be carried out by independent expert
- Possibility of a 2 stage submission procedure

Selection criteria

- **Operational capacity (no specific provisions)**
 - *Operational capacity means that the applicants must have the professional competencies and qualifications required to complete the proposed action or work programme: it may be assessed on the basis of specific qualifications, professional experience and references in the field concerned.*
- **Financial capacity**
 - Only coordinator of actions equal or superior 500 kEUR, except specific cases
 - No verification for public bodies , entities guaranteed by MS or AC and higher and secondary education establishments

Process to grant and signature of GA

- **Time to Grant**

- From 9 (FR) to 8 months (Exceptions: ERC, complex actions, requested by applicants)
 - 5 months for informing applicants on outcome of scientific evaluation
 - 3 months for signature of GA = grant finalisation process
- Remarks :
 - no changes of the composition of the consortium (removal or substitution needs to be duly justified) before signature of the grant agreement

Implementation of the action

- In accordance with RfP, FR, RAP, WP, call and the grant agreement
- Need to have the appropriate resources
- Third parties may be called upon :
 - **Third parties carrying out work**
 - **Subcontractors**
 - **Third parties making resources available**
- Financial support to third parties under conditions set in the FR/RAP
- May involve PCP/PPI

Consortium

- **Coordinator = principal point of contact with EU**
- **Consortium agreement**
 - **compulsary (exception : see WP)**
 - **Rights and obligations**
 - **Internal organisation**
 - **Distribution of EU funding**
 - **IPR provisions**
 - **Internal disputes**
 - **Liability, confidentiality, indemnification**

Simplified Funding Model

- **1 reimbursement rate** by action (same rate for all beneficiaries and all activities):
 - Up to 100% for Research and Innovation actions (+CSA)
 - Up to 70% for innovation (non-profit entities up to 100%) and programme co-fund actions.
 - WP to specify the reimbursement rate (e.g 33% for ERA NET Cofund)
- 1 method for calculation of **indirect costs**:
 - Flat rate of 25% of total direct costs, excluding subcontracting, costs of third parties and financial support to third parties
 - If provided in WP, lump sum or unit costs
- Funding of the action not exceed **total eligible costs minus receipts**

Eligible costs

- General reference to eligibility criteria laid down in the FR/RAP.
- Specific provision regarding personnel costs, subcontracting and costs of third parties.
- Cost categories mentioned in the GA.

Personnel costs (1)

- **Salaries + social security charges + other costs included in the remuneration arising from national law/employment contract**
- **Additional remuneration** up to 8000 EUR (per year and per person) for non-profit legal entities
- **Actual worked hours**
 - Evidence : normally through time recording system except for staff working full time on EU action

Personnel costs (2)

- **Actual costs**
- **Unit costs for**
 - **average personnel costs**
 - Calculation based on the total actual personnel costs recorded in the participant's accounts
 - Provisions on productive hours
 - **SME owner and natural person with no salary**

Subcontracting

- Subcontracts' costs may be eligible if
 - **foreseen in Annex 1 of the grant agreement**
 - **Not foreseen in Annex 1 only *"in duly justified cases that could not be clearly foreseen at the time of its entry into force"***
- WP may impose **further requirements** for subcontracting

Costs of third parties

- **Carrying out work**, costs may be eligible if
 - Third party eligible for funding
 - Affiliated or legal link with a beneficiary
 - Identified in the GA
 - Abides by the rules (inter alia on costs eligibility and control) applicable to the beneficiary
 - Accepts – if requested by EU - Joint and several liability with the participant
- **Making resources available**, costs may be eligible if conditions of the GA are met,

Controls and audits

- **Audit certificates**

- Only for final payments when total EU contribution claimed on the basis of actual costs + average personnel costs \geq 325,000 EUR

- **Certificates on the methodology**

- Optional certificates on average personnel costs

- **Ex-post audits**

- Audits limited to 2 years after payment of the balance

Guarantee Fund

- **Continuity** of the system applied in FP7 : H2020 GF replaces and succeeds to the FP7 GF
- Considered as **sufficient guarantee** under the FR
- **No additional guarantee** or security may be **accepted** from participants or **imposed** on them
- 5% contribution of the EU funding retained from the initial prefinancing
- 5% contribution returned to participants at the end of the action

Intellectual Property Rights (IPR)–in a nutshell - Results

- **Ownership**

- Beneficiary generating the results
- Joint-ownership in specific circumstances

- **Protection**

- If results capable of commercial/industrial exploitation
- If no protected, EU may assume ownership

- **Exploitation**

- Best efforts obligation; WP may foresee additional obligations

- **Transfer and exclusive licences** to a third country

- EC may object (competitiveness, ethical principles, security)

- **Dissemination**

- Open access to scientific publications and under certain conditions to research data

IPR in a nutshell– Access Rights

- **For implementation**
 - To background / results (royalty free) if needed
- **For exploitation**
 - To background / results (under fair and reasonable conditions) if needed to exploit own results
 - Also applicable to affiliates established in MS/AC
- **For EU/MS**
 - Non-commercial use and policy related purpose (under "Secure societies")
 - On a royalty-free basis
- **For third parties**
 - Specific provisions for complementary beneficiaries, access to research infrastructures, interoperability

PRIZES

Prizes

- Rules for participation refer to Title VII of the Financial Regulation (FR) and the Rules of Application (RAP)
- Provisions on Dissemination of results contained in the RfP apply
- Workprogramme may contain specific obligations regarding exploitation and dissemination

Prizes - Programing

- Prizes may be used to
 - Recognise past achievements (“**recognition prizes**”), or
 - Induce future activities, (“**inducement prizes**”)
- Prizes must comply with the principle of **equal treatment and transparency** on the basis of procedures comparable to the ones applying to grants
- However Prizes may never be awarded without a contest

PROCUREMENT

General provisions

- **Title V of the FR/RAP fully applicable**
- IPR : Results generated by procurement owned by EU, unless otherwise agreed in call for tenders
- **Union funding may also take the form of Pre-Commercial Procurement Public Procurement for Innovation**

Pre-Commercial Procurement / Public Procurement for Innovation

- **Procedures**

- Procurements carried out by EC on its own behalf or jointly with MS
- Principles of transparency, non-discrimination, equal treatment, sound financial management, proportionality
- Award to the best value for money offer
- Specific provisions regarding place of performance
- Award of multiple contracts within the same procedure may be authorised

- **IPR**

- Results generated by procurement owned by EU, unless otherwise agreed in call for tenders
- For PCP specific provisions (ownership, access rights and licensing)

EXPERTS

Independent experts

Evaluate, advise, assist on

- **Evaluation of proposals**
- **Monitoring of actions**
- **Implementation of H2020**
- **Implementation and design of R&I policy including preparation of future programmes.**
- **Evaluation of R&I Programmes**

Independent experts (2)

- Skills, experience and knowledge
- Identification and selection on the basis of calls for applications
- Expert outside the database may be chosen in duly justified cases, in a transparent manner.
- Balanced composition
- Conflict of interest
- Names published 1/year on website

Questions?

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