



Mrs. Geoghegan-Quinn
Commissioner for Research, Innovation, Science
European Commission
Rue de la Loi 200
B-1049 Brussels

11 June 2013

Dear Commissioner,

Dear Mrs. Geoghegan-Quinn,

BUSINESSEUROPE supports the work carried out by the European Commission and the other EU institutions towards the finalization of the Horizon 2020 Package.

It is now imperative to bring trilogue negotiations to a successful conclusion under the Irish Presidency, thereby allowing a timely start of the activities to be financed by Horizon 2020 in 2014.

BUSINESSEUROPE would like to highlight three important issues with significant impact on business' participation to the programme that need to be quickly solved in the next weeks.

- The funding model must ensure an adequate level of reimbursement for activities of small, medium and large companies, also compared to FP7. Furthermore, it must be adapted to the diverse needs of stakeholders. For this reason, BUSINESSEUROPE has been advocating for giving participants the choice between a full cost reimbursement model and a reimbursement model based on a flat rate for indirect costs.

Should the option of full cost be ruled out for industry, BUSINESSEUROPE would favor the model included in the Council's partial general agreement. Total eligible costs should be reimbursed at 100% for research actions and at 70% for close to market actions. Indirect eligible costs should be calculated applying a flat rate of 25% to the total direct eligible costs.

Reimbursement of direct costs should be based on the beneficiary's usual cost accounting principles, without compulsory certification on the methodology.

BUSINESSEUROPE also encourages the finalization of Guidelines on "direct costing" to ensure an appropriate level of reimbursement for businesses using large and costly infrastructures.

- BUSINESSEUROPE calls on EU institutions to set up a Fast Track to Innovation instrument in Horizon 2020. This open-call instrument must be open to all participants and should follow a bottom-up-driven logic to evaluate and fund innovative ideas and research at any time applying a fast, standardized and reliable procedure. Resources needed in the design and implementation of this instrument could be reduced by building on experience gained in open-call pilots previously set up, e.g. the "Level zero" programme in the Theme dedicated to Transport in FP7.



- BUSINESSSEUROPE also supports a dedicated SME instrument, provided that only a small part of the 20% budget for SME's is allocated to it. Current practice shows the importance of an open innovation ecosystem in which SME's collaborate with large companies, universities and research institutes. Stimulating this collaboration should be an important part of Horizon 2020.

We count on your support to address these important issues and successfully finalize the Horizon 2020 Package under the Irish Presidency. Should you have any questions or comments, please do not hesitate to contact us.

Yours sincerely,

Markus J. Beyrer