

Brussels 1 July 2011

## FTP stakeholder briefing

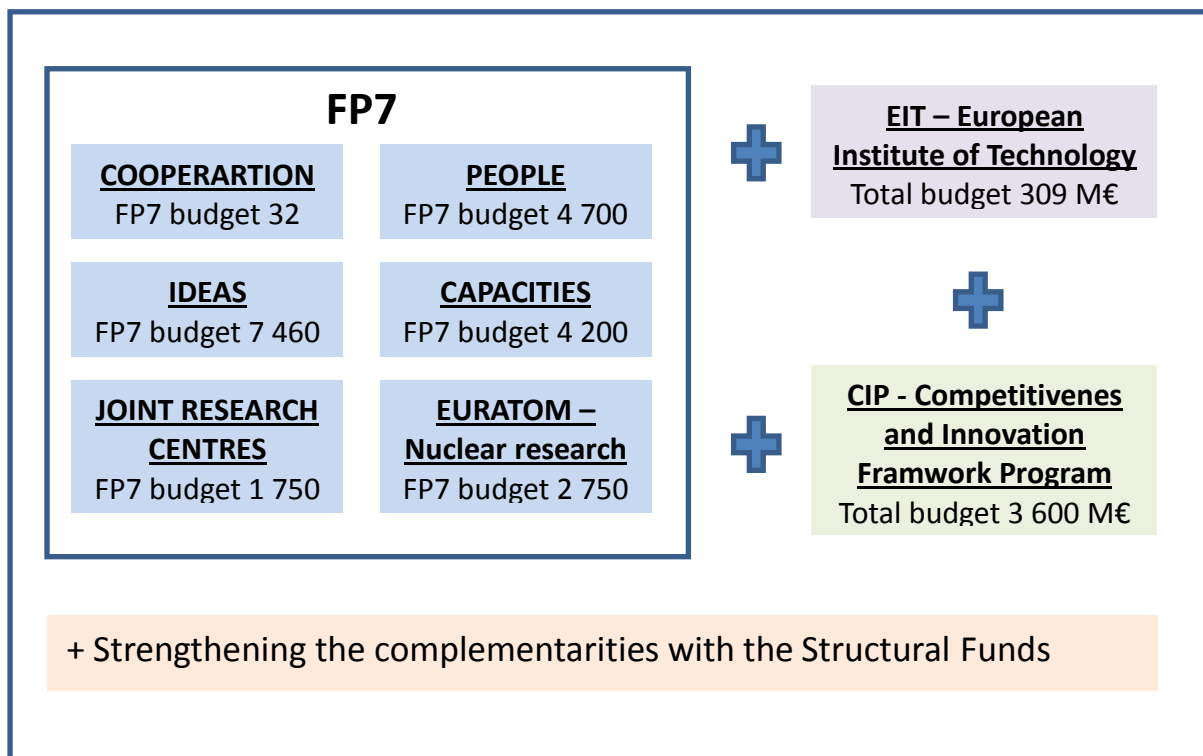
### The Common Strategic Framework on Research and Innovation 2014-2020

This week the Commission made its proposal for the EU **Financial Framework 2014-2020** to be discussed in the European Parliament and the Council. The Financial Framework gives the maximum budget for major budget items such as Research and Innovation. FTP would therefore like to share with you the idea we have about the coming changes.

#### *CSF, "FP8" or "Horizon 2020"*

- The next EU budget for Research and Innovation is proposed to be called "Horizon 2020" and as for FP7, a seven year budget (2014-2020) is foreseen.
- The Commission proposes to allocate **€80 billion (in constant 2011 prices)** for the Common Strategic Framework for Research and Innovation (€57 billion 2007-2013).
- This funding will be complemented by important support for research and innovation in the Structural Funds. For example, in the period 2007-2013 around €60 billion was spent on research and innovation across Europe's regions and similar levels of spending can be expected in the future.

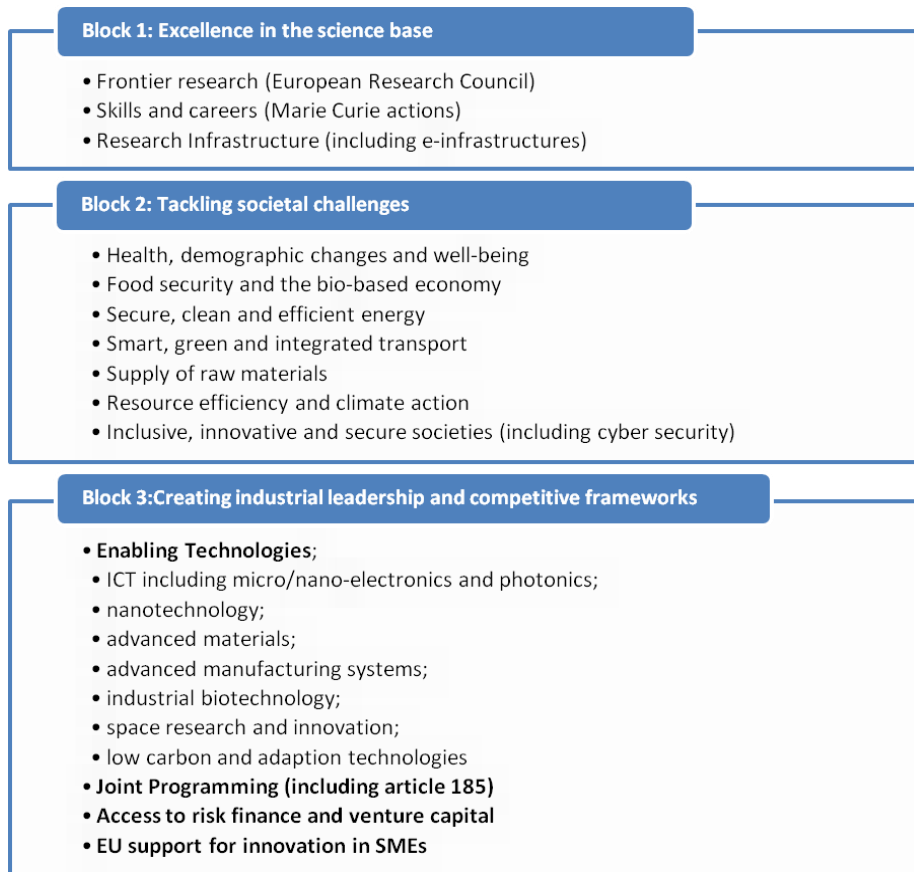
### CFS – "HORIZON 2020"



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## ***CSF (Horizon 2020) proposed Structure***

The Commission proposes that future research and innovation funding is based on three main blocks that are firmly anchored in the Europe 2020 strategy:



From what we learned, **the Commission has not decided anything about the budgets for the individual blocks.** However, based on the current elements of EUs Research Framework Programme, **FTP guesses (!!!) that the budget of 80bn will be distributed approximately equally between the three blocks.**

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### ***More about the new structure***

A common strategic framework is supposed to eliminate fragmentation and link “research” closely to key sector policy priorities such as health, food security and climate change. The European Institute for Technology will play an important role in bringing together the three sides of the knowledge triangle – education, innovation and research. One feature of the new approach to research funding will be the increased use of innovative financial instruments, following the successful example of the Risk Sharing Finance Facility.

#### **Block 1: Excellence in the Science base**

This block will strengthen excellence in science, attract leading researchers to Europe, develop research talents and develop and provide access to research infrastructures. This block correspond to the “Ideas”, “People” and parts of the “Capacities” programmes in the current budget of FP7.

#### **Block 2: Tackling societal challenges**

To respond directly to the challenges identified in the Europe 2020 strategy, this block will support activities covering the entire spectrum from research to market. It will integrate cross-disciplinary approaches, socio-economic research and innovation actions (pilots, demonstration, test-beds, support to public procurement and market uptake of innovation). The European Institute of Technology (EIT) through its Knowledge and Innovation Communities (KICs) will also contribute to addressing the challenges through a significantly increased budget. The “*European Innovation Partnerships*” currently under preparation are probably going to be important instruments in tackling the societal challenges.

#### **Block 3: Facilitating access to risk finance and venture capital**

This block aims to support business research & innovation in enabling technologies and to leverage private sector investments in R&D including facilitated access to risk finance and venture capital (building on the Risk Sharing Finance Facility of FP7 and the financial instruments the current Competitiveness and Innovation Framework). The block will also provide support for innovation in SMEs with high growth potential.

Of particular interest to the forest-based sector:

##### **Block 2:**

##### **Societal challenges of particular interest for FTP**

- Food security and the bio-based economy
- Secure, clean and efficient energy
- Supply of raw materials
- Resource efficiency and climate action

##### **Block 3:**

##### **Enabling technologies of particular interest for FTP**

- nanotechnology
- advanced materials
- advanced manufacturing systems
- industrial biotechnology

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### ***European Innovation Partnerships (EIPs): Pooling forces to achieve breakthroughs towards the societal challenges***

The European Innovation Partnerships (EIPs) are one of the most difficult new concepts to explain and we will refer from doing it in this briefing. We just want to emphasise that they are planned to be one of the key vehicles for implementing block 2: tackling the societal challenges. This is why FTP recently has been very active getting the forest-based sector recognised in the *Raw Materials* and *Food & Agriculture* Innovation Partnerships currently under discussion and preparation. We have also worked very hard on getting the appropriate attention in the areas of the bio-based economy which is going to be one of the budget items in block 2.

### ***Simplification again?!***

For each new Framework Programme the EC has promised simplification. This time the efforts to simplify focus on standardise the rules across all initiatives. The commission talks about going from a large variety of funding schemes to come to a “rationalised toolkit” of funding schemes across the Common Strategic Framework

- A single set of rules covering eligibility, accounting, reporting and auditing is supposed to be applied across the whole CSF.
- “To lighten the burden on grant-holders, a radically simplified cost-reimbursement approach will be introduced based on the broadest possible acceptance of the beneficiaries’ usual accounting and management practice with greater use of lump sums and flat rates.”
- Projects are supposed to be able to start earlier because of shorter selection processes and much shorter negotiation phases.
- The Commission also talks about coming from Multiple websites, guidance documents and application procedures to “Common entry points, one stop shops and common IT platforms”

### ***Next step in the political process***

Given current austerity measures and financial crisis in the EU, the proposed increase of the research and innovation part of the EU budget is seen as a success for DG Research and Innovation. However, we still have to see what the decision from the European Parliament and the Council will be.

The Commission will propose the detailed budget proposal for CSF “*Horizon 2020*” budget in the autumn of 2011.

### ***For further questions, please contact:***

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