

AUSTRIAN RESEARCH PROMOTION AGENCY FFG THE STRONG PARTNER IN R&D:



FFG

Major national funding agency

addressing the innovation base of the Austrian business sector **focus on applied research**

Comprehensive portfolio of funding instruments both for innovation-newcomers and innovation champions

Mobilisation and support of industry and science **for participation in European programmes** (e.g. FP7, H2020, EUREKA, etc.)

Budget 2014: 508 million EUR / 568 million \$

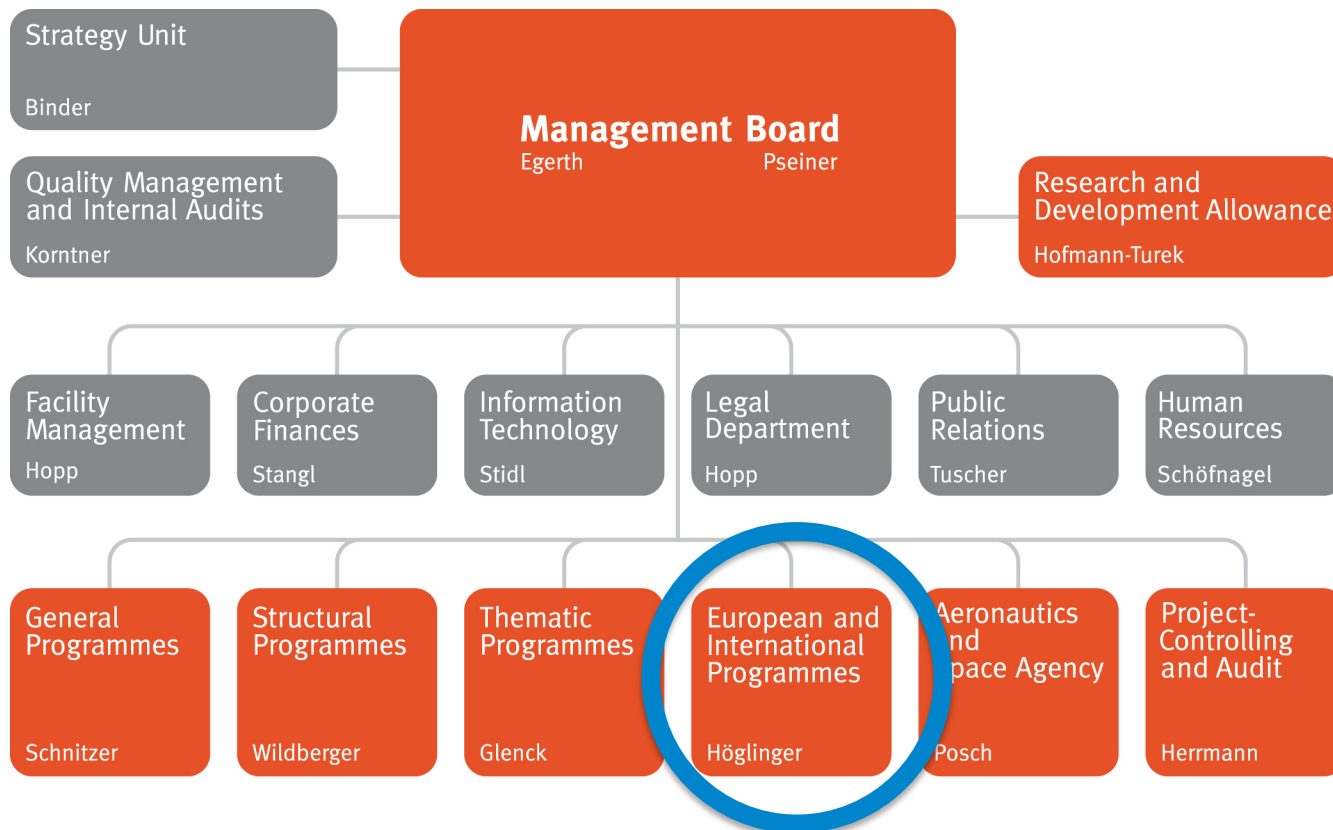
Staff 2014: 250 headcounts

Yearly: 3.000 projects involving
5.500 partners

>> Access to the entire Austrian R&D Community!



ORGANISATIONAL STRUCTURE



EUROPEAN AND INTERNATIONAL PROGRAMMES



- Enhancing the Austrian participation in European and international funding programmes
- Support of Austrian researchers in industry and science

- Establishing contacts with international R&D networks
- Monitoring Austrian participation in EU Framework Programme



- **Horizon 2020 National Contact Point**
- Austrian EUREKA Contact Point
- Enterprise Europe Network Office

- National competence and service centre for European and international R&D programmes and initiatives
- Professional information and counselling on all programmes by competent national contact points
- FFG training academy

Services:

- Supporting the EU-U.S. STI policy dialogue
- Raising awareness on research and innovation opportunities
- Fostering innovation partnerships
- Enhancing EU-U.S. research partnerships
- Communicating and disseminating relevant H2020 data and information

Consortium:

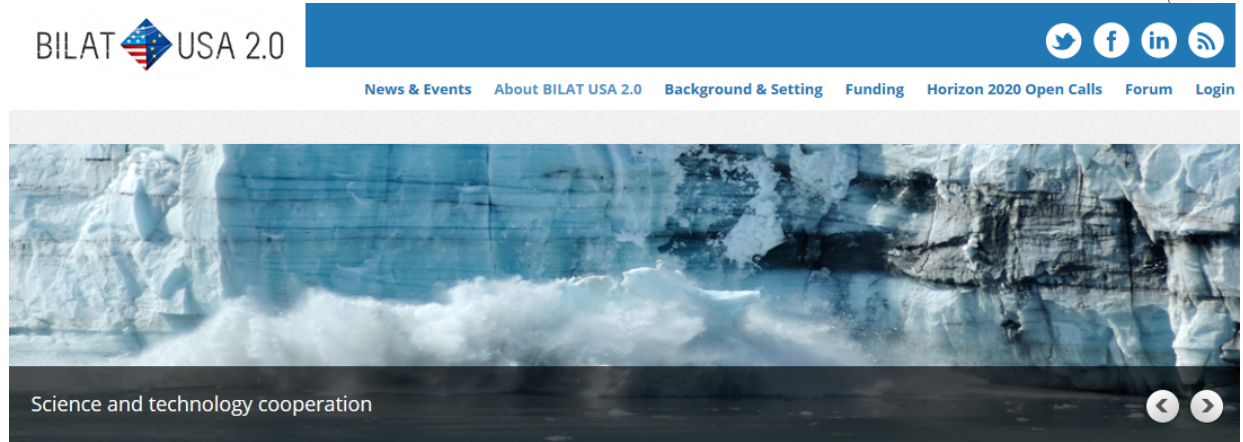
- 9 European partners
DLR (Germany), FFG (Austria), inno TSD (France), Biocat (Spain), AKA (Finland), Intrasoft International (Belgium), RCN (Norway), IPPT PAN (Poland), TUBITAK (Turkey)
- 4 US partners:
DMI, FIU, NCURA, CTR

DLR Contact:

Olaf Heilmayer Olaf.Heilmayer@dlr.de
Vera Kammann vera.kammann@dlr.de

FFG Contact:

Ralf König ralf.koenig@ffg.at
Elli B. Tzatzanis-Stepanovic elli.stepanovic@ffg.at



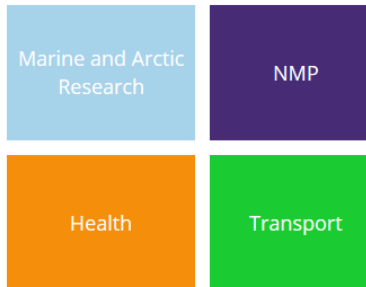
Home

BILAT USA 2.0 is a project funded by the European Union under FP7. It is a bilateral coordination activity to enhance and develop science, technology and innovation partnerships between the European Union and the United States of America. BILAT-USA 2.0 has three main goals:

- support the political dialogue within the framework of the EU-US STI cooperation agreement
- enhance the cooperation between scientists and innovation actors on both sides and spread information on funding possibilities through a number of workshops & events
- analyze the state-of-the-art and the progress of transatlantic science and technology cooperation.

In March 2013, the EU-US Joint STI Committee Meeting determined four research areas as priorities for transatlantic cooperation: Marine & Arctic Research, NMP, Health and Transport.

[Read More](#)




Events

-  Fit for Health 2.0 - Promotion Webinar SME Instrument
03-14-2014
-  BILAT USA 2.0 @ NCURA Pre-Award Research Administration Conference, March 18-20, 2014, San Francisco, CA
03-20-2014
-  Going global: fostering innovation & strengthening synergies
04-09-2014

[More Events](#)

Latest News

- **Legal framework and Grant Agreement**
- **Legal and financial issues**
- **Specific Legal issues relevant to U.S. participants**
- **EFSI – overview and relevance for H2020**



EU Financial Regulation
H2020 Rules for Participation
Work Programme

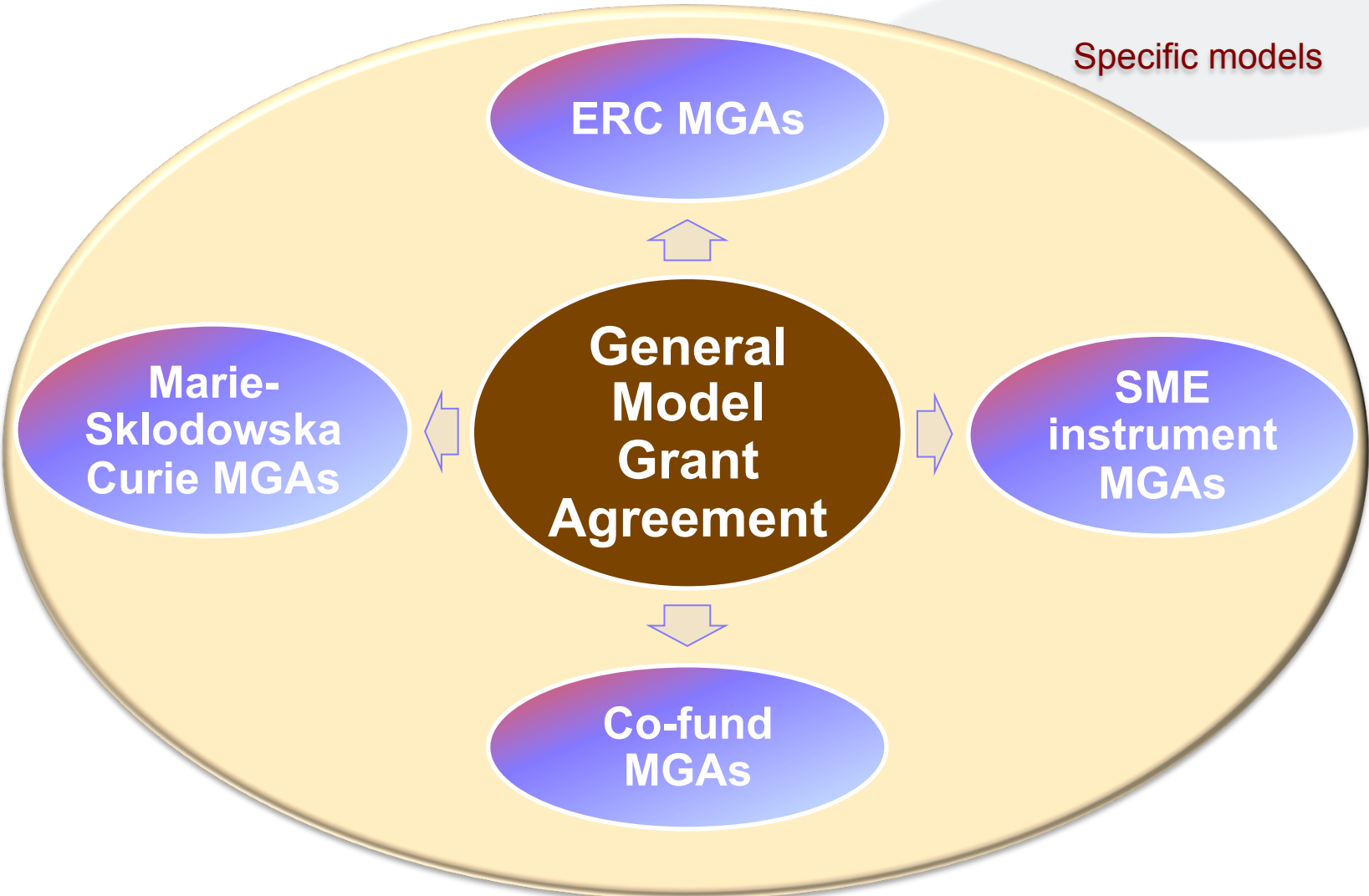
Grant Agreement (GA)

provides the rights and obligations
between the EC and the beneficiaries

Consortium Agreement (CA)

provides the rights and obligations
between the beneficiaries

Horizon 2020 model Grant Agreement:

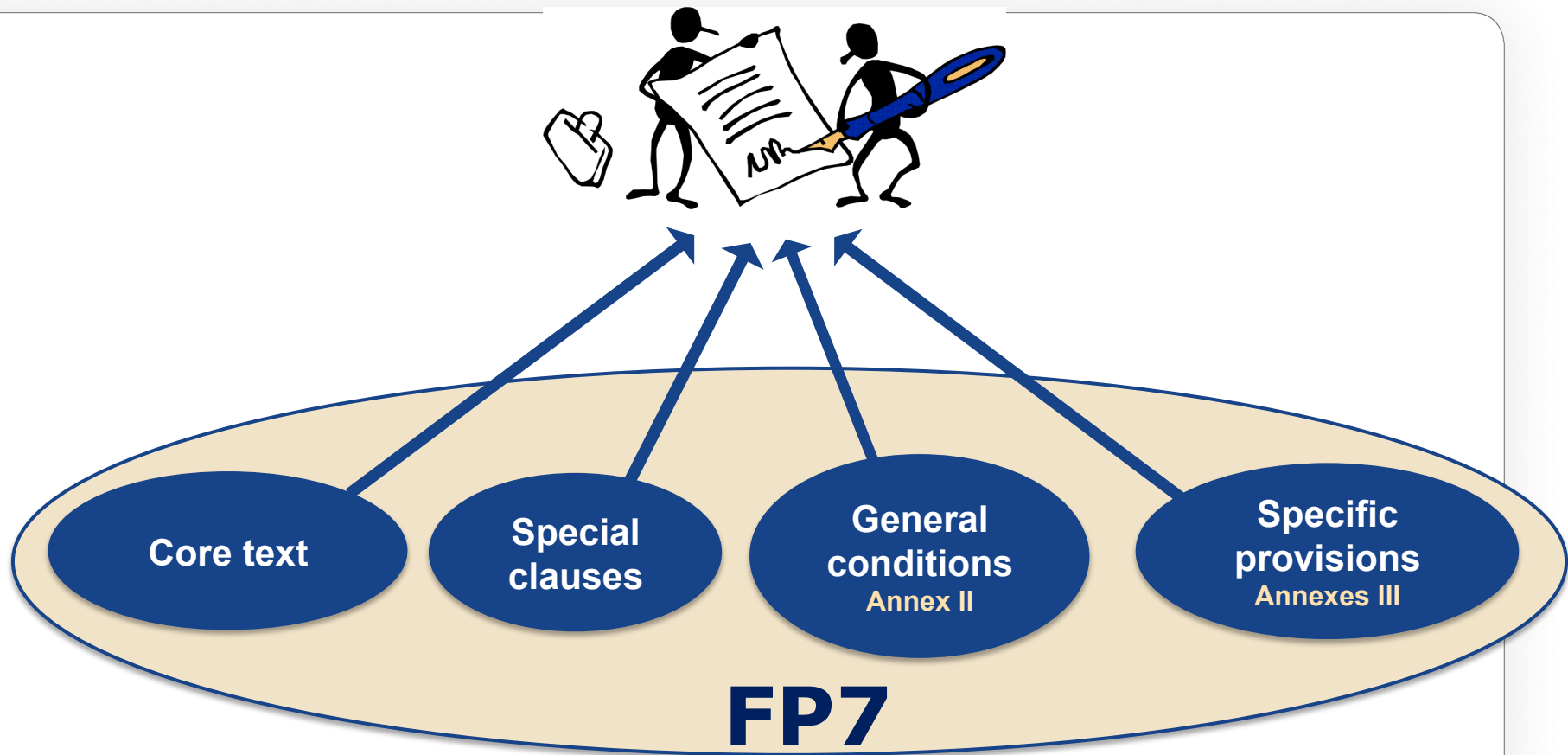


Horizon 2020 model Grant Agreement:

A single document with all provisions



FFG



Disclaimer: Information not legally binding

Chapter 1: General

- Single article: subject of the agreement

Chapter 2: Action

- Action, duration and budget

Chapter 3: Grant

- Amount, reimbursement rates, eligible costs

Chapter 4: Rights and obligations

- To implement the action: resources, in-kind contributions, subcontracts
- Grant administration: reporting, payments, audits
- Background and results: access rights, protection of results, exploitation, dissemination
- Others: gender equality, ethics, confidentiality

Chapter 5: Division of roles

- Roles and responsibilities, internal arrangements

Chapter 6: Rejection, reduction, penalties, termination, etc

- Rejection, reduction, recovery and penalties
- Suspension and termination of the action

Chapter 7: Final provisions

- Accession, entry into force, amendments, applicable law

Annex 1: Description of the action



Annex 2: Estimated budget

Annex 3: Accession Forms, 3a & 3b

Annex 4: Financial statements

Annex 5: Certificate on the financial statements

Annex 6: Certificate on the methodology

Grant Agreement

Model grant agreement

General Grant Agreement

European Research Council (ERC)

Marie-Sklodowska-Curie (MSC)

SME Instrument

ERANET Cofund

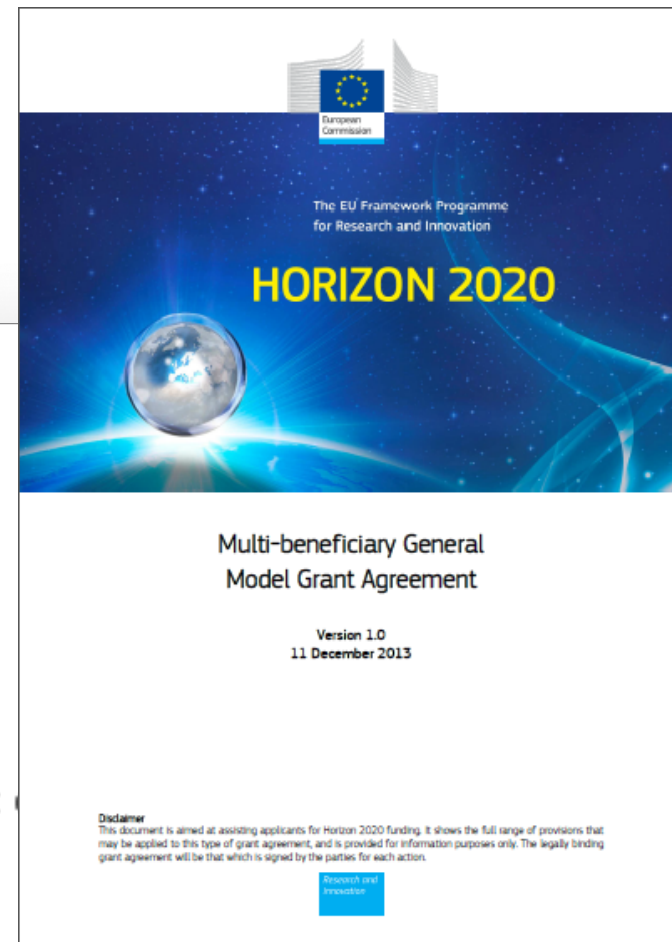
Pre-Commercial Procurement (PCP)/Public Procurement

European Joint Programme Cofund

Framework Partnerships

Annotated Model Grant Agreement

http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf



Multi-beneficiary General Model Grant Agreement

Version 1.0
11 December 2013

Disclaimer
This document is aimed at assisting applicants for Horizon 2020 funding. It shows the full range of provisions that may be applied to this type of grant agreement, and is provided for information purposes only. The legally binding grant agreement will be that which is signed by the parties for each action.



Rules for Participation provides that:

„...**members of a consortium** participating in an action shall **conclude an internal agreement** (“consortium agreement“)...”

“...CA may stipulate inter alia the following:

- ✓ the internal organization of the consortium;
- ✓ the distribution of the Union funding;
- ✓ rules on dissemination, use and access rights (additional to RfP and GA);
- ✓ arrangements for settling internal disputes;
- ✓ liability, indemnification and“

In no way allowed to contradict the Grant Agreement!

Consortium Agreement Guidance

Draft Guidance:

Establishing a Consortium Agreement



http://ec.europa.eu/research/participants/data/ref/h2020/other/gm/h2020-guide-cons-a_en.pdf

Further practical information and assistance:

IPR Helpdesk



<https://www.iprhelphdesk.eu/library>

Model Consortium Agreements



DESCA:

<http://www.desca-2020.eu/>

MCARD:

<http://www.digitaleurope.org/Services/H2020ModelConsortiumAgreement.aspx>

EUCAR:

http://www.eucar.be/publications/EUCAR_Model_Projects_Consortium_Agreement/at_download/file

- **Legal framework and Grant Agreement**
- **Legal and financial issues**
- **Specific Legal issues relevant to U.S. participants**
- **EFSI – overview and relevance for H2020**

Funding rate for “Research and Innovation actions”

**Direct
Costs**

**Indirect
Costs**

- **Indirect costs:**
25 % of the direct, eligible costs
(except subcontracting + third parties in-kind contribution not used on the beneficiaries premises)

Funded 100%



Direct Costs	Indirect Costs	Total	Funding rate	Funding
100 €	25 €	125 €	100 %	125 €

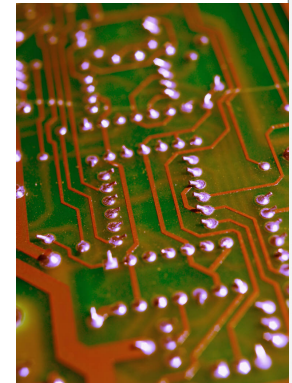
Funding rate for „Innovation actions“

Direct Costs

Indirect Costs

- **Indirect costs:**
25 % of the direct, eligible costs
(except subcontracting + third parties in-kind contribution not used on the beneficiaries premises)

Generally funded 70 %
„non-profit“ org.: 100 %



Type of organisation	Direct costs	Indirect costs	Total	Funding rate	Funding
General	100 €	25 €	125 €	70 %	87,5 €
Non profit org.	100 €	25 €	125 €	100 %	125 €

Costs Reimbursement



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direct eligible costs (actual/unit)

personnel costs

material costs

travel costs

subcontracts

project specific costs

New VAT

open access costs

indirect costs (flat rate 25%)

ineligible costs

customs duty

exchange rate loss

debts

costs in other projects

inappropriate costs

Eligible Costs – general conditions (Art. 6 GA)



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- ✓ Incurred by the **beneficiary** (or involved Third Parties)
- ✓ Incurred **during the action** (except costs for last reporting)
- ✓ Entered as eligible costs in the **estimated budget** of the action
- ✓ **Identifiable and verifiable**
- ✓ Must be **necessary** for the action as described in the GA
- ✓ Conform to corresponding national laws
- ✓ Conform to **beneficiary's usual accounting practice**
- ✓ Good housekeeping practice (**efficiency**)



CALCULATING PERSONNEL COSTS

ACTUAL PERSONNEL COSTS

Calculation method defined in the model grant agreement

UNIT COSTS

Calculated by the beneficiary according to its usual accounting practices

(Average personnel cost)

Fixed by Commission for SME owners and natural persons without a salary

1. Actual costs (hourly rate):

✓ **actual gross costs**

(last completed financial year at the end of the reporting period)

✓ ***divided by the annual productive hours***

(3 alternative methods: 1720 / Individual / Standard)

✓ **multiplied by the number of hours worked on the project**

2. „Unit costs“ :

- Calculated according to the **usual method** of the organisation



TOTAL REMUNERATION

Standard remuneration

Additional remuneration

Basic
Salary



"Mandatory extras"

- Fixed by law or by contract to remunerate the main activity of the employee
- Payment not subject to discretion by the employer
- Not linked to a specific project

Examples: 13th month, hazardous work allowance, etc.



Other bonuses

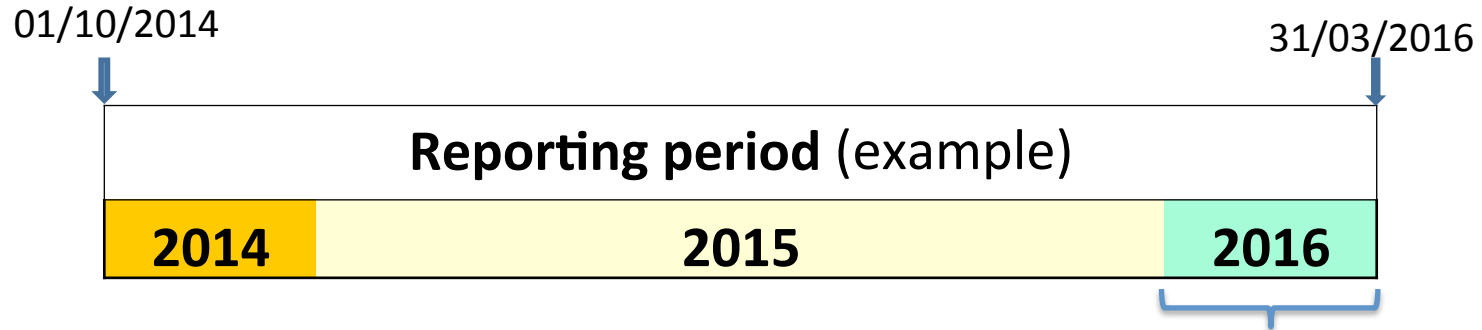
- Only eligible for non-profit legal entities
- Subject to specific eligibility criteria
- Maybe triggered by the participation in a specific project

Hourly rate

Use of the last closed financial year



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Hourly rates of 2015 will also be used for these months

ADVANTAGES FOR THE BENEFICIARIES

- ➔ NO ADJUSTMENTS TO BE DECLARED IN THE NEXT PERIOD
- ➔ LEGAL CERTAINTY: NO DOUBTS ABOUT WHAT PERIOD AND WHAT DATA MUST BE USED FOR THE CALCULATION
- ➔ REMOVES ERRORS DUE TO INCORRECT CALCULATIONS FOR FRACTIONS OF A YEAR



Personnel Costs II

3. Persons without a work contract:

- Costs are eligible under certain circumstances

4. Personnel seconded by a Third Party

- temporary transfer to a beneficiary as foreseen in Annex 1
- not necessarily working on the premises of the beneficiary
- person remains on Third Party payroll
- beneficiary reimburses the costs to the Third Party
- in-kind contribution against payment

Time-keeping records

For employees who spend **100 %** of their working time on the project, written confirmation is sufficient to confirm that they have worked exclusively on the project.

Purchase of goods, works und services:

- Best price-performance ratio or lowest price
- Public procurement law, if applicable

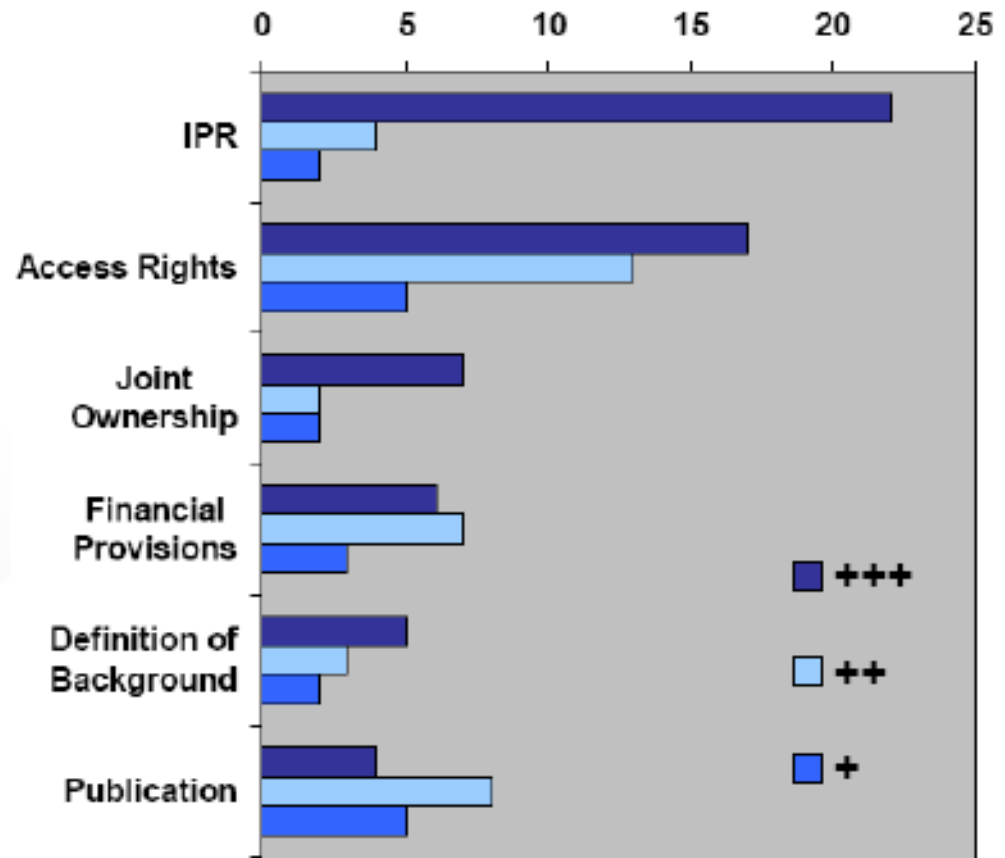
The **Value-Added-Tax (VAT)** is **eligible** provided that it will not be deductible.

Critical Issues: Examples

DESCA survey

"What are usually the most problematic issues during the negotiation of the consortium agreement?"

Number of mentions per category



IPR-Rules overview



CHAPTER 4, SECTION 3: Rights and Obligations related to **Background and Results**

Title	Article GA
Management of Intellectual Property <i>(only applicable for universities and public research org.)</i>	23a
Agreement on Background	24
Access Rights on Background	25
Ownership of Results	26
Protection of Results Visibility of EU Funding	27
Exploitation of Results	28
Dissemination of Results Open Access Visibility of EU Funding	29
Transfer and Licensing of Results	30
Access Rights to Results	31

Rules concerning background

Rules concerning project results



- **Background:** information, know-how and IP rights that participants hold before the signature of the GA and which are needed for the project.
- **Results:** data and knowledge originating from the project and related IP rights.
- **Dissemination/publication:** making Results available to the public.
- **Exploitation:** direct or indirect utilisation of Results (for further research, European or international standards, economic purposes).
- **Access rights:** licenses and user rights to Results and Background.



Background

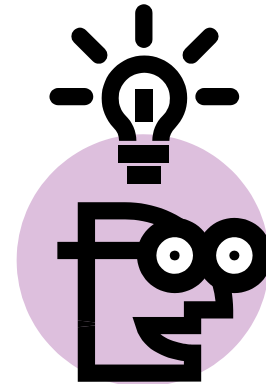
Project partners must identify their background in writing (e.g. in the consortium agreement).



Ownership

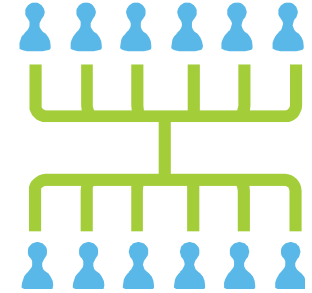
Project results are the **property of the participant** who generated them.

In cases fo „**Joint Ownership**“
=> Default provision



Access Rights

- Participants in the same action for implementation/exploitation purposes (MS/AC).
- **Affiliated entities** have access rights to background and results if this is needed to exploit the results generated by the affiliated beneficiaries.
- EU for non-commercial, policy related purposes.



- **Protection** where appropriate.
- **Exploitation:** best efforts obligation;
in specific cases the work programme/ grant agreement
can foresee specific exploitation obligations in the
European strategic interest.

- The Consortium is jointly and severally liable for the **technical implementation** – also non EU-funded partners.
- **NO financial joint and several liability.**
(Guarantee fund).



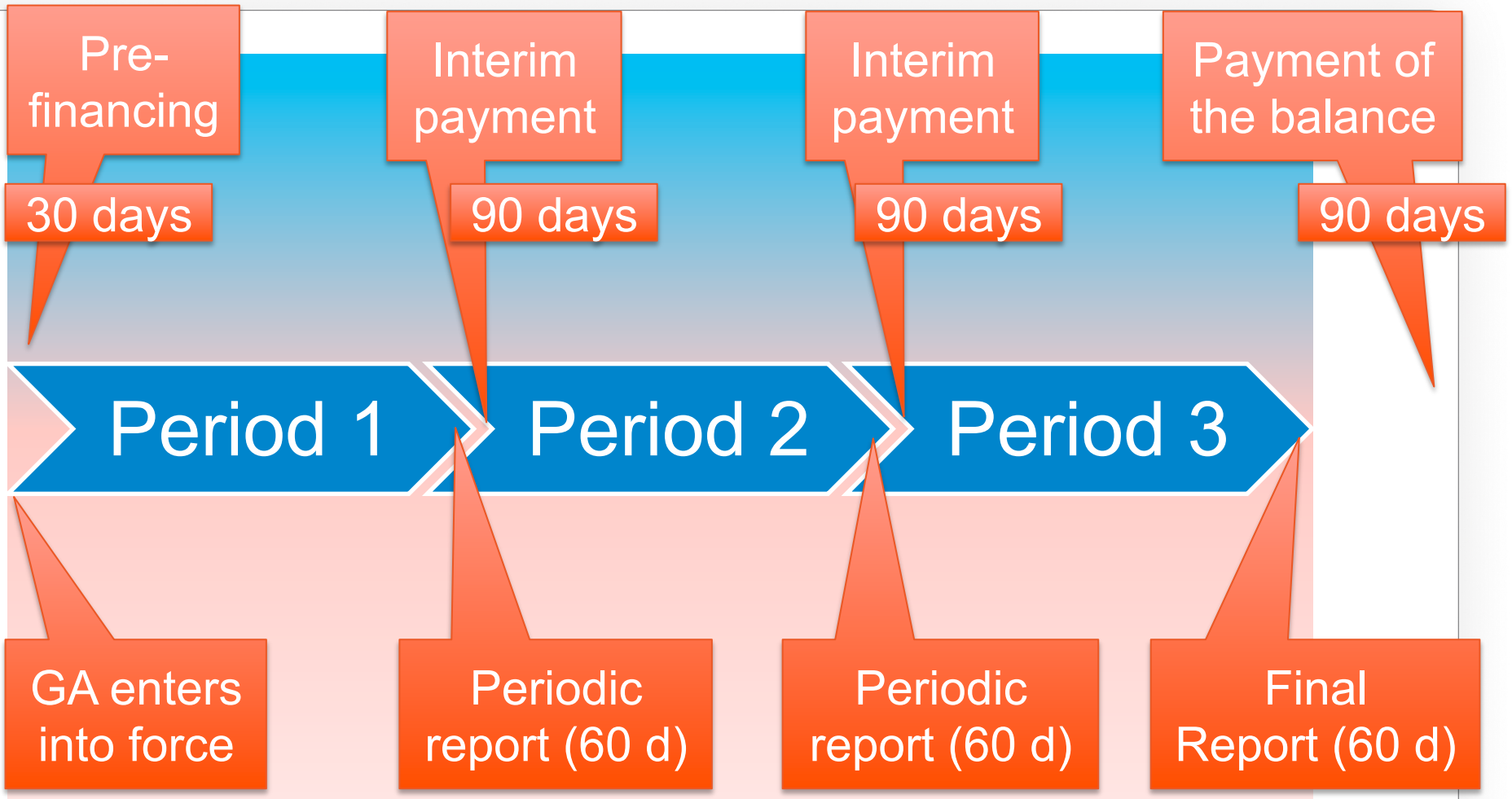
Scientific (peer-reviewed) publications:

- **Open Access as a basic principle** („green“ or „gold“)
- **No “obligation to publish“!**
- beneficiary must aim to deposit research data needed to validate the results
- ensure open access at the latest:
 - 1) on publication, if an electronic version is available, or
 - 2) within six months of publication (12 months for publications in the social sciences and humanities)
- OA costs are eligible for the duration of the project.

Research data:

- Pilot “**open Research Data Pilot**“
- GA regulates the details (opt out option, data management plan...)
- Legitimate interests of the project partners, data protection, security considerations and protection of intellectual property are to be taken into consideration.

Reporting requirements





Payment modalities and financial reporting (Art. 20, 21 GA)

- 1 pre-financing payment within 30 days
after start of action or entry into force of GA whichever is latest
 - ✓ includes 5% of maximum grant amount to the **guarantee fund**
- 1 or several interim payments within 90 days
of report reception and no time suspension
 - ✓ reimbursement of eligible costs for reporting period
 - ✓ subject to approval of report
- 1 payment of the balance within 90 days
of final report reception and no time suspension (Art. 47, 48 GA)

Pre- and interim payments (including the 5% for the guarantee fund) cannot exceed 90% of the maximum grant amount.



Payment modalities and financial reporting (Art. 20, 21 GA)

- Financial statements must be drafted in EUR (Art. 20.6 GA)
- **Beneficiaries with non-€ accounting**: currency conversion based on the **average** of the **daily exchange rates of the reporting period** as published in the C series of the Official journal of the European Union
<http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>
- The final report contains a "**Certificate on the financial statement**" for each beneficiary that requests a total EU contribution \geq €325.000.-
 - ✓ are to be submitted **only once at the end of the project.**



Audit, Checks, Reviews (Art. 22 GA)

- **Audits** = New balance between trust and control
=> **audit strategy** focused on **risk and fraud prevention**
- Possible within two years after „Balance Payment“;
Consequences: Rejection, reduction, recovery or other.
- **Checks** during the action on **proper implementation**.
- Reviews during and within 2 years after the payment of the balance
- Evaluation of the impact of the action (Art. 23 GA)
- **Financial viability check** only for **coordinators** (except for public bodies) with **EC contribution** to projects **>= €500k**

- **Legal framework and Grant Agreement**
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Legal rights and obligations depending on whether the U.S. organisation receives EU funding.

- ❖ **U.S. beneficiaries who will be granted EU-funding:**
all rights and obligations of the Grant Agreement apply

Please check if your organisation is legally entitled to sign the GA.

❖ **U.S. beneficiaries who will not be granted EU- funding:**

some obligations especially those related to cost reporting **will not apply** (Article 9 GA).

Other obligations will still remain:

IPR rules, transfer and licensing of results
access rights, dissemination of results incl. Open Access, ethics, administrative and financial penalties, liability for damages.

If US-project partner is **not** receiving EU funding...



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- ✓ ...must submit reports (but no financial reports)
- ✓ ...must keep records/other supporting documentation up to 5 years after final payment in order to prove:
 - the proper implementation of the action
 - scientific and technical implementation of the action in line with the accepted standards in the respective field.

BUT

- ✓ ...will not have a general obligation to exploit the results
- ✓ ...will not be subject to financial checks, reviews and audits.



Applicable law = EU law, supplemented by Belgian law.

Responsible Courts = EU General Court/Court of Justice for any dispute arising out of the GA.

Many U.S. Federal agencies/public research institutions are not allowed to accept EU/Belgium law and the jurisdiction of EU Courts.

- **Exception for non-EU beneficiaries:** if dispute between EC and non-EU beneficiary => the competent Belgian courts have sole jurisdiction.
- **Exception for non-EU beneficiaries without funding** => possibility of arbitration.

Administrative and financial penalties, liability for damages (Art 45 GA)



Beneficiaries found to have committed substantial errors, irregularities, fraud, serious breach of the GA or has made false declarations

=> liable to pay penalties

Beneficiaries must compensate (except force majeure) the EC for damage resulting from the implementation.

U.S. Federal agencies are not allowed to participate because U.S. law does not permit them to agree to penalty provisions.



EC right to object to transfers or licensing (Art 30.3 GA)

EC may object to the transfer of ownership/exclusive licensing of results, if:

- ✓ it is to a third party (in non-EU country) and
- ✓ it is not in line with EU interests regarding competitiveness, inconsistent with ethical principles or security considerations.

Could be problematic for U.S. affiliates established in the EU because of the possibility of hindering the transfer of project results.

„Affiliated entities” (Art. 14 GA)

...means any legal entity that is:

- under the direct or indirect control of a project partner, or
- under the same direct or indirect control as the project partner or
- directly or indirectly controlling a project partner

=> must be **an associated enterprise** (parent company / subsidiary company / affiliated company) of the project partner

- can only report their own actual costs
- Name/assignment of the „Third Party“ must be agreed in the GA

„Third party with a legal link to a beneficiary“

... any legal entity with a legal link to the beneficiary implying collaboration that is not limited to the action.

=> Ad hoc' collaboration agreements/contracts to carry out action work are therefore NOT covered by this case.

„Legal linked third Parties“

- can only report their own actual costs
- Name/assignment of the „Third Party“ must be agreed in the GA

! Linked third parties must fulfill the general conditions for participation and funding under Horizon 2020 (check WP) !

Subcontracting Costs (Art. 13 GA)

- Implementation of “certain” action tasks => as opposed to “Costs of other goods and services” (6.2 D3 GA)
- Best value for money or, if appropriate, the lowest price
- Mentioned in Grant Agreement (project description + estimated budget)
- Subcontracts not mentioned in Annex I are possible if they are approved by the Commission

Bilateral agreement (Please check subcontracting Art.13 GA)

- Legal relationship between only the U.S. organisation and one partner of the consortium (contribution to a work package or task).
- Project partner remains fully responsible to the EU for the work; consortium agreement acknowledges the U.S.-organisation's contribution.

NASA http://ec.europa.eu/enterprise/policies/space/files/research/principles_nasa_eu_en.pdf

In-kind contributions provided by third parties

- free of charge or against payment
- => eligible direct costs for the beneficiary if the costs incurred by the third party fulfil general and specific conditions for eligibility.

- **Legal framework and Grant Agreement**
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*" We are launching
an investment offensive.*

*A major new initiative
to get Europe growing again
and get people back to work."*

President Juncker

26 November 2014

European Fund for Strategic Investment

The three main strands



1. A new Fund (EFSI)
 - Guaranteed with public money
 - **EUR 315 billion 2015-2017**

2. A credible project pipeline
 - Coupled with an assistance programme
 - To channel investments where they are most needed

3. An ambitious roadmap
 - To make the EU more attractive for investment
 - To remove regulatory bottlenecks
 - mid 2015 fund will be operational

European Fund for Strategic Investment

Whats will the Fund focus on?



Four key objectives

1. Strategic infrastructure (digital, transport, energy)
2. Education and R&I
3. Investments boosting employment, e.g. SME funding and support to youth employment
4. Environmentally sustainable projects

European Fund for Strategic Investment Leveraging finance for investments



Horizon 2020
will contribute
with € 2.7
billion

EU guarantee
EUR 16 bn*

European Investment Bank
EUR 5 bn

Possible other
public and
private
contributions

European Fund for Strategic Investments
EUR 21 bn

EUR 16 bn

EUR 5 bn

x 15

Long-term investments
circa EUR 240 bn

SMEs and mid-cap firms
circa EUR 75 bn

Total extra over 2015-17:
circa EUR 315 bn**

* 50% guarantee = EUR 8 bn from Connecting Europe Facility (3.3), Horizon 2020 (2.7) and budget margins (2)
** Net of the initial EU contributions used as guarantee: EUR 307 bn

EU contribution to EFSI 2015-2018 Budgetary impact on H2020



- **Reduction of 3.5%** of the overall Horizon 2020 budget
- The main reductions will be between **2016** and **2018**
- Reduction in 2015 will be marginal
- Lower reduction for programmes concentrating on individual researchers (ERC and Marie Skłodowska-Curie)

How to be prepared?

Internal organisational process



- ✓ Please check the (annotated) grant agreement
it tells you what the EC expects you to do and what to report
- ✓ Please involve your relevant internal departments
(cost accounting, legal, human resources, audit...)
- ✓ Please adapt your internal procedure if necessary
e.g. time recording procedures, personnel cost calculation,...
- ✓ Please clarify in your organisation who should have which role
(LEAR, FSIGN, LSIGN...)
- ✓ Please contact the EC/KO at an early stage
to clarify unclear rules/procedures
- ✓ Stick to the rules you set up for the consortium

Further information

- **Horizon 2020 Webpage**
<http://ec.europa.eu/programmes/horizon2020>
- **Participant Portal**
<http://ec.europa.eu/research/participants/portal/desktop/en/home.html>
- **Reference Documents (RfP, Annotated Grant Agreement, manuals)**
http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference_docs.htm
- **Funding of applicants from non-EU countries**
http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/hi/3cpart/h2020-hi-3cpart_en.pdf
- **BILAT USA 2.0**
<http://www.euussciencetechnology.eu>

Wednesday, March 4



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AGENDA

PROGRAM LEVEL AND SUPPLEMENTAL TRACK KEYS

A – Advanced; B – Basic; I – Intermediate; O – Overview; U – Update

■ Compliance ■ Departmental ■ Federal ■ Funding Opportunities/
Proposal Development ■ Human Capital ■ International ■ Medical ■ PUI

1:00 – 5:00 PM | FREE WORKSHOP

Learning about Horizon 2020: The Opportunities and Hands-On Knowledge

If you are new to Horizon 2020, or even if you already know the potential opportunities for U.S. researchers, this workshop will provide: (1) an introduction to this €80 billion (\$90 billion) research program funded by the European Commission, and (2) hands-on training in finding appropriate funding opportunities, registering your institution in the electronic system, and suggestions for resolving common issues in the grant agreement. Finally, like any government grant program, there are restrictions on who can apply and how the money can be spent. This workshop will answer all of these questions as well as provide an opportunity to meet with European research managers who are very experienced in dealing with European Commission grants.

Learning Objectives: Participants will learn all that Horizon 2020 has to offer!

Martin Baumgartner*, *Austrian Research Promotion Agency (FFG)*
Oksana Rogalski, *Project Management Agency European and International Cooperation, German Aerospace Center*



Martin Baumgartner

Legal & Financial National Contact Point Horizon 2020

FFG – Austrian Research Promotion Agency
Division European and International Programmes

martin.baumgartner@ffg.at