

Innovation aspects of H2020 and COSME

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THE BRUSSELS
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Agenda

Looking into the near future: 01/01/2014

Horizon 2020

- General framework: why?
- What is new in H2020
- Proposed structure and content

COSME

- Why COSME ?
- COSME in a nutshell

Conclusions

Questions and Answers

Why Horizon 2020?

To support Europe's strategy for a sustainable future

Three priorities

Smart growth, through more effective investments in education, research and innovation

Sustainable growth, thanks to a decisive move towards a low-carbon economy

Inclusive growth, with a strong emphasis on job creation and poverty reduction

Five targets (country specific)

Employment 75% of the 20-64 year-olds

R&D 3% of EU's GDP invested in R&D

Climate change and energy sustainability

greenhouse gas emissions 20% <1990

20% of energy from renewables

20% increase in energy efficiency

Education

rates of early school leaving <10%

≥40% of 30-34 year-olds complete 3d level education

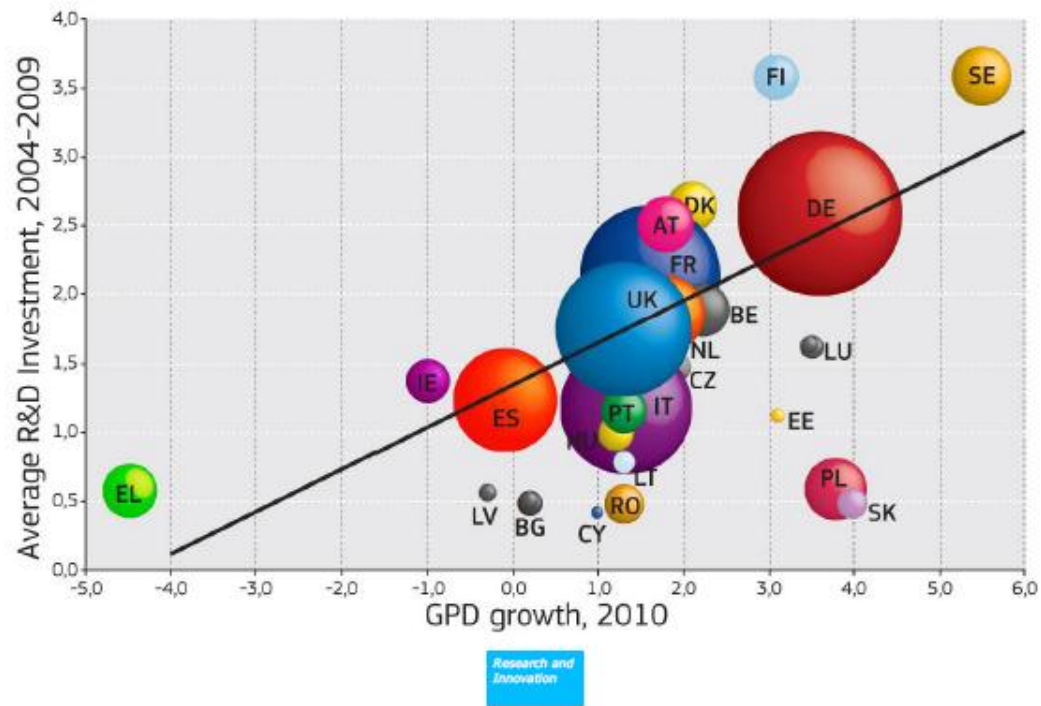
Fighting poverty and social exclusion

at least 20 million fewer people in or at risk of poverty and social exclusion

Why Horizon 2020?

Innovation driven growth

Investment in R&D is part of the solution to exit from the economic crises



What is new in H2020?

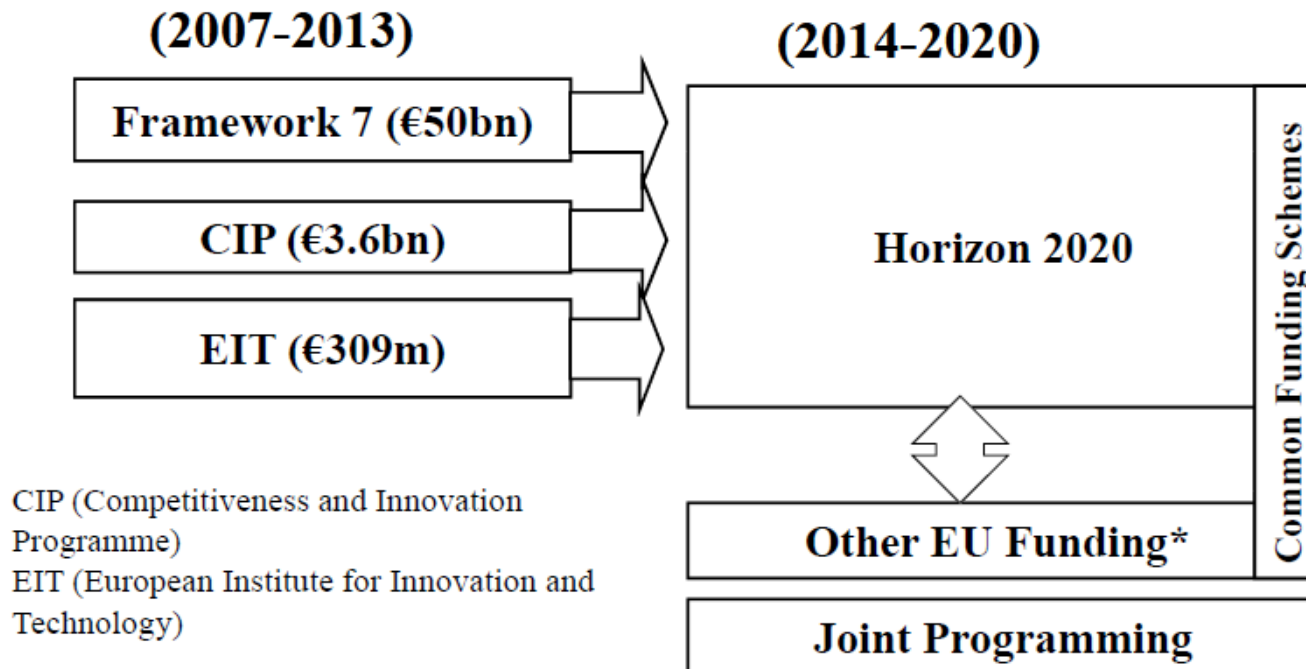
Four improvement areas

- **A single programme** bringing together three separate programmes/initiatives*
- **Coupling research to innovation** – from research to retail, all forms of innovation
- **Focus on societal challenges** facing EU society, e.g. health, clean energy and transport
- **Simplified access**, for all companies, universities, institutes in all EU countries and beyond.

*The 7th Research Framework Programme (FP7), innovation aspects of Competitiveness and Innovation Framework Programme (CIP), EU contribution to the European Institute of Innovation and Technology (EIT)

What is new in H2020?

Integrating 3 programmes from the previous period



* COSME, Erasmus for All, Knowledge Alliances, Structural Funds etc.

What is new in H2020?

Simplification for more effectiveness

	Horizon 2020
Single set of simpler and more coherent participation rules	√
New balance between trust and control	√
Moving from several funding rates for different beneficiaries and activities to just two	√
Full alignment of the rules for participation with the revised Financial Regulation	√
Simplifications for research directly introduced in revised Financial Regulation (prizes, interest on pre-financing, VAT, extrapolation)	√
Broader acceptance of usual accounting practices of the beneficiaries	√
Simplified time recording; abolition of time-sheets for staff working fully on the EU project	√
Reducing Time to grant	√

Proposed structure of H2020

Three pillars



Excellence in science

Why and how much?

- World class science is the foundation of tomorrow's technologies, jobs and wellbeing
- Europe needs to develop, attract and retain research talent
- Researchers need access to the best infrastructures

Amounts in mio €, subject to change

<p>European Research Council Frontier research by the best individual teams</p>	<p>13 360</p>	<p>Grants, FP7 Ideas, basic research, risk venture, key for social and economic welfare, open call proof of concept</p>
<p>Future and Emerging Technologies Collaborative research to open new fields of innovation</p>	<p>3 100</p>	<p>Funding, ICT incubator and pathfinder for new ideas and themes for long-term research in ICT (open call)</p>
<p>Marie Curie actions Opportunities for training and career development</p>	<p>5 572</p>	<p>FP7 People, fellowship grants for early stage/experienced researchers, 3 calls open (14/03)</p>
<p>Research infrastructures (including e-infrastructure) Ensuring access to world-class facilities</p>	<p>5 000</p>	<p>Facilities, resources and related services used by the scientific community to conduct top-level research (single-sited, distributed, virtual)</p>

Industrial leadership

Why and how much?

- Strategic investments in key technologies (e.g. advanced manufacturing, microelectronics) underpin innovation across existing & emerging sectors
- Europe needs to attract more private investment in R&I
- And needs more innovative SMEs to create growth & jobs

Amounts in mio €, subject to change

<p>Leadership in enabling and industrial technologies (ICT, nanotechnologies, materials, biotechnology, manufacturing, space)</p>	<p>13 701</p>	<p>Funding, capital-intensive high RDI technologies, pervasive and enabling, trans-sector, systemic relevance, FP7 Cooperation NMP (nanosci-tech, mat, new production)</p>
<p>Access to risk finance Leveraging private finance and venture capital for research and innovation</p>	<p>3 530</p>	<p>Risk-sharing financing facility (loans), FP7 + European Investment Bank, companies in all sectors</p>
<p>Innovation in SMEs Fostering all forms of innovation in all types of SMEs</p>	<p>619 complemented by 6 820 societal 'Access to risk finance' with strong SME focus</p>	<p>Budget share of SMEs ≥ 20% in pillars 1 & 2, bottom up approach, one single management body (tbc)</p>

Societal challenges

Why and how much?

- Concerns of citizens and society/EU policy objectives (climate, environment, energy, transport etc) cannot be achieved without innovation
- Breakthrough solutions come from **multidisciplinary collaborations**, including social sciences & humanities
- Promising solutions should be te

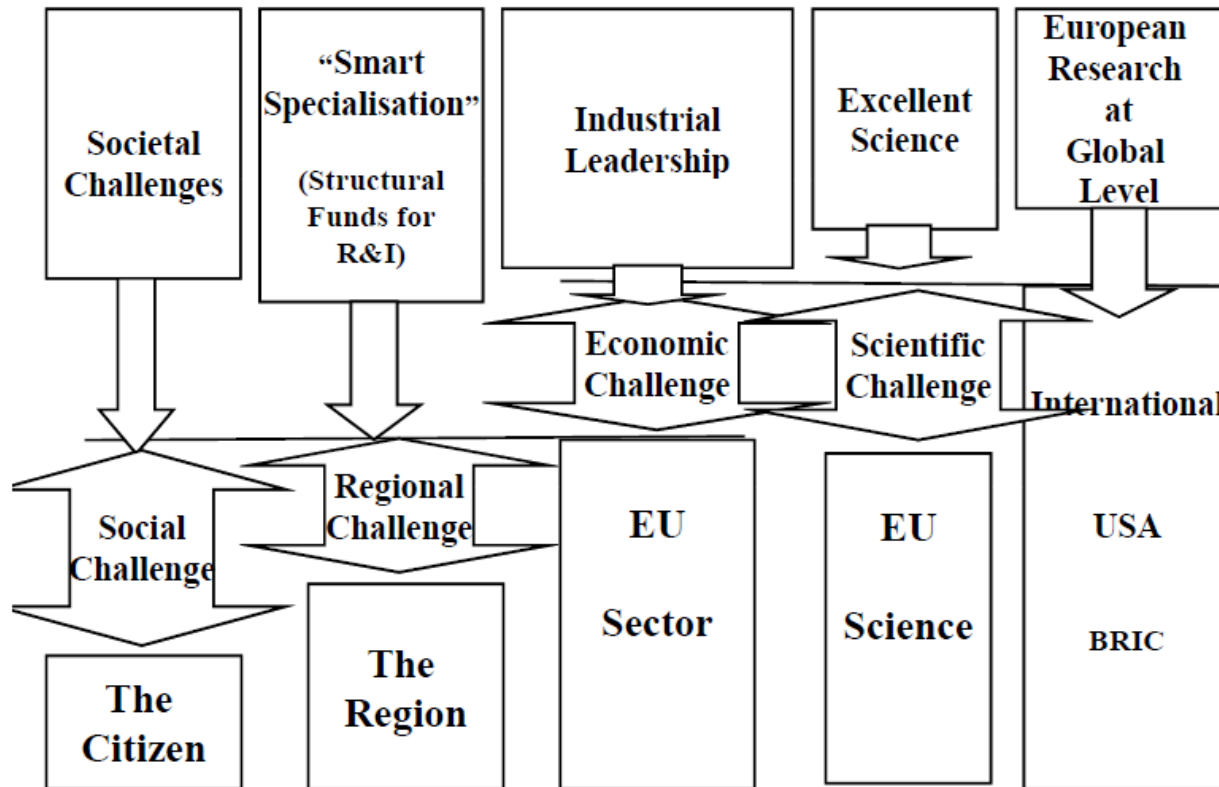
Amounts in mio €,

<i>Health, demographic change and wellbeing</i>	Health promotion and disease prevention, curing, treating and managing diseases, sustainable and efficient health system, active and healthy ageing
<i>Food security, sustainable agriculture, marine maritime research & the bioeconomy</i>	Organic practices/technological improvements, enzymatic processes in industry, understanding eco-systems...
<i>Secure, clean and efficient energy*</i>	Cross-sector topics (ex smart cities & communities), non-technological barriers removal...
<i>Smart, green and integrated transport</i>	Links with green materials and manufacturing processes, transport as a service, smart infrastructure...
<i>Climate action, resource efficiency and raw materials</i>	Breaking « grand challenge » in workable RDI, build on EU leadership in environment, radical/organisational transition
<i>Inclusive, innovative and secure societies</i>	Challenges are not solved by technologies only, need for social sciences, involvement of all stakeholders, responsible research

*Additional €1 788m for nuclear safety and security from activities (2014-2018). Does not include ITER.

H2020 and EU Policies

Addressing various levels



Opportunities of H2020

What's in it for you?

- Many opportunities in
 - Excellence in science
 - Industrial leadership
 - Societal challenge
- A change of perspective toward sciences and technologies to
 - Get out of the crisis
 - Contribute solving Europe's key challenges
- Simplified and faster procedures

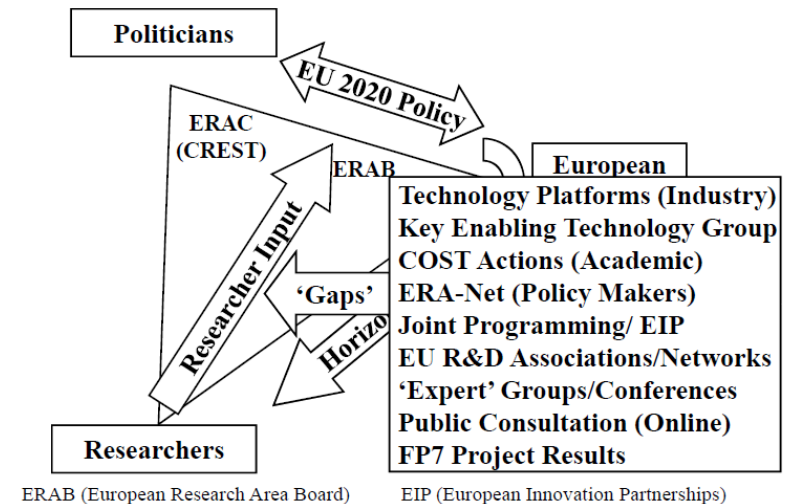
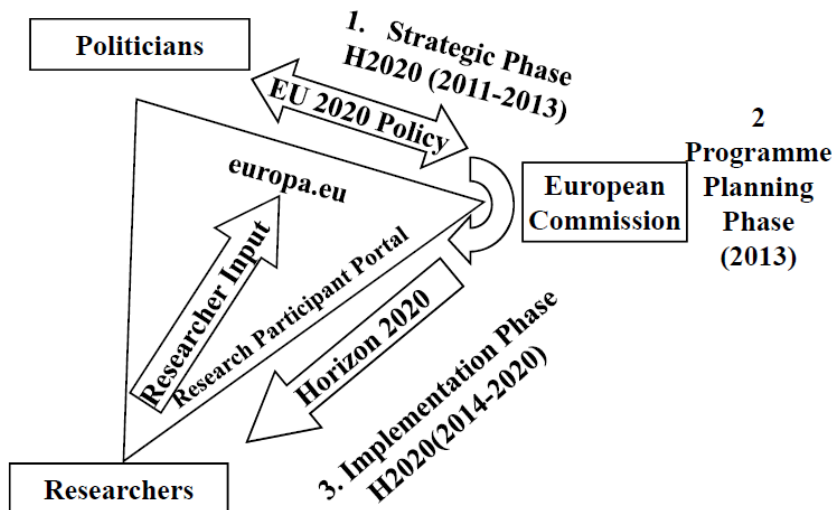
Be ready to pluck the right opportunities !

... Ask your National Contact Point

Preparation, discussions and agenda

Few certainties

- **Budget to be confirmed (€ 80bn vs € 69bn)**
- **03/2013** Rules for participation (COREPER)
- **On-going** First drafts of work programmes – programmes committees
- **Mid 2013?** Adoption of legislative acts by Parliament and Council on Horizon 2020
- **1/1/2014** **Horizon 2020 starts, launch of first calls**



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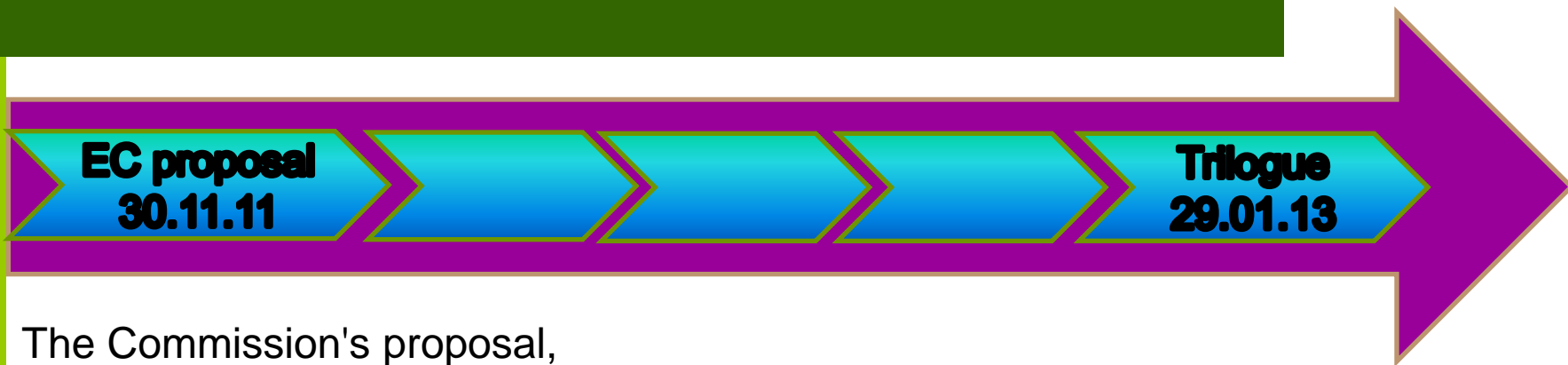


COSME

Programme for the
Competitiveness of
Enterprises and SMEs

2014-2020

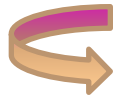
Where are we with COSME now ?



The Commission's proposal,



the Council's partial general approach,



the amendments to the proposal adopted by the EP's ITRE Committee (Nov 2012)



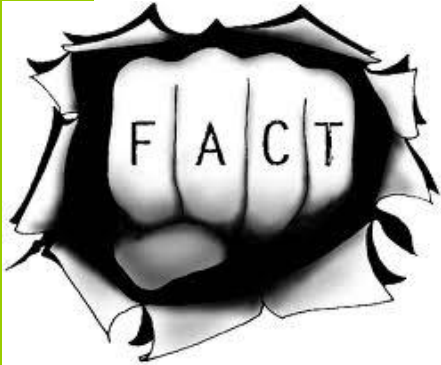
the compromise amendments proposed by IE Pres

COMPROMISE TEXT

Why COSME?

General context

Union enterprises face the **challenge** of being **competitive on a global scale**. However, they are **hindered** by **market failures** that undermine their capacity to compete with counterparts in other parts of the world.



- **EU SMEs** show lower labour and resource productivity and **grow more slowly than their counterparts** (e.g. the USA) -
- **EU SMEs** are **less able to adapt successfully to changing framework conditions** than larger enterprises in Europe.

The EU's role: improving the business environment to ensure:

- strong, diversified EU enterprises,
- SMEs capable of competing on a global scale,
 - while adapting to a low-carbon, resource-efficient economy

Why COSME?

Grounds for the proposal

Europe 2020 Strategy responds to the economic crisis and sets 5 ambitious objectives on:

1. climate and energy
2. Employment
3. Innovation
4. education
5. social inclusion

Why COSME?

Grounds for the proposal



Main challenges for Union enterprises :

- ❑ difficulties in **accessing finance** for SMEs
- ❑ **weak entrepreneurial spirit**
- ❑ a **business environment** not conducive to **start-ups and growth**
- ❑ **limited capacity of SMEs** to **adapt** to a low-carbon, climate-resilient, energy and resource-efficient **economy**
- ❑ limited capacity of SMEs to **expand to markets beyond their home country**

Why COSME ?

To improve the business environment & the competitiveness of European enterprises



Programme purposes:

- ✓ facilitating access to finance for SMEs
- ✓ creating an environment favourable to business creation & growth
- ✓ encouraging an entrepreneurial culture in Europe
- ✓ increasing the sustainable competitiveness of EU companies
- ✓ helping small businesses operate outside their home countries and improving their access to markets

COSME : a means of **addressing key market failures** that limit the **growth of enterprises**

COSME: expected budget



Financial envelope:

EUR 2,522 billion, of which
no less than EUR 1,4 billion (55,5 %)
shall be allocated to
financial instruments.

COSME



in a nutshell

Actions to:

1. **improve** the framework conditions for the **competitiveness** and **sustainability** of Union enterprises *particularly SMEs*
2. **promote entrepreneurship**
3. **improve access to finance** *for SMEs*
4. **improve access to markets**
5. **Enterprise Europe Network**



COSME

in a nutshell

1. **Actions to improve the framework conditions for the **competitiveness** and **sustainability** of Union enterprises *particularly SMEs***
 - promoting the-development of sustainable products, services and processes
 - management of world class clusters & business networks; encouraging transnational collaboration among clusters
 - ease difficulties in setting up & transferring enterprises

COSME



in a nutshell

2. Actions to promote **entrepreneurship**

- support a business environment and culture favourable to *sustainable* enterprise, **start-ups**, growth, business transfer, second chance (re-start), as well as **spin-offs** and **spin-outs**
- measures to build and facilitate entrepreneurial education, training, skills

COSME



in a nutshell

3. **Actions to improve access to finance for SMEs**
 - through **dedicated financial instruments**:
 - the *take-up and* supply of both equity and debt finance
 - equity facility for start-up => commercially-oriented reimbursable equity financing primarily in the form of venture capital (VC)
 - Loan facility => risk sharing arrangements with financial intermediaries to cover loans for SMEs
 - possibility of other innovative financial mechanisms, e.g. seed funding, angel funding and quasi-equity financing & crowdfunding

COSME



in a nutshell

4. **Actions to improve access to markets**

- markets outside the Union
- information on existing market-entry barriers, business opportunities on public procurement, standards, and intellectual property rights and customs procedures in priority third countries and by improving support services.

COSME



in a nutshell

5. **Enterprise Europe Network**

- a “one-stop shop” for the business needs of SMEs in the EU and beyond. It provides enterprises with information and a range of quality and free-of-charge integrated business support services to make them more competitive: information, guidance and customized assistance. It facilitates business expansion and partnering in the EU Single Market and beyond.

Conclusion H2020 and COSME

Horizon 2020 and COSME are **complementary programmes** to generate growth and jobs

- **Different focus** Horizon 2020 = innovation driven growth
COSME = support to create favourable business environment and competitiveness
- **Closely coordinated ex**
Integrated financial instruments (debt and equity), with facilities in both programmes serving complementary objectives
Enterprise Europe Network set up under COSME, but support to SMEs for EU funding

Questions & Answers

Suggestions?
Questions?

with EC financial support



Many thanks for your attention!

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Questions & Answers

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Many thanks for your attention!

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