

## Basic information

**2011/0399(COD)**

COD - Ordinary legislative procedure (ex-codecision procedure)  
Regulation

Horizon 2020 Framework Programme for research and innovation 2014-2020: rules for participation and dissemination

Repealing Regulation (EC) No 1906/2006 [2005/0277\(COD\)](#)  
Repealed by [2018/0224\(COD\)](#)  
See also [2011/0401\(COD\)](#)

### Subject

3.50.01 European research area and policy  
3.50.02.01 EC, EU framework programme  
3.50.04 Innovation

Procedure completed

## Key players

European Parliament




Committee responsible	Rapporteur	Appointed
<a href="#">ITRE</a> Industry, Research and Energy	<a href="#">EHLER Christian (PPE)</a>	20/01/2012
	Shadow rapporteur <a href="#">GLANTE Norbert (S&amp;D)</a> <a href="#">JOHANSSON Kent (ALDE)</a> <a href="#">LAMBERTS Philippe (Verts /ALE)</a> <a href="#">FORD Vicky (ECR)</a> <a href="#">MATIAS Marisa (GUE/NGL)</a>	

Committee for opinion	Rapporteur for opinion	Appointed
<a href="#">AFET</a> Foreign Affairs	<a href="#">SOPHOCLEOUS Sophocles (S&amp;D)</a>	04/09/2012
<a href="#">DEVE</a> Development	<a href="#">NEWTON DUNN Bill (ALDE)</a>	27/03/2012
<a href="#">BUDG</a> Budgets	<a href="#">TORVALDS Nils (ALDE)</a>	02/07/2012

Council of the European Union




Council configuration	Meetings	Date
Competitiveness (Internal Market, Industry, Research and Space)	3190	2012-10-10

	Competitiveness (Internal Market, Industry, Research and Space)	3147	2012-02-20
	Competitiveness (Internal Market, Industry, Research and Space)	3276	2013-12-02
	Competitiveness (Internal Market, Industry, Research and Space)	3242	2013-05-30
European Commission	<b>Commission DG</b>	<b>Commissioner</b>	
	Research and Innovation	GEOGHEGAN-QUINN Máire	
European Economic and Social Committee			

Key events			
Date	Event	Reference	Summary
30/11/2011	Legislative proposal published	COM(2011)0810 	Summary
13/12/2011	Committee referral announced in Parliament, 1st reading		
20/02/2012	Debate in Council		
10/10/2012	Debate in Council		
28/11/2012	Vote in committee, 1st reading		
19/12/2012	Committee report tabled for plenary, 1st reading	A7-0428/2012	Summary
30/05/2013	Debate in Council		Summary
20/11/2013	Debate in Parliament		
21/11/2013	Decision by Parliament, 1st reading	T7-0500/2013	Summary
21/11/2013	Results of vote in Parliament		
02/12/2013	Act adopted by Council after Parliament's 1st reading		
11/12/2013	Final act signed		
11/12/2013	End of procedure in Parliament		
20/12/2013	Final act published in Official Journal		

Technical information	
<b>Procedure reference</b>	2011/0399(COD)
<b>Procedure type</b>	COD - Ordinary legislative procedure (ex-codecision procedure)
<b>Procedure subtype</b>	Legislation
<b>Legislative instrument</b>	Regulation
<b>Amendments and repeals</b>	Repealing Regulation (EC) No 1906/2006 <a href="#">2005/0277(COD)</a> Repealed by <a href="#">2018/0224(COD)</a> See also <a href="#">2011/0401(COD)</a>
<b>Legal basis</b>	Treaty on the Functioning of the European Union TFEU 183 Treaty on the Functioning of the European Union TFEU 173-p3 Treaty on the Functioning of the European Union TFEU 188-p2

Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	<a href="#">European Economic and Social Committee</a>
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/7/08098

Documentation gateway				
<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Committee draft report		<a href="#">PE489.632</a>	04/06/2012	
Amendments tabled in committee		<a href="#">PE492.762</a>	02/07/2012	
Amendments tabled in committee		<a href="#">PE492.788</a>	03/07/2012	
Amendments tabled in committee		<a href="#">PE492.763</a>	18/07/2012	
Committee opinion	<a href="#">DEVE</a>	<a href="#">PE489.623</a>	05/09/2012	
Committee opinion	<a href="#">AFET</a>	<a href="#">PE492.561</a>	19/09/2012	
Committee opinion	<a href="#">BUDG</a>	<a href="#">PE491.282</a>	25/09/2012	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A7-0428/2012</a>	19/12/2012	<a href="#">Summary</a>
Text adopted by Parliament, 1st reading/single reading		<a href="#">T7-0500/2013</a>	21/11/2013	<a href="#">Summary</a>
<b>Council of the EU</b>				
Document type	Reference	Date	Summary	
Draft final act	<a href="#">00066/2013/LEX</a>	11/12/2013		
<b>European Commission</b>				
Document type	Reference	Date	Summary	
Legislative proposal	<a href="#">COM(2011)0810</a> 	30/11/2011	<a href="#">Summary</a>	
Document attached to the procedure	<a href="#">SEC(2011)1427</a> 	30/11/2011		
Document attached to the procedure	<a href="#">SEC(2011)1428</a> 	30/11/2011		
Commission response to text adopted in plenary	<a href="#">SP(2014)87</a>	30/01/2014		
<b>National parliaments</b>				
Document type	Parliament/Chamber	Reference	Date	Summary
Contribution	<a href="#">PT_PARLIAMENT</a>	<a href="#">COM(2011)0810</a>	30/01/2012	
Contribution	<a href="#">IT_SENATE</a>	<a href="#">COM(2011)0810</a>	29/03/2012	

Contribution	<a href="#">DE_BUNDES RAT</a>	<a href="#">COM(2011)0810</a>	12/04/2012	
Contribution	<a href="#">CZ_SENATE</a>	<a href="#">COM(2011)0810</a>	20/06/2012	
Contribution	<a href="#">UK_HOUSE-OF-LORDS</a>	<a href="#">COM(2011)0810</a>	13/05/2013	

#### Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	<a href="#">CES0806/2012</a>	28/03/2012	

#### Additional information

Source	Document	Date
National parliaments	<a href="#">IPEX</a>	
European Commission	<a href="#">EUR-Lex</a>	
European Commission	<a href="#">EUR-Lex</a>	

#### Final act

<a href="#">Regulation 2013/1290</a> <a href="#">OJ L 347 20.12.2013, p. 0081</a>	<a href="#">Summary</a>
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#### Delegated acts

Reference	Subject
<a href="#">2014/2582(DEA)</a>	Examination of delegated act
<a href="#">2014/2583(DEA)</a>	Examination of delegated act
<a href="#">2014/2589(DEA)</a>	Examination of delegated act
<a href="#">2014/2584(DEA)</a>	Examination of delegated act

## Horizon 2020 Framework Programme for research and innovation 2014-2020: rules for participation and dissemination

2011/0399(COD) - 19/12/2012 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Industry, Research and Energy adopted the report by Christian EHLER (EPP, DE) on the proposal for a Regulation of the European Parliament and of the Council laying down the rules for the participation and dissemination in 'Horizon 2020 – The Framework Programme for Research and Innovation (2014-2020).

The parliamentary committee recommends that the European Parliament's position adopted at first reading in accordance with the ordinary legislative procedure should be to amend the Commission's proposal as follows:

**Transparency of rules:** the rules for the participation and dissemination should be clear and transparent and ensure to the largest possible extent the participation of SMEs. All relevant instructions and guidance notes for beneficiaries should be available from the beginning of the first Horizon 2020 work programme onward.

**Gender dimension:** Members stress the importance of a reinforced gender perspective in the design, implementation and delivery of Horizon 2020.

**Public-private partnership:** the rules applicable to participation and dissemination should include rules for the establishment of public-private partnerships. In particular, the establishment of public-private partnerships should be subject to conditions that ensure that an effective competitive environment is maintained and that opportunities for new entrants to join in at any stage are ensured.

**EU financial assistance:** this make be provided in **different forms** by choosing the most appropriate measure that suits the specific needs of the targeted beneficiaries and should always aim at producing the largest possible leverage effect. In order to **reduce the complexity of the existing funding rules** and increase participation, a simplified cost reimbursement system should be adopted with enhanced use of lump sums, flat rates and scale of unit costs, allowing also a full-cost option, as well as applying the **usual accounting practices** of the beneficiary.

**Financing rates:** the rules for the participation and dissemination should establish a limited combination of funding rates and options for reimbursement of indirect costs, while maintaining the current differentiation between universities/research centres, non-profit organisations and SMEs and industry, as stated in the [European Parliament's resolution of 11 November 2010](#).

**For the reimbursement of eligible costs,** Members propose that the following maximum rates should apply:

- for a non-profit participant or an SME participant, the grant may reach a maximum of 100 % of the direct eligible costs;
- for a non-profit participant or an SME participant that has opted to determine its indirect eligible costs based on indirect costs actually incurred, the grant shall be limited to a maximum of 70 % of the direct eligible costs;
- for an industry participant, the grant shall be limited to a maximum of 70 % of the direct eligible costs;
- for an industry participant that has opted to determine its indirect eligible costs based on indirect costs actually incurred, the grant shall amount to 50% of total eligible costs;
- for programme co-fund actions and other indirect actions that consist mainly in large-scale experimental development activities, the applicable rate may be a maximum of 35% of direct eligible costs.

**Value-added tax (VAT)** paid by and which cannot be refunded to, the beneficiary according to the applicable national legislation, shall be considered as an eligible cost.

**Costs relating to free access to publications** of research funded under the Horizon 2020 budget, published during or after the expiry of the lifetime of a project should be reimbursable.

**New forms of financing:** to strengthen the idea of common body of rules, a new title "Specific Provisions" should be introduced in the participation rules covering the **specific types of funding organisations**, as well as new forms of financing available, including venture capital investment for innovative companies, and in particular SMEs, and where the pursued results cannot be effectively achieved by grants.

**Structural Funds:** Members call for the **synergies between the Structural Funds and the Horizon 2020 Programme** to be exploited more than hitherto to attain the objective of spreading excellence and expanding participation. This should be done in particular by linking up-and-coming centres of excellence located in less innovative, less well-performing Member States and regions with world leading European research partners.

**SME participation:** the rules should take account of the specific funding needs of SMEs in order to release their full research and innovation potential, with due regard to the specificities of different types of SMEs and different sectors.

**Deadline for the submission of project proposals and the conclusion of the grant agreement:** in Members' opinion, the deadlines laid down in regard to deciding on the successful bids should be a priority. In general, the period between the deadline for the submission of project proposals and the conclusion of the grant agreement (time to grant) should not exceed **six months**. The Commission shall ensure that participants receive money owed to them within **30 days** of the necessary paperwork being submitted to the Commission.

**Simplification:** the Commission should continue its efforts to simplify the procedures in ways made possible by the **improvement of IT systems**, such as the further expansion of the Participants Portal as the single entry point from the publication of the calls for project proposals, followed by their submission, until implementation, for all programmes, with the aim of establishing a one-stop shop. The Commission should draw up a **guide to the selection process**, explaining the application of the award criteria and defining the implications of specific weightings and thresholds for the selection process.

**Exploitation and dissemination of results:** while recognising the importance of intellectual property rights, Members nevertheless consider it important to further emphasise the need for the exploitation and dissemination as widely as possible of knowledge acquired as a result of the activities supported. The **setting up of patent pools** should be encouraged in order to allow the sharing of patented scientific data and increase collaborative efforts and R&D cooperation on specific technological needs.

**Complaints:** the Commission shall set up a formal complaints procedure for participants, which may include appointing an **ombudsman** or equivalent body specifically dedicated to research and innovation projects under Horizon 2020.

**Communication:** the ethics approval process shall be transparent to participants and to applicants, especially when the process is the source of a delay in the initiation of projects.

# Horizon 2020 Framework Programme for research and innovation 2014-2020: rules for participation and dissemination

2011/0399(COD) - 30/05/2013

Ministers took note of the [state of play](#) on negotiations with the European Parliament concerning the different parts of the Horizon 2020 programme, following the presentation of a report by the Irish Presidency.

Significant progress has been made in the negotiations of Horizon 2020, including during the 6 informal trilogues and several technical meetings to date. However, in the informal trilogue meeting of 16 April, it became apparent that the negotiations have reached a point at which a number of critical issues stand in the way of reaching agreement.

To make progress, the Presidency prepared a policy paper on which it presented the Presidency's assessment on the critical issues for the Parliament at this stage. These were classified in 3 categories, namely (i) issues related to the Horizon 2020 architecture; (ii) new objectives, activity lines and sub-activity lines, and ways for improving the **participation of small businesses in the programme**; and (iii) **simplification and effectiveness**, in particular of the future funding model for research projects.

The discussion at Coreper, on 8 May 2013 gave the Presidency some indication as to where the Member States position themselves on these major issues and where a possible way towards a bigger compromise package could be sought. Following that discussion, the Presidency produced compromise proposals for discussion at the Research Working Party and in technical meetings with the European Parliament.

At the end of the session, the Presidency summarised the outcome of the debate indicating that:

- Ministers agreed with the Presidency's view that the **negotiations with the Parliament on the overall package should be completed before the end of June**;
- there is a **strong consensus that simplification is critical to ensuring that Horizon 2020 delivers** on its potential to be a real driver for growth in Europe and that the funding model agreed by the Council last October is the key means to ensure **simplification** and should be the cornerstone of the package to be agreed with the Parliament;
- in order to achieve this, Ministers are willing to be **flexible on a number of issues such as widening participation, science for society, experimentation on a fast-track approach to innovation and budgetary targets** or indications for energy, an SME instrument and possibly other elements.

# Horizon 2020 Framework Programme for research and innovation 2014-2020: rules for participation and dissemination

2011/0399(COD) - 21/11/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 506 votes to 81 with 9 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council laying down the rules for the participation and dissemination in 'Horizon 2020 – the Framework Programme for Research and Innovation.

Parliament adopted its position in first reading following the ordinary legislative procedure. The amendments adopted in plenary were the result of a compromise between Parliament and Council. They amend the Commission proposal as follows:

**Transparency and information:** the Commission should publish open calls for proposals on the **internet pages** of [Horizon 2020](#), through specific information channels, and should ensure their wide dissemination. It should consider the **timings** of calls for proposals and requests for information taking into account, where possible, standard holiday periods.

Furthermore, **guidance and information** must be made available to all potential participants at the time of publication of the call for proposals.

**The selection and award criteria** should be applied in a transparent way and based on objective and measurable parameters. The Commission shall ensure the existence of a procedure for participants to make enquiries or complaints about their involvement in Horizon 2020. In the case of unsuccessful proposals, the Commission should give feedback to the applicants concerned.

Lastly, the **process of the ethics review** must be transparent as possible.

**Simplification:** the new rules must provide easy access to all participants through simplified procedures, in particular with regard to SMEs. The period between the final date for the submission of complete proposals and the signing of grant agreements with applicants or notifying grant decisions to them should be shorter.

All exchanges with participants, including the conclusion of grant agreements, the notification of grant decisions and any amendments thereto, may be made through an **electronic exchange system** set up by the Commission or by the relevant funding body.

The portal for participants should function as the **single entry point** from the moment of publication of the calls for proposals, through submission of proposals, until implementation of the action, with the aim of establishing a one-stop shop. The system may also provide feedback to applicants on the progress and the timeline of their applications.

The Commission shall, in close cooperation with the Member States, draw up **model grant agreements** between the Commission or the relevant funding body and the participants.

**Reimbursement rates:** in principle, the reimbursement rates should be **100 % or 70 %**.

Provisions were set out regarding eligible costs.

**Financial instruments:** in order to allow their most effective use, debt and equity financial instruments should be allowed to be combined with each other and with grants funded under the Union budget, including under Horizon 2020.

Furthermore, the Commission should:

ensure continuity of the Risk-Sharing Finance Facility (RSFF) set up under Decision No 1982/2006/EC and the early stage part of the High-Growth and Innovative SME Facility (GIF1) set up under Decision No 1639/2006/EC;

ensure sufficient complementarities between the SME instrument under Horizon 2020 and the financial instruments under Horizon 2020 and the [COSME programme](#), as well as with schemes and instruments set up jointly with Member States, such as the Eurostars Joint Programme.

**Delegated acts:** the Commission would be empowered to adopt delegated acts concerning, for example:

the conditions for participation in calls for proposals issued by funding bodies established in the area of aeronautics;

the rules governing exploitation and dissemination of results, allowing funding bodies established in the area of innovative medicines to extend the possibilities of transfer and licensing of results and background for affiliated entities, purchasers and any successor entity, in accordance with the grant agreement and without the consent of other participants.

Participants that have received Union funding, and that plan to exploit the results generated with such funding primarily in **third countries not associated** with Horizon 2020, should indicate how the Union funding will benefit Europe's overall competitiveness (reciprocity principle), as set out in the grant agreement.

**Evaluation:** the interim evaluation of Horizon 2020 should include an evaluation of the new funding model, including its impact on funding levels, on participation in Horizon 2020 and on the attractiveness of the latter.

## Horizon 2020 Framework Programme for research and innovation 2014-2020: rules for participation and dissemination

2011/0399(COD) - 11/12/2013 - Final act

**PURPOSE:** to lay down rules for participation in indirect actions undertaken under Horizon 2020, and for the results of those actions.

**LEGISLATIVE ACT:** Regulation (EU) n° 1290/2013 of the European Parliament and of the Council laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)" and repealing Regulation (EC) No 1906/2006.

**CONTENT:** the Regulation lays down specific rules for the participation in indirect actions undertaken under the [Horizon 2020](#) Programme, including participation in indirect actions funded by funding bodies. It also lays down the rules governing the dissemination of results.

**Simplification:** following recommendations made by Parliament in its resolution of 11 November 2010, simplification of financial and administrative is a central aim of Horizon 2020.

The new rules provide a **coherent, comprehensive and transparent framework** to ensure the most efficient implementation possible, taking into account the need for easy access by all participants through simplified procedures in particular with regard to micro-, small-, and medium-sized enterprises (SMEs).

**Financing rules:** the financial assistance from the Union could be provided in various forms, such as prizes, pre-commercial procurement, public procurement of innovative solutions, or financial instruments.

Simpler funding rules will reduce administrative costs for participants and decrease financial errors. **A simplified funding model** will be used for the reimbursement of activities:

- 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.

**Selection and award criteria:** the proposals submitted shall be evaluated on the basis of: (a) excellence; (b) impact; (c) quality and efficiency of the implementation.

The selection and award criteria should be applied in a transparent way and based on objective and measurable parameters.

The following minimum conditions for participation shall apply: (a) at least three legal entities shall participate in an action; (b) three legal entities shall each be established in a different Member State or associated country; and (c) the three legal entities shall be independent of each other.

**Proposals: the period** between the deadline for the submission of project proposals and the conclusion of a grant agreement will be significantly **shortened**. The following time-limits are provided:

- for informing all applicants of the outcome of the scientific evaluation of their application, a maximum period of **five months** from the final date for submission of complete proposals;
- for signing grant agreements with applicants or notifying grant decisions to them, a maximum period of **three months** from the date of informing applicants they have been successful.

In line with the principle of transparency, the Commission must publish open calls for proposals on the **internet pages of Horizon 2020**, through specific information channels, and should ensure their wide dissemination. It should consider the **timings of calls for proposals** and requests for information taking into account, where possible, standard holiday periods.

The Commission shall also ensure the existence of a procedure for participants to make **enquiries or complaints** about their involvement in Horizon 2020. In the case of unsuccessful proposals, it should give feedback to the applicants concerned. The process of the ethics review must be as transparent as possible.

The Commission may appoint **independent experts** to evaluate proposals.

**Procedures:** these should be simplified in ways made possible by the improvement of IT systems, such as the further expansion of the **portal for participants** which should function as the single entry point from the moment of publication of the calls for proposals, through submission of proposals, until implementation of the action, with the aim of establishing a **one-stop shop**. The system may also provide feedback to applicants on the progress and the timeline of their applications.

**Access to risk finance:** this remains a key issue, in particular for innovative SMEs.

In order to allow their most effective use, the new rules allow for debt and equity financial instruments to be combined with each other and with grants funded under the Union budget, including under Horizon 2020.

The Commission should, in particular, ensure continuity of the Risk-Sharing Finance Facility (RSFF) set up under Decision No 1982/2006/EC and the early stage part of the High-Growth and Innovative SME Facility (GIF1) set up under Decision No 1639/2006/EC.

**Open access to results:** to increase the circulation and exploitation of knowledge, open access to scientific publications will be ensured. Furthermore, open access to research data resulting from publicly funded research under Horizon 2020 will be promoted.

The Regulation makes provision for **rules governing the exploitation and dissemination of results** to ensure that participants protect, exploit and disseminate those results as appropriate, and to provide for the possibility of additional exploitation conditions in the European strategic interest.

ENTRY INTO FORCE: 23/12/2013.

**DELEGATED ACTS:** the Commission is empowered to adopt delegated acts with regard to funding bodies set up under Article 187 TFEU. The power to adopt delegated acts is conferred on the Commission for the duration of Horizon 2020. The European Parliament or the Council may object to a delegated act within two months of notification of that act (which may be extended by two months.) If Parliament or Council raise objections, the delegated act will not enter into force.

## Horizon 2020 Framework Programme for research and innovation 2014-2020: rules for participation and dissemination

2011/0399(COD) - 30/11/2011 - Legislative proposal

**PURPOSE:** to lay down specific rules for the participation in indirect actions undertaken under the Horizon 2020 Programme.

**PROPOSED ACT:** Regulation of the European Parliament and of the Council.

**BACKGROUND:** designed to support the Europe 2020 Flagship Initiative "**Innovation Union**", the basic principle of "Horizon 2020" is to adopt a much more strategic approach to research and innovation. All policy instruments and measures are designed to contribute to research and innovation and to develop further the European Research Area whereby knowledge, researchers and technology circulate freely, and to accelerate the commercialisation and diffusion of innovation across the Single Market.

The set consists of the proposals for:

- a **Framework Programme** for Horizon 2020;
- a single set of **Rules for Participation and Dissemination** ;

- a [single specific programme](#) to implement Horizon 2020;
- a single proposal for the parts of Horizon 2020 corresponding to the [Euratom Treaty](#).

This proposal makes it clear that the rules for the participation and dissemination should adequately reflect the recommendations of the European Parliament, as summarised in the "[Report on simplifying the implementation of the Research Framework Programmes](#)".

Furthermore, following extensive public consultation based on a [Green Paper](#), "From challenges to opportunities: towards a common strategic framework for Union research and innovation funding", the following obstacles were identified to participation rules:

- the most important one from the participant's perspective is the complexity of administrative procedures along with the administrative burden;
- participants also find it very burdensome to apply different sets of rules depending on the Union research and innovation programme and they called for a greater consistency of rules between instruments;
- currently too many procedures, in particular regarding financial controls, appear to be designed exclusively to ensure a very low risk of errors, but also result in control mechanisms perceived as rigid and excessive. A risk/ trust balance is required.

IMPACT ASSESSMENT: the four proposals rely on two in-depth impact assessments, drawing on stakeholder consultations, internal and external evaluations, and contributions from international experts. The assessments found that the Horizon 2020 option would bring more clarity of focus, best achieve the necessary critical mass of effort at programme and project level, and lead to the greatest impact on the policy objectives and downstream economic, competitiveness, and social benefits, while at the same time helping to simplify matters by easing the administrative burden for participants, streamlining the applicable rules and procedures, ensuring consistency between instruments and pointing to a new risk/trust balance.

LEGAL BASIS: Articles 173, 183 and the second paragraph of Article 188 TFEU.

CONTENT: the proposal lays down specific rules for the participation in indirect actions undertaken under Horizon 2020, and also lays down the rules governing the dissemination of results. The Regulation shall not apply to direct actions carried out by the Joint Research Centre (JRC).

The rules proposed were drawn up with the twofold aim of:

- ensuring a single and sufficiently flexible regulatory framework which will render participation easier, create a more coherent set of instruments covering both research and innovation and increase the scientific and economic impact while avoiding duplication and fragmentation.
- simplifying the terms and procedures from the perspective of the participants to ensure the most efficient implementation, taking into account the need for easy access for all participants.

The following **new features** have been introduced into the rules for participation and dissemination in order to apply the above principles and to bring the rules into line with the characteristics and objectives of the new framework programme:

- the rules will apply to all components of "Horizon 2020", including initiatives under Articles 185 and 187 TFEU, actions currently falling within the scope of the Competitiveness and Innovation Programme as well as the EIT activities. The necessary flexibility corresponding to the different nature of the research and innovation actions is ensured by appropriate derogations and by allowing to set out specific participation details in the work programmes;
- the rules for participation relating to the Union funding are based on the revised Regulation on the financial rules applicable to the annual budget of the Union which has streamlined and rendered more efficient the way in which Union policies can be implemented;
- the **financial provisions relating to the Union funding in the form of grants have been clarified and simplified**. Thus, they are now establishing a single funding rate depending for each type of action funded under "Horizon 2020" with no differentiation among participants. Enhanced use of lump sums, flat rates and scale of unit costs is also proposed;
- for **direct costs**, these rules provide for a broad acceptance of the usual accounting practices of grant beneficiaries, subject to a minimum number of boundary conditions. The grant agreement will include further simplification provisions allowing beneficiaries to gain legal certainty on the eligibility of the costs charged to actions under "Horizon 2020". Those simplification provisions will include, among others, a clear definition of the time recording requirements and objective references regarding the annual productive hours;
- for **indirect costs**, the calculation is radically simplified. The reimbursement involves a flat rate based on total direct eligible costs of participants with a possibility to declare costs actually incurred which is limited to non-profit legal entities;
- rules applying to the new forms of funding allow for more flexibility, such as those related to prizes to be awarded for the achievement of pre-specified targets or those related to public pre-commercial procurement and procurement of innovative solutions as well as those related to the financial instruments;
- given its demonstrated efficiency as a safeguard mechanism, the participants' Guarantee Fund set up under the Seventh Framework Programme will be renewed for the entire duration of "Horizon 2020" with clearer rules and the possibility to extend it to cover risks undertaken in actions under the EURATOM Framework Programme;
- the rules regarding **intellectual property, exploitation and dissemination** have been modelled on the widely acknowledged Seventh Framework Programme provisions with further improvements and clarifications: (i) specific new emphasis has been put on open access to research publications and an opening was made for experiments with open access to other results; (ii) the enlarged scope and new forms of

funding as well as the need for flexibility in this area of the rules has been taken into account by the possibility to lay down additional or specific provisions where appropriate; (iii) access rights for the EU, and in the field of security research also for Member States, have been provided;

- the participation of **legal entities established in third countries and of international organisations in actions under "Horizon 2020"** will be streamlined and stimulated, in line with the objectives of international cooperation set out in the Treaty, based on mutual benefits and taking into account the conditions for the participation of EU entities to third countries' programmes. Within the clear and stable framework, participants will enjoy further flexibility to determine the most appropriate internal arrangements for the implementation of their actions. This should encourage and facilitate the participation of all research stakeholders, including small research units, particularly SMEs.

BUDGETARY IMPLICATIONS: details on the budget regarding the Horizon 2020 Programme are set out in [CNS/2011/0402](#) and [COD/2011/0401](#).