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## Factsheet on Industrial participation

Horizon 2020 is designed to bring business into the research and innovation chain throughout its various components. Some of the key opportunities for participation and support are highlighted here.

### Priority Objective: Industrial leadership

One of the three objectives under Horizon 2020, 'Industrial leadership and competitive frameworks' has a budget of € 17.01 billion. It aims to make Europe a more attractive location for businesses, large and small, to invest and set the research and innovation agenda. Three key elements will support this goal:

**Leadership in enabling and industrial technologies:** will support the development of technologies underpinning innovation across a range of sectors, including ICT and space. Horizon 2020 will have a strong focus on developing European **industrial capabilities** in *Key Enabling Technologies* (KETs) with a budget of €5.96 billion. These include:

- Micro- and nano-electronics; photonics
- Nanotechnologies
- Advanced materials
- Biotechnology
- Advanced manufacturing and processing

Development of these technologies requires a multi-disciplinary, knowledge and capital-intensive approach.

**Fast Track to Innovation pilot action (FTI):** will be implemented in the form of a full scale pilot action to be launched in an FTI call in 2015. 100 proposals are foreseen to be funded under the new pilot action. 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 initiate three cut-off dates per year to evaluate proposals. Any legal entity may apply, with a minimum of 3 up to a maximum of 5 in any action.

**Access to Risk Finance.** Under Horizon 2020, a total amount of € 2.84 billion is budgeted for financial instrument facilities, and accompanying measures, for research and innovation. At least one-third of this amount is expected to be absorbed by SMEs and small mid-caps. A leverage of up to 5 is envisaged, meaning that for every Euro provided through the financial instruments, additional finance of up to 5 Euro will be generated.

Two financing facilities will be available:

- **A debt facility** providing loans, guarantees and other forms of debt finance to entities of all forms and sizes, including research and innovation-driven SMEs
- **An equity facility** providing finance for early- and growth-stage investments, with a particular focus on early-stage SMEs with the potential to carry out innovation and grow rapidly.

Their aim will be to support the achievement of the R&I objectives of all sectors and policy areas crucial for tackling societal challenges, enhancing innovation and fostering sustainable growth. They will be implemented via a mandate to, or a partnership with, the European Investment Bank Group (EIB, EIF) and/or other international financial institutions and national intermediaries.

These Horizon 2020 facilities will be operated in conjunction with the financial instrument facilities of COSME, the Programme for the Competitiveness of Enterprises and SMEs, where €1.38 billion) has been allocated to debt and equity financing in support of SMEs.

**Innovation in SMEs**, will help SMEs with growth potential to grow into the multinationals of tomorrow. SME participation across Horizon 2020 will be stimulated using a new dedicated SME instrument. It will provide easy access with simple rules and procedures. Through this integrated approach it is expected that a minimum of 20% (around € 8.64 billion -) of the combined budgets of the societal challenges and leadership in enabling and industrial technologies will go to SMEs. For further information, see the SME measures in Horizon 2020 factsheet.

### **Future and Emerging Technologies (FET)**

Under the objective “**Excellent Science**”, €2.69 billion will be allocated to Future and Emerging Technologies (FET) which supports collaborative research across scientific and engineering disciplines with a clear final goal or purpose. Researchers may be investigating the foundations for radically new technologies, or working towards a breakthrough, which could transfer new ideas from science into technology. Under Horizon 2020, FET is an integral part of this objective and open to collaborative projects in any technological area (for example material science or health).

**Knowledge Innovation Communities (KICs)**<sup>1</sup>. The European Institute of Innovation and Technology (EIT) focuses on creating Knowledge Innovation Communities (KICs) across Europe by bringing together top-level academic and business partners around major innovation challenges. It complements other European initiatives in the areas of education, research and innovation and will be an integral part of the new Horizon 2020 Framework Programme for Research and Innovation.

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<sup>1</sup> Note: EIT funding will be €2.71 billion

- KICs are highly integrated partnerships, bringing together excellent universities, research centres, small and large companies and other innovation actors on a long-term basis around specific societal challenges
- Each KIC is organized around a small number of interconnected colocation centres where partners work closely together on a daily basis and with an unprecedented degree of common strategic objectives. Colocation centres build on existing centres of excellence, developing them further into local innovation ecosystems and linking them together into a broader network of innovation nodes across Europe
- Within the EIT framework, the individual KICs have been given a large degree of autonomy in defining their internal organisation, composition, agenda and working methods, allowing them to choose the approach that is best suited to meet their objectives
- At strategic level, the EIT organizes the selection process of KICs, coordinates them with a flexible framework and disseminates their best governance and funding model
- Through the KICs, the EIT helps to create environments where innovation is more likely to thrive and to generate breakthroughs in the way higher education, research and business collaborate
- This approach helps addressing the increasingly complex societal challenges set out in Horizon 2020 in a holistic way, bringing together excellent people from different sectors, backgrounds and disciplines – who otherwise would not necessarily meet – to jointly find solutions to the challenge.

### **Tackling societal challenges**

Companies are also expected to play a major role in the third key objective of Horizon 2020, 'Societal challenges', which has a dedicated budget of € 29.67 billion

### **Public-Private Partnerships (PPPs)**

Horizon 2020 includes provisions to continue supporting public-private partnerships. These can take the form of institutionalised public-private partnerships, such as Joint Technology Initiatives (JTIs) and other Joint Undertakings. These allow businesses and other stakeholders to join together to set and organise their own research and innovation agenda.

The Commission has proposed an investment of €17.5 billion<sup>2</sup>, with just under €10 billion coming from industry, under the €22 billion Innovation Investment Package into the following JTIs:

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<sup>2</sup> Constant prices given for Innovation investment Package figures only all others are in current prices

- 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 (CONNECT is leading DG).

The Commission also intends to strengthen industrial engagement in Horizon 2020 through further public-private partnerships based on contractual agreements, such as in the areas of Green Cars, Energy Efficient Buildings, Factories of the Future, Sustainable Process Industries, Robotics and Photonics.

### **Cutting red tape for businesses**

A key feature of Horizon 2020 is that it has been constructed from the outset around a radical simplification of current rules and procedures to attract more top researchers and a broader range of innovative enterprises. This includes:

- a more user-friendly approach around a more transparent programme architecture
- a streamlined set of rules for participation, including on eligibility for funding, evaluation and IPR, with derogations allowed in few duly specified cases
- in general, two funding rates but only one predetermined rate applicable to all participants and activities in the same project: one project – one rate
- streamlined funding rules, for instance allowing the use of researchers' own accounting methods
- fewer controls and audits, but without compromising the sound financial management of EU funds as simplified procedures for participation mean less error
- in general, a 'time to grant' of 8 months from the call deadline to the signature of the grant agreement
- easier access to application via a single Participant Portal