



HORIZON 2020

**The New EU
Framework Programme for
Research and Innovation**

2014-2020



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The Multiannual Financial Framework 2014-2020:

Key challenge: stabilise the financial and economic system while taking measures to create economic opportunities

1. Smart & inclusive growth (€451 billion)



2. Sustainable growth, natural resources (€373 billion)

3. Security and citizenship (€16 billion)

4. Global Europe (€58 billion)

5. Administration (€61.6 billion)



The H2020 in a nutshell

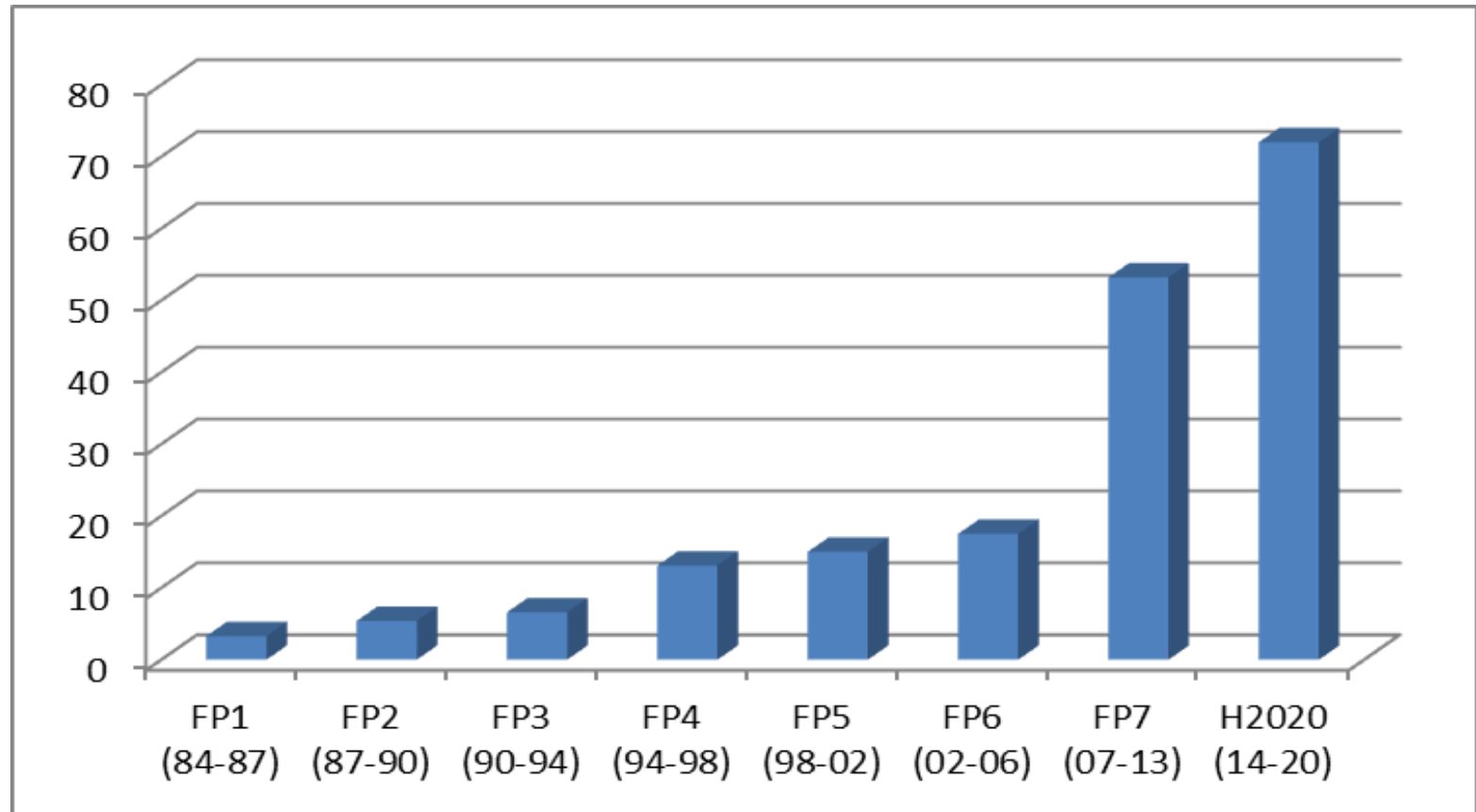
H2020 main features

Horizon 2020 is the **largest funding programme** for research and innovation **worldwide** with a budget of €79,4 billion;

Horizon 2020 will finance **all types of organisations** – Industry, Research Organisations, SMEs and Universities - and will cover the **whole research & innovation cycle** from basic research to demonstration projects until the entry of a product or service on the market;

Horizon 2020 is not only the largest, but also the **most ambitious R&D funding programme the EU has ever seen.**

The actual decision in €bn.



Rules for participation: Three main objectives

**Innovation,
Simplification
and Coherence**



A single set of rules



- Covering all H2020 research and innovation actions
- Keeping flexibility where needed.

Time to grant: speeding up the process

A maximum TTG of 8 months

5 months
for informing all applicants
on scientific evaluation

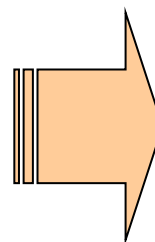
3 months
for signature of GA

Some exceptions apply

Simplification on the Funding rate



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% (***)



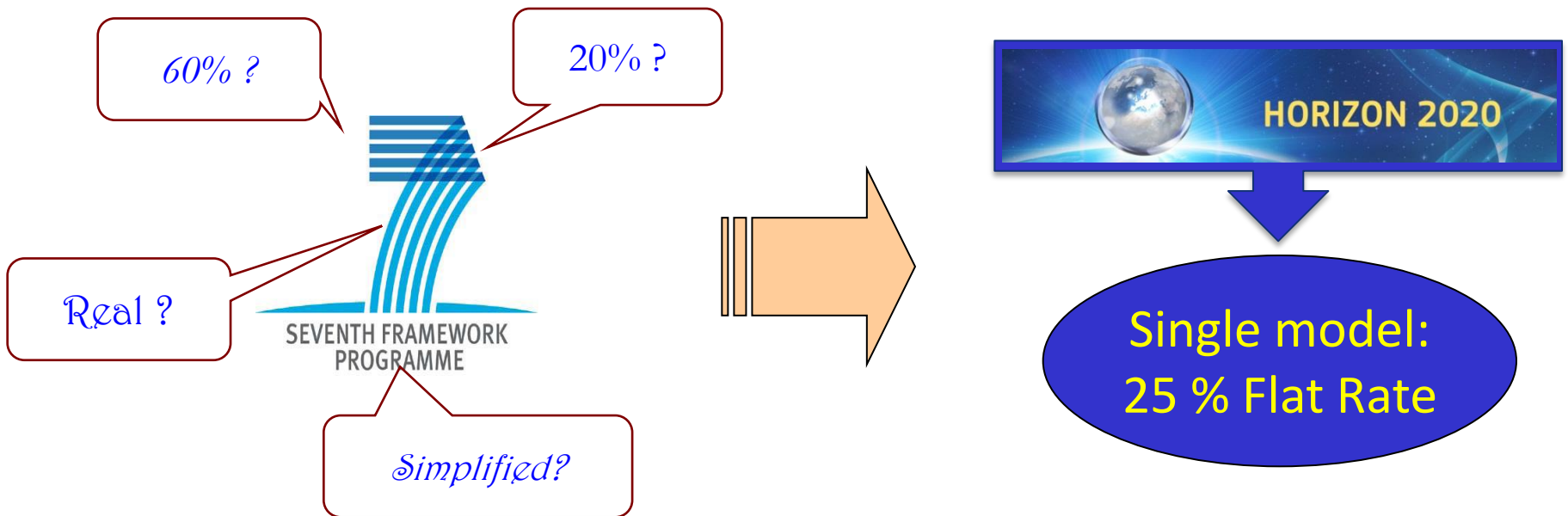
One project = One rate

for research actions

- ☑ For all beneficiaries and activities in the grant.
- ☑ Defined in the Work Programme:
 - Up to 100 % of the eligible costs for **research actions**;
 - Up to 70 % for **innovation actions** (exception for non-profit organisations – up to 100%).

Simplification on Indirect Cost

Simplifying project management and removing recurrent errors.



H2020 vs. FP7 – What changes?

Main changes (1)

- **Single reimbursement rate**
- **More flexible rules for third parties and subcontracting**
- **Differentiation between contracts and subcontracts**
- **Unique flat rate of 25% for indirect costs**
- **Introduction of the concept of Large Research Infrastructures**

H2020 vs. FP7 – What changes?

Main changes (2)

- **3 options for annual productive hours**
- **Clearer and simpler obligations on time records**
- **More flexibility for average personnel costs**
- **Provisions on additional remuneration**
- **Eligibility of non-deductible VAT**
- **Common Support Centre (CSC)**

Forms of costs

Actual costs

- Costs actually incurred, identifiable and verifiable, recorded in the accounts, etc.

- **NEW:** non-deductible VAT paid is also eligible

Unit costs

- A fixed amount per unit determined by the Commission. Example: SME owners' unit cost
- For average personnel cost (based on the usual accounting practices – with or without COMUC)

Lump sum

- A global amount to cover one or several cost categories Example: Phase 1 of the SME instrument

Flat rate

- A percentage to be calculated on the eligible costs
Example: 25 % flat rate for indirect costs



PERSONNEL COSTS: CALCULATION

Hours worked




Hourly rate
€/hour



Additional remuneration



Time records



Formula for actual costs & specific unit costs

Only eligible for non-profit legal entities

Personnel costs: hourly rate



A: General case

$$\text{Hourly rate} = \frac{\text{Annual personnel costs}}{\text{Annual productive hours}}$$

Annual personnel costs

➤ **Include:**

- ✓ *Salaries (basic remuneration)*
- ✓ *Social security contributions (employers' and employees')*
- ✓ *Taxes and other costs included in the remuneration if they arise from national law or the employment contract*

➤ **Do not include:**

- ✗ *Any ineligible item (article 6.5)*
- ✗ *Any costs included in other budget categories (e.g. indirect costs)*
- ✗ *Any part of the personnel costs that qualifies as **additional remuneration***

Personnel costs: hourly rate

A: General case

$$\text{Hourly rate} = \frac{\text{Annual personnel costs}}{\text{Annual productive hours}}$$

Annual productive hours

1720 hours

Advice

⚠ you must use this option if the employment contract does not specify the working time conditions or if the "annual workable hours" cannot be determined

Individual annual productive hours

• Formula: annual workable hours + overtime - absences

Standard annual productive hours

• According to the beneficiary's usual accounting practices; Minimum threshold: annual productive hours \geq 90 % of the standard annual workable hours

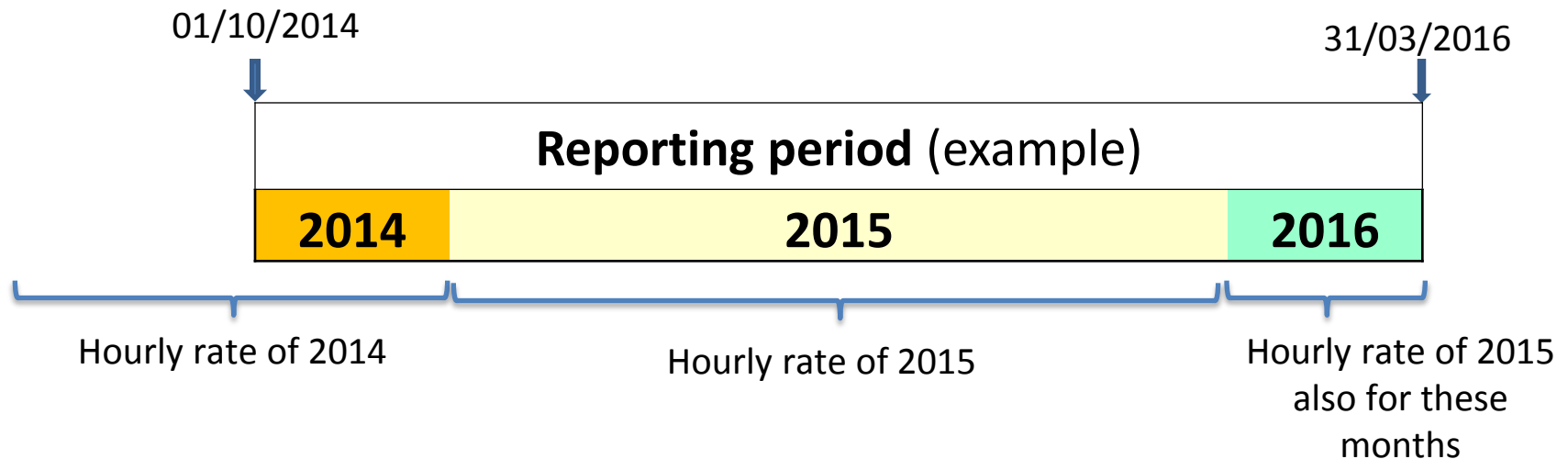
Personnel costs: hourly rate

A: General case

$$\text{Hourly rate} = \frac{\text{Annual personnel costs}}{\text{Annual productive hours}}$$

 The hourly rate is to be calculated **per financial year**

If the financial year is not closed at the time of reporting, the beneficiary must use the hourly rate of the *last closed financial year available*.



Exercise: general calculation of personnel costs

Ms R has worked in 2015 and 2016 for the H2020 action whose reporting period runs from 01/10/14 to 31/03/16.

How do we calculate the personnel costs to be charged to the action?

Step 1

Calculate the hourly rate

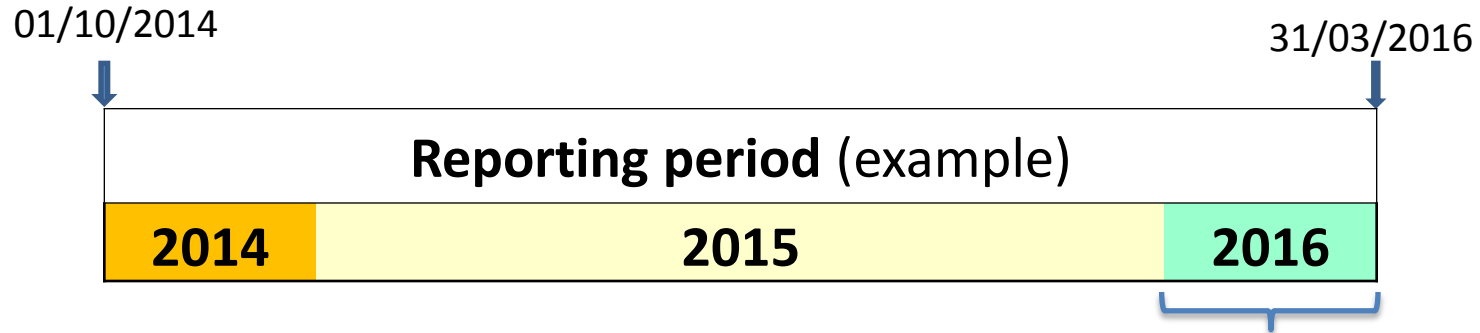
Step 2

Identify the hours worked for the action

Step 3

Multiply the hours worked for the action by the hourly rate

ADVANTAGES FOR THE BENEFICIARIES



Hourly rates of 2015 will also be used for these months

- ➔ NO ADJUSTMENTS TO BE DECLARED IN THE NEXT PERIOD
- ➔ LEGAL CERTAINTY: NO DOUBTS ABOUT WHAT PERIOD AND WHAT DATA MUST BE USED FOR THE CALCULATION
- ➔ REMOVES ERRORS DUE TO INCORRECT CALCULATIONS FOR FRACTIONS OF A YEAR

Additional Remuneration

Eligible additional remuneration is subject to a eligibility ceiling fixed at EUR 8 000 for a full-time employee working exclusively for the action during the entire year.

Occupation	Contract	
	hired full time during the entire year	NOT hired full time during the entire year
working exclusively for the EU action during the entire year	EUR 8 000	pro-rata amount of EUR 8 000
NOT working exclusively for the EU action during the entire year	$\{8\ 000 / \text{annual productive hours FTE}\} * \text{hours worked for the action over the year}$	



The ceiling covers the additional salary + all additional taxes, costs and social security contributions triggered by the additional salary.

Subcontracts vs. Contracts

Article 10 Contracts to purchase goods, works or services	Article 13 Subcontracts
These contracts do not cover the implementation of action tasks, but they are necessary to implement action tasks by beneficiaries.	Subcontracts concern the implementation of action tasks; they imply the implementation of specific tasks which are part of the action and are described in Annex 1.
Do not have to be indicated in Annex 1.	Must be indicated in Annex 1.
The price for these contracts will be declared as 'other direct costs' — column D in Annex 2 — in the financial statement; they will be taken into account for the application of the flat-rate for indirect costs.	The price for the subcontracts will be declared as 'direct costs of subcontracting' — column B in Annex 2 — in the financial statement; they will not be taken into account for the application of the flat-rate for indirect costs.

Contracts in H2020 vs. FP7: What changed?

These are considered as contracts:

(if not specifically mentioned in Annex I as action tasks)

Audit certificate on the financial statement;

Catering for meetings;

Translation services;

Setting up and maintenance of a project website.



To be reported as other direct costs

Don't wait for an audit!

At grant signature: Foresee and justify all subcontracts in Annex 1 & 2

During the grant execution

Ask for amendment to include subcontracts;

Justify subcontracts in the technical reports;

Communicate clearly and in written with the project officers

Best Practice

You must demonstrate "best value for money" both, in sub-contracting and in purchases of goods

Some level of tendering to demonstrate "best value" – e.g. tender, three offers, market survey, etc.

Naming the supplier in the grant does not mean that you do not have to demonstrate best value

We will normally accept your standard practices, when properly used

BUT...



Your accounting practices is not panacea!



RESEARCH & INNOVATION

Participant Portal

European Commission > Research & Innovation > Participant Portal > Funding Opportunities

HOME FUNDING OPPORTUNITIES HOW TO PARTICIPATE EXPERTS SUPPORT

LOGIN REGISTER

Horizon 2020

- Calls
- Search Topics
- Call Updates

FP7 & CIP Programmes

- Calls
- Call Updates

COSME

Other Funding Opportunities



Funding Opportunities

H2020 ONLINE MANUAL

Horizon 2020 calls (2014-2020)

- Horizon 2020 - EU research funding from 2014
- Seventh Framework Programme (FP7)
- Competitiveness and Innovation Framework Programme (CIP)
- other research and innovation programmes

Horizon 2020

FP7 & CIP calls (2007-2013)

FP7 and CIP are previous instruments to fund research and innovation activities in Europe for the period 2007



Other calls not directly managed through the Participant Portal

Horizon 2020 is the new EU funding programme for research and innovation running from 2014 to 2020 with a €70 billion budget. The first calls for proposals for Horizon 2020 are envisaged for **December 2013**. Its simplified rules and submission and grant management tools should facilitate participants' tasks. For practical guidance, see the [H2020 online manual](#).

H2020 supports **SMEs** with a new **instrument** that runs throughout various funded research and innovation fields, so it should be easy for SMEs to find opportunities in many calls.

H2020 also aims to enhance EU **international research cooperation** so there are more opportunities for Third Country participation.

Having built H2020 around the main societal challenges like an ageing population, food security, energy efficiency, the EU attaches high importance to embed **socio-economic sciences and humanities** into the work programme.

Programme for the Competitiveness of Enterprises and SMEs (COSME) will run from 2014 to 2020, with a planned budget of €2.3bn. It will facilitate SME access to finance, create supportive environment for business creation, help small businesses operate outside their home countries and improve their access to markets.

Other Funding Opportunities

This page lists additional research activities, initiatives executed by several Member States or joint programmes, co-funded calls, thematic opportunities, and intergovernmental actions.

Call updates

The page displays the latest updates to the calls, like change of deadlines.

Search

The call search tool has several filtering options to help you select funding opportunities that are most relevant to your activities.



HORIZON 2020

**Thank you
for your attention!**

Find out more:
www.ec.europa.eu/horizon2020