



Public-Private Partnerships in Horizon 2020

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Horizon 2020: Key elements

- A single programme with three pillars: **societal challenges, industrial competitiveness and excellence in science**
- More emphasis on **innovation**
- More involvement of industry via the **industrial deployment of key enabling technologies**, and through **PPPs** - institutional and contractual
- **Simplified access** for all stakeholders

Simplified funding rates

FP7

Maximum reimbursement rates	Research and technological development activities (*)	Demonstration activities	Other activities
Network of excellence	50% 75% (**)		100%
Collaborative project(****)	50% 75% (**)	50%	100%
Coordination and support action			100% (**)

Horizon 2020

One project = One rate

- For all beneficiaries and all activities in the grant.
- Defined in the Work Programme:
Up to 100 % of the eligible costs; but limited to a maximum of 70 % for innovation actions (non-profit organisations to a maximum of 100%).

Single indirect cost model

- **25% flat rate for all**

Why Public-Private Partnerships in Horizon 2020?

- R&D investments essential for generating growth and high quality jobs
- EU business under-invests in R&D compared to other regions
- Increasing international competition for leadership in strategic technologies
- Partnerships create stable frameworks for joint investments
- To facilitate prioritisation of R&I in line with the Europe 2020 objectives and industry needs
- To leverage research and innovation elements

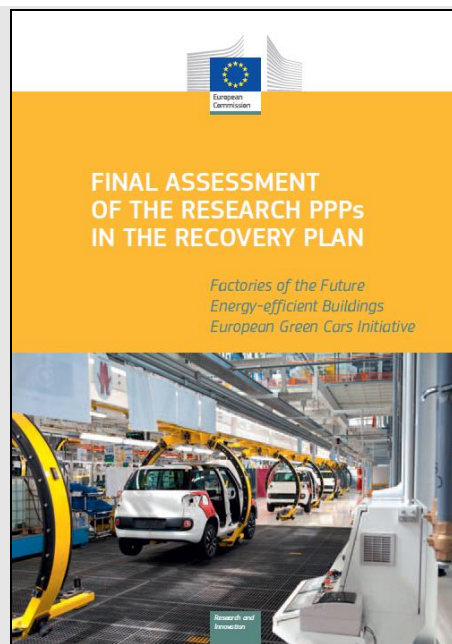
Outcome of "contractual" PPPs in FP7

- A quick response in defining the strategy
 - Multi-Annual Roadmaps
- Better success rates & shorter time-to-grant
- 3 PPPs launched 366 projects with 4409 participations
- Increased participation of industry: 57%
 - SMEs: 25% of the total participation (over 30% in FoF PPP)
- More innovation related activities
 - including demonstration & take-up of technology
- The full EC contribution was provided: € 1.6 billion
 - > combined investment: € 2.4 billion

Findings of the PPPs Final Assessment

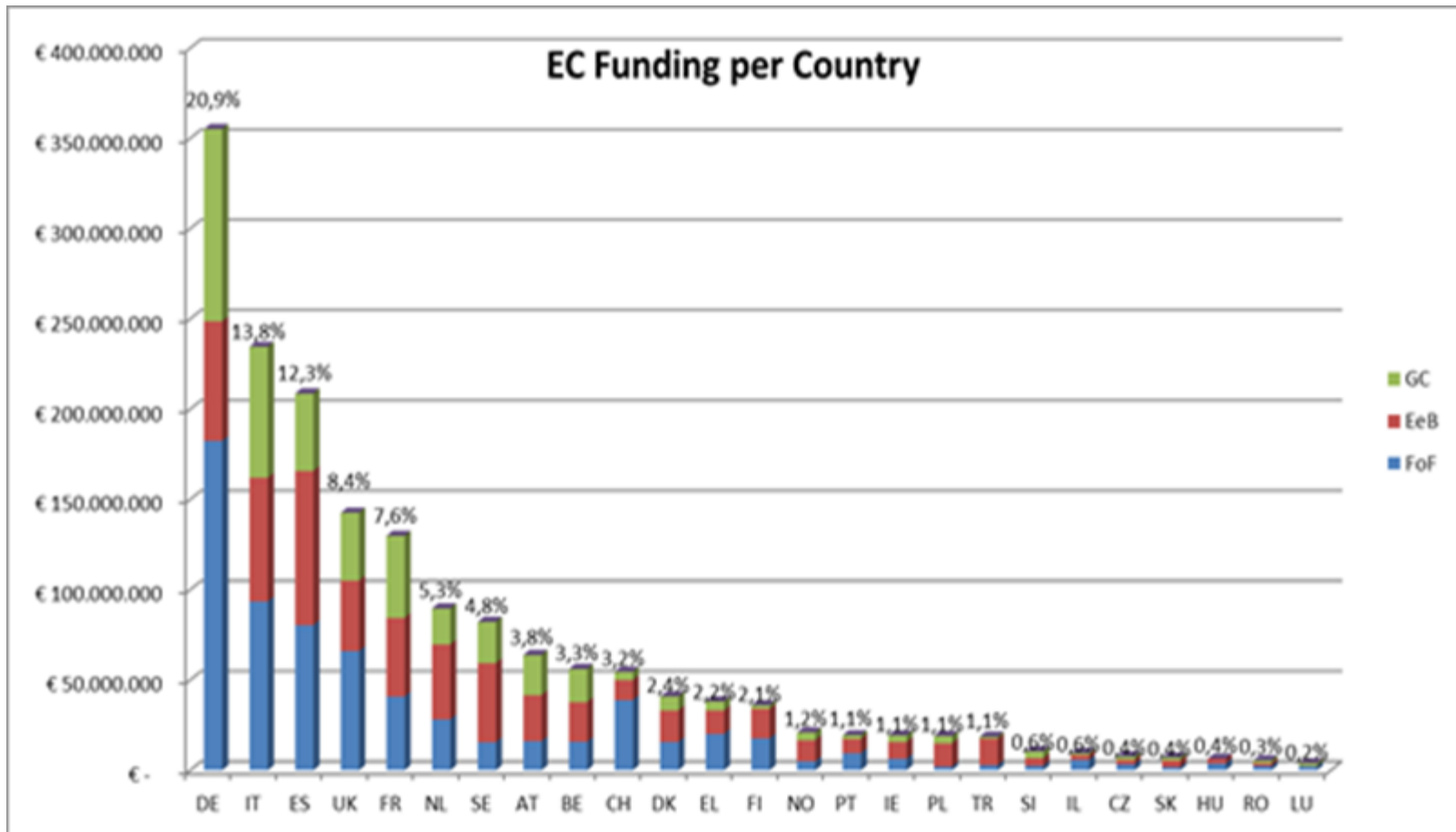
PPP model in FP7:

- Inclusive
 - 75% of participations were non-members of Associations & received 70% of EC funding
- Making use of FP rules
 - ensuring excellence, transparency, fairness & accessibility
- Projects end closer to market
 - Targeting the complete innovation cycles
- Reversed the declining funding trend to the respective industrial areas



<http://bookshop.europa.eu/en/final-assessment-of-the-research-ppps-in-the-european-economic-recovery-plan-pbKI0213270/>

EU funding for PPPs in FP7 per country





Brussels, 10.7.2013
COM(2013) 494 final

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**Public-private partnerships in Horizon 2020: a powerful tool to deliver on innovation
and growth in Europe**

(Text with EEA relevance)

Two types of PPPs in Horizon 2020

- **Contractual PPPs:** budget is only committed on an annual basis through H2020 calls in WPs, prepared on the basis of an industry-developed multi-annual roadmap and a contractual arrangement which specifies an indicative 7 years EU funding, and the commitments of industry to match this and to additional investments outside the PPP calls with high leverage factors, but not legally binding.
- **Joint Technology Initiatives (Art. 187):** like the contractual PPPs, but with ring fenced 7 year budget, the JU launching the calls (where derogations to H2020 are possible) and with the additional commitments of industry outside the calls inserted in the legislation.

PPPs in Horizon 2020

Joint Technology Initiatives (JTIs)	Contractual PPPs (cPPPs)
<ul style="list-style-type: none">• Innovative Medicines (IMI)• Clean Sky• Single European Sky ATM Research (SESAR)• Fuel Cells and Hydrogen (FCH)• Electronic Components and Systems (ECSEL - old ARTEMIS + ENIAC) <p>New:</p> <ul style="list-style-type: none">• Bio-based Industries (BBI)	<ul style="list-style-type: none">• Factory of the Future (FoF)• Energy-efficient Buildings (EeB)• Green Vehicles (EGVI)• Future internet (5G) <p>New:</p> <ul style="list-style-type: none">• Sustainable Process Industry (SPIRE)• Robotics• Photonics• High Performance Computing

What's new?

- **Major simplification** for participants
- **Stronger industrial commitments & higher leverage effect** - additional activities financed by industry outside calls
- **More focus on demonstration & deployment** – links to Structural and Investment Funds
- **More ambitious objectives** - contributing directly to EU policy goals
 - ✓ sustainable economic growth
 - ✓ new added-value jobs
 - ✓ efficient use of resources
 - ✓ reduced energy use
 - ✓ inclusive innovation and benefits for society
- **Improved governance**

Contractual Public Private Partnerships in Horizon 2020	EU indicative funding 2014-2020 (M€)
Factories of the Future (FoF)	1150
Energy-efficient Buildings (EeB)	600
European Green Vehicles Initiative (EGVI)	750
Sustainable Process Industry	900
Advanced 5G network infrastructure for the Future Internet (5G)	700
High Performance Computing (HPC)	700
Robotics	700
Photonics	700
TOTAL:	6200

Industry has committed to complement these amounts with private investment in the order of 3 to 10 times the level of public funding in addition to the in-kind contribution in the cPPP projects under Horizon 2020.

cPPP	Contribution to Economy
Factories of the Future (FoF)	Manufacturing: 16% of Europe's GDP, 30 million jobs, twice as many in support activities such as logistics, 80% of the EU's exports are manufactured
Energy-efficient Buildings (EeB)	Construction sector: 15 million jobs, 9.3 % of the non-financial business economy's total value added
European Green Vehicles Initiative (EGVI)	12 million direct jobs, over € 500 billion/year in turnover
Sustainable Process Industry (SPIRE)	20% of the European manufacturing base, 450,000 companies providing 6.8 million jobs
Advanced 5G network infrastructure for the Future Internet (5G)	40% of the worldwide market of nearly €200 billion in 2012 in terms of network infrastructure supply
High Performance Computing (HPC)	Europe is a world-leader in HPC applications that are key for our society
Robotics	Robotics is a key enabling industry for manufacturing
Photonics	Europe holds 18% of the global photonics market, € 66 billion share

Contractual arrangement for cPPPs

- **Main roles in a contractual PPP**

- Private sector partners advise the Commission on R&I priorities for the Horizon 2020 work programmes
- Implementation via Commission WPs for R&I using Horizon 2020 Rules for Participation and with comitology

- **Content of the document:**

- Scope and Specific Objectives,
- Activities, investment and outputs,
- Governance and openness,
- Specific commitments of each side,
- Monitoring and Key Performance Indicators,
- Duration and review
- The Multi-annual roadmap is an Annex

CONTRACTUAL ARRANGEMENT
SETTING UP A PUBLIC-PRIVATE PARTNERSHIP IN THE AREA OF
FACTORIES OF THE FUTURE
BETWEEN
THE EUROPEAN UNION
AND THE
EUROPEAN FACTORIES OF THE FUTURE RESEARCH ASSOCIATION (EFFRA)

The European Union, represented by the Commission, and the European Factories of the Future Research Association (EFFRA), the registered offices of which are in Diamant Building, Avenue Auguste Reyers 80, 1030 Schaerbeek, Belgium, hereinafter referred to as "the Private Side", (jointly hereinafter referred to as "the Parties"),

CONSIDERING THAT:

- The Horizon 2020 Framework Programme of the European Union for research and innovation¹ may be implemented through public-private partnerships taking the form of a contractual arrangement between the partners committed to support the development and implementation of research and innovation activities of strategic importance to the Union's competitiveness and industrial leadership;
- The Specific Programme Implementing Horizon 2020² has identified potential areas for establishing public-private partnerships;
- The Rules for participation and dissemination in Horizon 2020³ apply to the indirect actions to be financed by the Commission in the context of this arrangement;
- The Commission Communication of 21 September 2011 on Partnering in Research and Innovation⁴ recognises that public-private partnerships in research and innovation are a means of strengthening the Union's competitiveness in key areas of industrial research;
- In its Communication on "Public-private partnerships in Horizon 2020: a powerful tool to deliver on innovation and growth in Europe"⁵, the Commission has presented suitable areas for potential public-private partnerships based on contractual

¹ Not yet published in the Official Journal.

² Not yet published in the Official Journal.

³ Not yet published in the Official Journal.

⁴ COM(2011)672

⁵ COM(2013)494

The Commission will regularly monitor the progress towards achieving the partnership objectives, for the duration of the contractual arrangement and for three years after its end, in particular on the basis of evidence to be provided by the Private Side.

8. **APPLICATION OF THIS ARRANGEMENT:** Any provision of this contractual arrangement takes precedence over the Annex. Any issues related to the interpretation and implementation of the present arrangement will be decided upon in consultation by the Parties. Amendments to this arrangement may be requested by any of the Parties by registered letter.
9. **DURATION AND REVIEW:** This contractual arrangement enters into force as from 1 January 2014 and will remain in force until 31 December 2020. Any of the Parties may communicate by registered letter at any time the motivated intention to terminate this arrangement. The termination will be effective three months after the sending of this letter. No later than 30 June 2017 the Commission intends to undertake, with the assistance of independent experts, a review covering the performance of the partnership and the progress towards its objectives. On the basis of the review, the Commission may request amendments to this contractual arrangement or decide its termination. A final review will also be undertaken before the end of Horizon 2020.

10. **ANNEX:** Multi-annual roadmap for the partnership.

Done in duplicate at Brussels on 17 December 2013.

FOR THE EUROPEAN COMMISSION

FOR EUROPEAN FACTORIES OF THE
FUTURE RESEARCH ASSOCIATION



Neelie KROES
Vice-President in charge of Digital Agenda



Maurizio GATTIGLIO
Chairman



Maire GEOGHEGAN-QUINN
Commissioner for Research, Innovation and
Science



Massimo MATTUCCI
Co-chairman



FINAL ASSESSMENT OF THE RESEARCH PPPs IN THE RECOVERY PLAN

*Factories of the Future
Energy-efficient Buildings
European Green Cars Initiative*



Research and
Innovation



FACTORIES OF THE FUTURE

*Multi-annual roadmap
for the contractual PPP
under Horizon 2020*

Prepared by



Policy
Research



SUSTAINABLE PROCESS INDUSTRY

*Multi-annual roadmap
for the contractual PPP
under Horizon 2020*

Prepared by



SPIRE Sustainable Process Industry through
Resource and Energy Efficiency

Policy
Research



Contractual public-private partnerships in Horizon 2020

*for research and innovation
in the manufacturing, construction,
process industry and automotive sectors*

Research and
Innovation



ENERGY- EFFICIENT BUILDINGS

*Multi-annual roadmap
for the contractual PPP
under Horizon 2020*

Prepared by



Policy
Research

Research and
Innovation

The contractual PPP approach

- **What is the same as in normal Horizon 2020:**
 - The financial rules are those of Horizon 2020
 - Final responsibility for the Work Programme stays with the European Commission and is subject to Comitology
 - Implementation remains with the Commission: selection of proposals, negotiation, review of progress and payments
- **What is different from normal Horizon 2020:**
 - Long-term commitment by Commission to support the field
 - Long-term commitment by industry to invest, with a need to demonstrate its fulfilment (monitoring & KPIs)
 - Roadmap-based strategy. Close interaction in the Partnership Board to prepare the content of the calls.

Core Key Performance Indicators

- **At PPP implementation level**

- New systems and technologies developed in the relevant sectors
- Participation and benefits for SMEs
- Contribution to the reduction of energy use
- Contribution to the reduction in the use of material resources
- New high-skilled profiles and new curricula developed
- Private investment mobilised in relation to the PPP activities
- Contributions to new standards

- **At project impact level**

- Scale of reduction in energy, material resources and waste
- Project results taken-up for further investments
- Trainings for a higher quality workforce
- Patents and activities leading to standardisation



HORIZON 2020

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HORIZON 2020

Thank you for your attention

More information:

HORIZON 2020:

<http://ec.europa.eu/research/participants/portal/desktop/en/home.html>

Contractual Public-Private Partnerships in research and innovation:

http://ec.europa.eu/research/industrial_technologies/ppp-in-research_en.html