
HE Update: EU Research Grants

July 2013



Why is EU funding important?

Against the backdrop of austerity by the UK Government, EU funding is increasingly seen as a stable source of income. Although structural funds such as ERDF (European Regional Development Fund) and ESF (European Social Fund) can be available for some activities, the main vehicle for research funding is the Framework programme.

Developments

Framework 7

The Seventh Framework is the main current funding programme running which started in 2007 and will run until the end of 2013. Its budget was in the region of €54 billion. Existing projects will continue to run on until their end dates for some years after 2013.

Horizon 2020

Horizon 2020 is the successor Framework Programme for Research and Innovation and will come into force on 1st January 2014 and last until the end of 2020. It will have a budget of €70-80 billion and is intended to radically simplify the structure, rules and procedures and control strategy.

The simplification has three over-arching goals:

- Reducing the administrative costs for participants.
- Accelerating the grant application and management processes.
- Decreasing the rate of financial errors.

The legislation to implement Horizon 2020 is still in progress within the EU, and detailed rules will not be confirmed until later in 2013. Therefore, the information set out below may be subject to change.

Likely structure

- One programme taking in the activities currently funded by FP7 (above) and other streams - the Competitiveness and Innovation Programme (CIP) and the European Institute of Innovation and Technology with a single set of rules.
- Three strategic objectives – Excellent Science, Industrial Leadership and Societal Changes – making it easier to identify funding opportunities.

Likely funding rules and procedures

- Simpler reimbursement of direct costs with a broader acceptance of participants' accounting practices.
- Only two reimbursement rates for all types of participants – 100% for research activities, 70% for piloting and demonstration.
- One single flat rate for indirect costs (probably 20%).
- Simpler time recording – abolished for staff working full time on an EU project.
- Irrecoverable taxes (especially VAT) can be claimed.
- For Marie Curie actions the system of unit costs and flat rates introduced under FP7 will continue.
- Better IT platform with more paperless grant management.

Likely control strategy

- Fewer Certificates on Financial Statements (CFS's) required – only one per participating organisation at the end of the project where the EU contribution is greater than €325,000.
- Fewer EU audits taking place with an emphasis on risk-based control and fraud detection. The limitation period for audits will be reduced from five years to four years after a project has finished.

Next Steps

The first calls under Horizon 2020 will begin in January 2014.

The Commission plans to publish a user-friendly web-book for participants, a manual for external expert users and more detailed regulations primarily for Commission staff.

For more information or an informal conversation on Horizon 2020 or internal control and audit of grants in general, please get in touch with our Grants Specialist.



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