Openness in international cooperation and no automatic eligibility for funding: two sides of the same coin! How?

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56th NCURA Annual Meeting
13 August 2014, Washington D.C.
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 U.S. partners:
  DMI, FIU, NCURA, CTR

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Session #1  Horizon 2020: at the end of the ocean?
Session #2  Openness in international cooperation and no automatic eligibility for funding: two sides of the same coin! How?
Session #3  Good models, bad examples! What can we learn from them?

Session Moderator:
• Elli Tzatzanis-Stepanovic | FFG-Austrian Research Promotion Agency

Session Roundtable Speakers:
• Viktoria Bodnarova | Euraxess Links USA
• Jong-on Hahm | George Mason University and National Science Foundation
• Siegfried Huemer | Vienna University of Technology
• Ralf König | FFG-Austrian Research Promotion Agency
• Michael Kusiak | University of California Office of the President
• Errol G. Levy | Delegation of the European Union to the United States of America
• Tom Wang | American Association for the Advancement of Science
International STI Cooperation

Why?

- Increasing international collaboration
  - 35% of articles published in international journals are internationally collaborative, up from 25% 15 years ago.
  - The average collaboration distance increased more or less linearly from 334 kilometres in 1980 to 1,553 km in 2009
  - Grand societal challenges
  - European Research Area and other ‘research areas’

- Research Infrastructures as focal points for collaboration

- Emergence of e-science
  - ICT infrastructure supporting collaborative research
  - Changing landscape of knowledge production
  - Increasing number of scientists and publications
  - Virtualisation of science
  - Transmission of scientific data
  - On-line joint research programmes
  - On-line, post-graduate inter-university programmes
International STI Cooperation

Why with Europe?

The European Union
500 million people - 28 countries - a single market*

- 7% of the World's population
- 24% of world expenditure on research
- 32% of high-impact publications
- 32% of patent applications

*Free movement of people, goods, services and capital
“According to the latest available estimates, Korea now ranks first among OECD countries in terms of its R&D intensity”*
Global R&D competition

Evolution of World R&D expenditure in real terms
PPS in millions € at 2000 prices*

"…internationally South Korea and the US defend their positions as top global innovators“
(EU Innovation Scoreboard 2014)

* China excluding Hong-Kong, Source: European Commission
“PPS”: “purchasing power standard”, within the Eurostat-OECD used as artificial “EU average” currency
Need to access knowledge produced outside Europe and gain access to new markets

Need to promote Europe as an attractive location and partner for research and innovation

Need to join forces globally to tackle global challenges

Goal: creating jobs & growth by more innovation(s)
Strengthening the Union’s excellence and attractiveness in research and innovation and its economic and industrial competitiveness

Tackling global societal challenges

Supporting the Union’s external policies
Enlargement and neighbourhood countries
- Focus on alignment with the ERA
- Support enlargement and neighbourhood policies
  (support to developing a common 'Knowledge and Innovation Space')

Industrialised (→ USA) and emerging economies
- Focus on competitiveness
- Tackle global challenges
- Business opportunities and access to new markets

Developing Countries
- Support development policy by building partnerships contributing to sustainable development
- Address relevant challenges
  (e.g. poverty-related diseases, energy and food security, biodiversity)
USA: One of the most successful cooperation partner country in FP7

U.S. Partners
- > 500 participations
- € 80 million financial contributions

Most popular themes: Health | ICT | Food, Agriculture, Fisheries, Biotechnology | NMP | Environment
Overview

- **How to participate?**
  - Opportunities for U.S. participants (incl. Marie Skłodowska-Curie actions and ERC)
  - General rules for participation
  - Main funding instruments

- **Legal & financial issues relevant to U.S. participants**
General openness
- Horizon 2020 is open to participation of researchers from anywhere in the world
- Industrialised & emerging economies will only receive funding under specific conditions

“Excellent science”
- Marie Skłodowska-Curie Fellowships: strong international dimension
  - European Industrial Doctorates (EID), European Joint Doctorates (EJDs), Global Fellowships, Research and Innovation Staff Exchange (RISE)
- ERC open to researchers from all over the world
  - research to be carried out mostly in EU Member States or Associated Countries

“Societal Challenges” and “Industrial Leadership”
→ targeted activities
- Projects with required or preferential 3rd country participation
- Joint or coordinated calls
- ERA-NETs
Societal Challenge 6 - “Inclusive, Innovative and Secure Societies”
- cross-cutting horizontal actions
  - Support for bilateral, multilateral and bi-regional policy dialogue
  - Coordination of EU and MS/AC international cooperation policies
  - Strengthening of European presence in international partner countries
- e.g. BILAT USA 2.0

Cooperation/funding opportunities offered (directly/indirectly) by EU funded/initiated multilateral research networks
- international outreach ?!
  - Joint Programming Initiatives (JPI)
  - Joint Technology Initiatives (JTI)
  - European Technology Platforms (ETP)
  - “Knowledge and Innovation Communities (KICs)” of the “European Institute of Innovation and Technology (EIT)”
  - “Future and Emerging Technologies (FET)” flagships
  - Private Public Partnerships (PPPs)
  - European Innovation Partnerships (EIP)
European Research Council

- supports frontier research, cross disciplinary proposals and pioneering ideas in
- new and emerging fields which
- introduce unconventional and innovative approaches.

- is encouraging the highest quality research in Europe through competitive funding and
- to support investigator-driven frontier research
- across all fields of research,
- on the basis of scientific excellence.
European Research Council

- 1 researcher; 1 host institution; 1 project; 1 selection criterion: scientific excellence
- No consortia, no networks, no co-financing
- Applications can be made in any field of research, including social sciences and humanities
- Independent researchers from anywhere in the world, of any age and career stage can apply
- Host institutions must provide conditions for the researcher to direct the research and manage its funding
- The grant is 'portable' to another host institution, if the grant holder wishes so
- Research must be carried out in one of the 28 EU member states or associated countries.
European Research Council

- **ERC Starting Grant** for young, early-career top researchers (2-7 years after PhD) - up to 2 million euro for a period of 5 years.
- **ERC Consolidator Grant** for already independent excellent researchers (7-12 years after PhD) - up to 2.75 million euro for a period of 5 years.
- **ERC Advanced Grant** for senior research leaders with significant research achievements in the last 10 years - up to 3.5 million euro for a period of 5 years.
- **ERC Proof of Concept Grants** for ERC grant holders who want to check the market and/or innovation potential of research results from ERC-projects - up to 150,000 euro for a period of 12 months.
- **ERC Synergy Grants** for small groups of individual researchers - up to 15 million euro for a period up to 6 years.
Marie Skłodowska-Curie actions
Viktoria Bodnarova | Euraxess Links USA
International STI Cooperation in Horizon 2020

Opportunities for non-EU countries

Target group: excellent scientists in all career stages

“Starters”: establish independent research team/programme

“Consolidators”: consolidate research team/programme

“Advanced”: novel, ambitious research programme

1 Principal Investigator (PI) + 1 Host Institution (HI)

- Minimum time commitment by PI (50%/30%)
- Funding goes to HI, but HI guarantees autonomy of PI
- ERC-Grants are portable – "Money follows researcher"

in EU-28 or Associated Countries

Principal Investigator (PI)

Host Institution (HI)
International STI Cooperation in Horizon 2020
Rules for participation (minimum criteria/conditions)

• **Standard conditions:**
a minimum of three mutually independent legal entities from different EU Member States (EU-28) or Associated Countries ➔ 4th, 5th,… partner organisation from (e.g.) USA

• **Exceptions:**
ERC, Coordination and Support Actions, SME-Instrument, ...:
➔ at least one legal entity

• **Additional eligibility criteria:**
possibly applicable in accordance with Work Programme, or call/topic
Applicants from non-EU countries are always free (eligible) to take part in Horizon 2020

Automatically funded countries => specified in the Work Programme

„Industrialised Countries“ (USA, …), BRIC and Mexico => no automatic funding, except in the case of:

✓ Funding is explicitly foreseen in the relevant call text or work programme
✓ Participation is deemed essential for the realisation of the project (outstanding competence/expertise, access to research infrastructure, access to particular geographical environments, access to data)
✓ Existing bilateral S&T agreement


U.S. partners are eligible under all topics in calls under the Societal Challenge ‘Health, demographic change and well-being’.
International STI Cooperation in Horizon 2020
Funding for non-EU applicants

What does ‘non-EU country’ or ‘third country’ mean?

This means any country/territory that is not one of the following:

- an EU Member State (EU-28) country
- an overseas country or territory linked to an EU country.

Applicants from non-EU countries fall into 2 categories:

- those automatically eligible for funding
- those not automatically eligible for funding (though they may still be funded in exceptional/justified cases).
Non-EU applicants that are NOT automatically eligible may be granted funding if:

- Funding is provided for in a bilateral scientific/technological agreement or similar arrangement between the EU and the country where the applicant is based.
- The call/topic for proposals clearly states that applicants based in such countries are eligible for funding.
- Their participation is deemed essential for carrying out the action by the Commission or the relevant funding body because it provides:
  - outstanding competence/expertise
  - access to research infrastructure
  - access to particular geographical environments
  - access to data.
International STI Cooperation in Horizon 2020

Overview cooperation instruments

- **Project Level Cooperation**
  - Grant Agreement Signature
    - with funding
    - without funding
    *(no special clauses in Horizon 2020 compared to FP7)*
  - „Third Party“ Participation
    - with funding
    - without funding

- **Programme Level Cooperation**
  - Joint Calls
    *(Article 12 Horizon 2020 Rules for Participation)*
  - Coordinated Calls
  - Synchronised Calls
Beneficiary (i.e. a "participant")

- legal entity which has signed the Grant Agreement and which is bound by its terms and conditions with regards to the European Union.
- must carry out an action or a part of an action funded under Horizon 2020.
- participant that do not receive EU funding but must carry out tasks under an agreement and comply with most of the obligations under the Grant Agreement.
- not receiving EU funding are usually third country participants - that are neither from an EU Member State nor from an associated country.

Legal entities which participate in Horizon 2020 by carrying out some tasks in an action, but which do not sign the Grant Agreement (including entities linked to the beneficiaries)

- are counted as "third parties involved in an action" (Articles 1 and 8 of the General Model GA - multi-beneficiary).
- are not bound by the terms and conditions of the Grant Agreement and consequently, the European Union (represented by the Commission or another funding body) has no obligation vis-à-vis third parties.

If necessary to implement the action, beneficiaries may use contracts and sub-contracting for the purchase of goods, works or services, in-kind contributions provided by third parties and also linked third parties carrying out tasks under an action.

**http://www.iprhelpdesk.eu/node/2549
Overview

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- **Legal & financial issues relevant to U.S. participants**
Legal rights and obligations depend 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 (and CA)?!
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.
Article 9 – Implementation of action tasks by beneficiaries not receiving EU funding

Multi-beneficiary General Model Grant Agreement

- must implement the action tasks attributed to them in Annex 1
- will not be subject to financial checks, reviews and audits
- may provide in-kind contributions to another beneficiary. In this case, they will be considered as a third party
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 may not be 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.
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 may not be allowed to participate because**

**U.S. law may not permit them to agree to penalty provisions?!**
Legal issues relevant to U.S. participants
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.
Legal issues relevant to U.S. participants

Alternative cooperations

Grant Agreement

• “Third party with a legal link to a beneficiary“ or
• „Affiliated entities“ (if applicable – please check Art. 14 GA)
• External U.S. experts participating on an ad hoc basis
  => EU-project partner may reimburse the travel/subsistance costs if the participation is envisaged in Annex 1

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.
PRINCIPLES REGARDING THE COOPERATION OF NASA PERSONNEL WITH PROJECTS FUNDED BY THE EU’S FRAMEWORK PROGRAMS IN THE AREA OF SPACE RESEARCH

Legal issues relevant to U.S. participants
If U.S. partner is not receiving EU funding…

✓ …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.
Legal issues relevant to U.S. participants

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 (or Delegation in Washington) 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

- Horizon 2020 Videos
  - Step by Step to ERC Grants
  - Horizon 2020 - How to apply?
  - Horizon 2020 - General overview
  - Horizon 2020 - EU Research and Innovation
  - Funding opportunities in health, ageing and wellbeing
  - ICT for societal challenges in H2020
  - etc.

- Participant Portal

- Participant Portal - Calls
Further information

• Participant Portal - Search Topics
  [link]

• Participant Portal - Reference Documents
  → Rules for participation, Annotated Grant Agreement, Manuals
  [link]

• Participant Portal - Online Manual
  [link]
  [link]

• Participant Portal – Function, Roles, … - step-by-step
  [link]
  [link]

• ECAS - European Commission Authentication Service FAQ
  [link]
Further information

• Funding of applicants from non-EU countries

• IPR Helpdesk
  [Link](https://www.iprhelpdesk.eu)

• TransAtlantic IPR Portal
  [Link](http://ec.europa.eu/enterprise/initiatives/ipr)

• SME Internationalisation Portal
  [Link](https://webgate.ec.europa.eu/smeip)
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