

15 March 2013

## BUSINESSEUROPE's key messages on the Horizon 2020 Package

The Horizon 2020 Package will support sustained economic growth and strengthen the role of European business as a leading global actor if properly designed, implemented and funded.

BUSINESSEUROPE recognizes the contribution of all the EU institutions to the Horizon 2020 Package and would like to highlight some key issues which must be properly addressed to avoid a further decline in business participation.

- **The budget proposed by the European Commission for Horizon 2020 - €80bn over the period from 2014 to 2020 - is the minimum amount required** if the 2013 level of EU funding is to be continued.

BUSINESSEUROPE strongly supports the budget proposed by the Commission and, in case this is reduced during the negotiations of the Multiannual Financial Framework, recommends maintaining the proposed balanced allocation of funding among the three pillars of Horizon 2020.

- The **rules for the reimbursement of eligible costs** must ensure adequate funding for activities of small, medium and large companies. Moreover, participants should have the choice between two reimbursement options:
  - Reimbursement rates for direct and indirect eligible costs. Total eligible costs should be reimbursed at 100% for research actions and at 70% for Close to Market actions. Indirect eligible costs should be calculated applying a flat rate of 30% to the total direct eligible costs. OR
  - Reimbursement of full actual costs for all participants according to beneficiary's usual cost accounting principles, with funding rates not lower than in FP7.
- The **certification of the methodology for calculating eligible costs** must not be compulsory as this would result in major administrative burden and would seriously hamper SME participation. Participants' usual accounting practices should be accepted as the basis.
- **"Demonstration activities"** should not be included in the definition of Close to Market Activities / Experimental Development but be reimbursed at a level equivalent to 50 % of full actual cost, as currently the case in the FP7.



- **Open access** obligations must be clearly defined and would be acceptable only if: I) the scope is limited to published versions or manuscripts accepted for publication; II) there is no obligation to publish; III) there is no interference with commercial exploitation or protection of research results. Open access to research data and other results should only apply on voluntary basis.

Equally, access rights of EU institutions to research results (as defined by art. 46.1, 46.2 and art. 49 of the Rules for participation) should be better defined respecting the legitimate interests of all partners.

- **SMEs** should account to a minimum of 20% of the total combined budget for the objectives of "Leadership in enabling and industrial technologies" and "Societal challenges". However, current practice shows the importance of an open innovation ecosystem in which SME's collaborate with large companies, universities and research institutes. Stimulating this collaboration should be an important part of Horizon 2020. Therefore, only part of the 20% budget for SMEs should be spent on the dedicated SME instrument.
- A "**Fast track**" instrument must be set up with some but adequate funding under the objectives II and III of Horizon 2020. This open-call instrument must be open to all participants and should follow a bottom-up-driven logic to evaluate and fund innovative ideas and research at any time applying a fast, standardized and reliable procedure.
- **Interfaces between Horizon 2020 and Cohesion funds must be improved** to empower the research and innovation capacity of regions currently underperforming in Europe. However, it is **essential to draw a clear distinction between the way funding is allocated**: all financing under Horizon 2020 should be allocated on the basis of the criteria of excellence in research, impact, quality and efficiency of the implementation, with the ERC as the only exception. R&I in cohesion policy should focus on capacity building.
- As foreseen by the Commission's proposal (art. 1 RfP), the Horizon 2020 legislative framework must allow some **flexibility to ensure a better functioning of funding bodies** such as Public Private Partnerships. In particular, funding bodies must be able to establish rules which depart from those laid down in the Rules for Participation whenever required, subject to the consent of the Commission.

\*\*\*