



National Information Center for Ukraine-EU S&T cooperation (NIP UKRAINE)



NCPs/Ukraine

***Financial &
Legal Issues***

***Access to Risk
Finance***

Your strategy in proposal writing

Strategy for Newcomers

Learning the Rules and Procedures

Contacting established networks and experience

UKRAINE/EU



Policy Drive for S&T Ukraine-EU cooperation

- Agreement on Co-operation in Science and Technology between the European Community and Ukraine (July 4, 2002)*
- Agreement between Ukraine and the European Union on the participation of Ukraine in the Union programme Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) (March 20, 2015)
- European Neighborhood Policy (Review of the European Neighborhood Policy, Brussels, 18.11.2015)
- **15 July 2015,**
The Verkhovna Rada of Ukraine adopted the Law "On Ratification of the Agreement by Exchange of Notes on Renewal of the Agreement on Scientific and Technological Cooperation between the European Community and Ukraine"

Agreement on Co-operation in Science and Technology between the EC and Ukraine

Article 4

Areas of cooperative activities

- (a) Cooperation may be pursued in research, technological development and demonstration activities, including basic research, in the following:
- environment and climate research, including earth observation,
 - biomedical and health research,
 - agriculture, forestry and fisheries research,
 - industrial and production technologies,
 - materials research and metrology,
 - non-nuclear energy,
 - transportation,
 - information society technologies,
 - social sciences research,
 - science and technology policy,
 - training and exchange of scientists.

Article 5

Forms of cooperative activities

- (a) Cooperation may include the following activities:
1. participation of Ukrainian entities in Community projects, in the areas of cooperative activities, and a reciprocal participation of entities established in the Community in Ukrainian projects in those areas. Such participation shall be subject to the laws, rules, regulations and procedures in force for each Party. Projects may also include a Party's scientific and technological organisations; projects may also be undertaken in cooperation with the Agencies and official bodies of the Parties;
 2. free access to, and shared use of research facilities, including installations and sites for monitoring, observation and experimentation, as well as data collections, relevant to the cooperative activities;
 3. visits and exchanges of scientists, engineers, or other appropriate personnel for the purposes of participating in seminars, symposia and workshops relevant to cooperation under this Agreement;
 4. exchange of information on practices, legislation, regulations and programmes relevant to cooperation under this Agreement;
 5. other activities as may be mutually determined by the Parties in accordance with the applicable policies and programmes of the Parties.
- (b) Joint research projects shall proceed under this Agreement only after the participants in a project have concluded a joint technology management plan, as indicated in the Annex 1 to this Agreement which forms an integral part thereof.
- (c) The Parties may jointly pursue cooperative activities with third parties.

Agreement on Co-operation in Science and Technology between the EC and Ukraine

- **Article 7**
Funding and taxes exemptions
- (a) Cooperative scientific and technological activities shall be subject to the availability of funds and to the applicable laws and regulations, policies and programmes of the Community and Ukraine. As a rule, each Party shall bear the costs of discharging its responsibilities under this Agreement, including costs of participation in meetings of the Committee.
- (b) When specific scientific and technological cooperative forms benefit from financial support of the European Community, either directly or indirectly through organisations set up with the participation of the European Community, provided to participants of Ukraine, any such grants, financial or other contributions from the European Community to participants of Ukraine in support of their scientific and technological activities, shall be granted tax and customs preferences. Any such grants shall be exempt by Ukraine from customs payments, any customs duties and fees, value added taxes, income taxes and any other taxes and duties of an equivalent effect.
- **Article 8**
Entry of personnel and equipment
- Each Party shall take all reasonable steps and use its best efforts, in accordance with its laws and regulations, to facilitate entry to, stay in and exit from its territory of persons, material, data and equipment involved in or used in cooperative activities under this Agreement.

Agreement on Co-operation in Science and Technology between the European Community and Ukraine

16.11.2011

The Verkhovna Rada of Ukraine adopted the Law "On Ratification of the Agreement by Exchange of Notes on Renewal of the Agreement on Scientific and Technological Cooperation between the European Community and Ukraine"

The agreement renews the Agreement on Scientific and Technological Cooperation between the European Community and Ukraine of July 4, 2002 signed in Copenhagen, which confirms importance of science and technology for the economic and social development of both Parties.

The Parties shall arrange an environment for cooperation in scientific and technological research to strengthen working relationship in the areas of common interest and encourage use of the results for the economic and social benefit of the Parties.

Ukrainian Party suggests that this note and note in answer from the Secretary General of the Council of the European Union should make up the Agreement on Renewal of the Agreement on Scientific and Technological Cooperation between the European Community and Ukraine which shall come into effect since the date the Parties notify of completion of their domestic procedures.

Secretary General of the Council of European Union confirms that the Agreement will be renewed for an extra five-year period since the date the Parties notify of completion of their domestic procedures.

The draft is registered under Reg. No. 0230.

EU-Ukraine Association Agreement

Title V, Economic and Sector Cooperation

Chapter 9, Cooperation Science and Technology

The Parties shall develop and strengthen their scientific and technological cooperation in order to contribute both to scientific development itself, and to reinforce their scientific potential for contributing to the resolution of national and global challenges. The Parties shall endeavour to contribute to progress in acquiring scientific and technological knowledge relevant to sustainable economic development, by strengthening their research capacities and human potential. The sharing and pooling of scientific knowledge will contribute to the competitiveness of the Parties, by increasing the ability of their economies to generate and use knowledge to commercialise new products and services. Finally, the Parties will develop their scientific potential in order to fulfil their global responsibilities and commitments in areas such as health-related issues, environmental protection including climate change and other global challenges.

ARTICLE 375

1. Such cooperation shall take into account the current formal framework for cooperation established by the Agreement on Cooperation in Science and Technology between the European Community and Ukraine, as well as the Ukrainian objective of gradual approximation to EU policy and legislation on science and technology.
2. Cooperation between the Parties shall aim at facilitating the involvement of Ukraine in the European Research Area.
3. Such cooperation shall assist Ukraine in reforming and reorganising its science management system and research institutions (including boosting its capacity for research and technological development), in order to support the development of a competitive economy and knowledge society.

ARTICLE 376

Cooperation shall take place particularly through:

- (a) exchange of information on each other's science and technology policies;
- (b) participation in the next EU Framework Programme for Research and Innovation Horizon 2020;

UKRAINE



MUST KNOW: Internal regulations

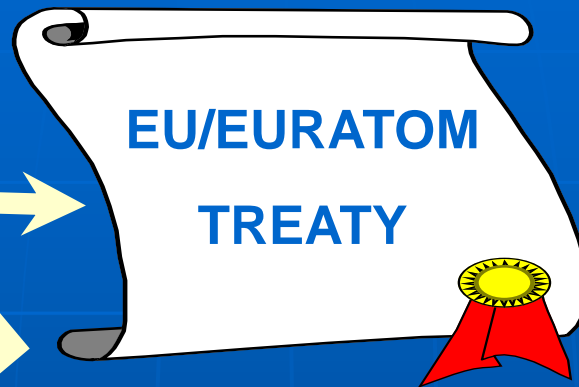
Exemples

- **Order of the Ministry of Finance of Ukraine, March 13, 1998 N 59**
“On approval of the Instruction on business trips within Ukraine and abroad”.
- **Resolution of the Ministry of Finance of Ukraine, 19 June 2013 p. № 427**
"On the amount and composition of the travel expenses of the civil servants and other persons sent on a mission by the enterprises, institutions and organizations wholly or partially funded by the State budget"
- **Resolution of the National Bank of Ukraine 07.06.2016 number 342**
“On implementation of requirement on sale (exchange in national currency) of incoming foreign currency on the interbank currency market of Ukraine...”
- **Accounting Regulations upon the National legislation of Ukraine (Depreciation....**
- etc

EU



Legal Framework



INTERNATIONAL
AGREEMENTS

FRAMEWORK
PROGRAMMES
(EU/Euratom)

RULES FOR
PARTICIPATION
(EU/Euratom)

SPECIFIC PROGRAMMES

WORK PROGRAMMES
&
Calls for proposals

Other relevant
EC Regulations
**FINANCIAL
REGULATION/
Implementing Rules**

Grant
Agreement

**Annotated Grant
Agreement**

Rules on
evaluation and
selection
procedures

Rules on
financial
capacity

Rules for participation

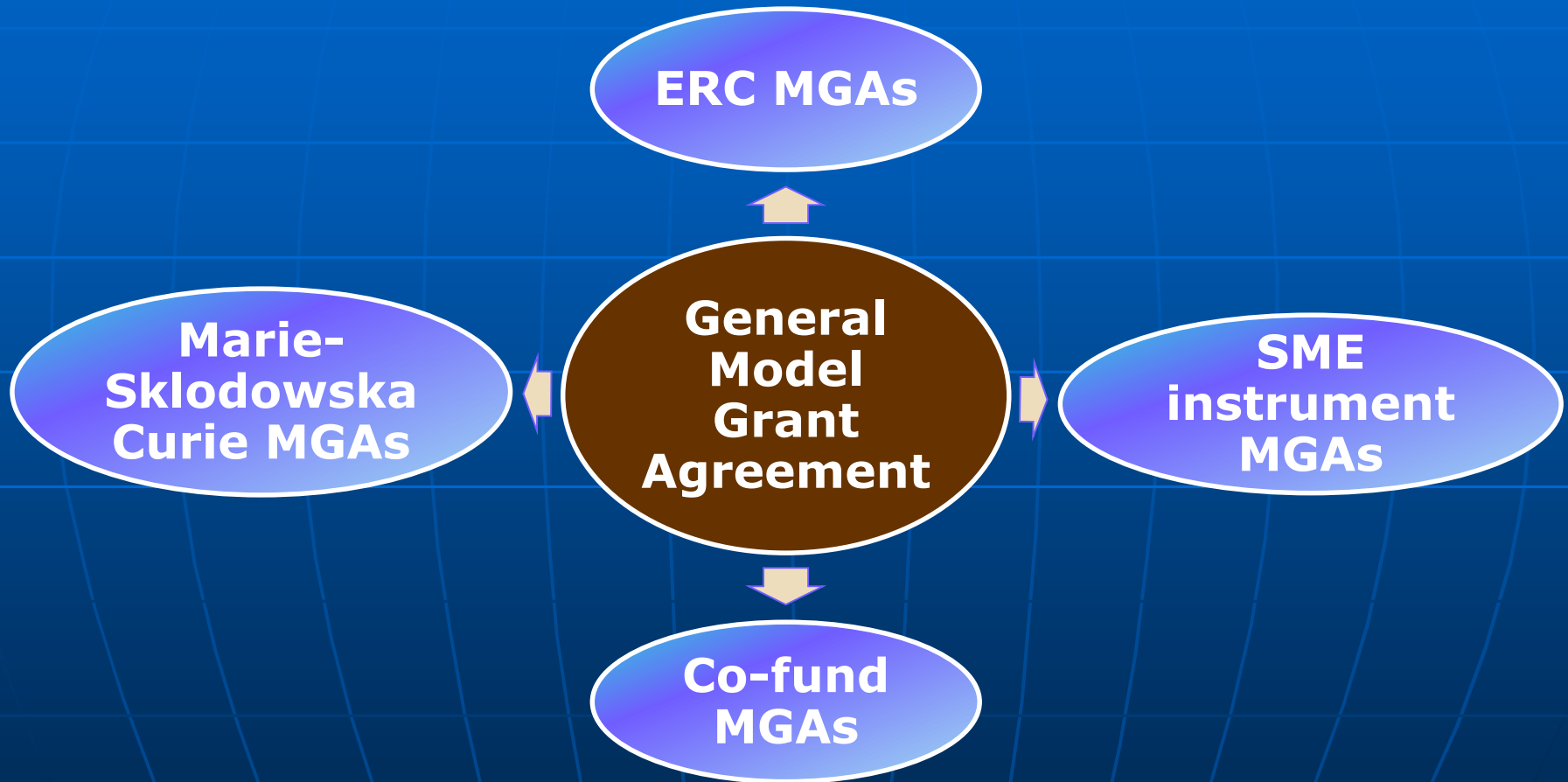
**REGULATION (EU) No 1290/2013 OF THE EUROPEAN PARLIAMENT
AND OF THE COUNCIL of 11 December 2013**

**laying down the rules for participation and dissemination in "Horizon
2020 - the Framework Programme for Research and Innovation (2014-
2020)" and repealing Regulation (EC) No 1906/2006**

[http://eur-
lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ%3AL%3A2013%3A347%3A
A0081%3A0103%3AEN%3APDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ%3AL%3A2013%3A347%3A0081%3A0103%3AEN%3APDF)

Horizon 2020 Model Grant Agreement

Specific models



AGA – Annotated Model Grant Agreement

Aim: to explain to applicants and beneficiaries the General Model Grant Agreement ('General MGA') and the different specific Model Grant Agreements ('Specific MGAs') for the Horizon 2020 Framework Programme for 2014-2020.

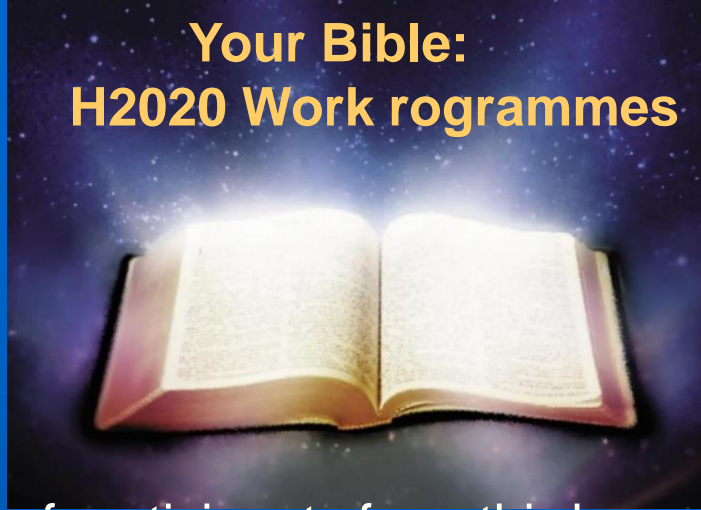
Purpose: to help users understand and interpret the GAs, by avoiding technical vocabulary, legal references and jargon, and seeking to help readers find answers to any practical questions they may have about particular parts of the GAs.

Horizon 2020 Model Grant Agreement

TABLE OF CONTENTS

I. GENERAL MODEL GRANT AGREEMENT (GENERAL MGA)	13
I.1 General MGA: Background information.....	13
I.2 General MGA: Annotations.....	14
CHAPTER 1 GENERAL	17
ARTICLE 1 — SUBJECT OF THE AGREEMENT.....	17
CHAPTER 2 ACTION	22
ARTICLE 2 — ACTION TO BE IMPLEMENTED [— COMPLEMENTARY GRANT] [— JOINTLY FUNDED ACTION].....	22
ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION.....	23
ARTICLE 4 — ESTIMATED BUDGET AND BUDGET TRANSFERS.....	23
CHAPTER 3 GRANT	24
ARTICLE 5 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATES AND FORMS OF COSTS.....	24
ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS.....	24
CHAPTER 4 RIGHTS AND OBLIGATIONS OF THE PARTIES	24
SECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE ACTION	24
ARTICLE 7 — GENERAL OBLIGATION TO PROPERLY IMPLEMENT THE ACTION.....	24
ARTICLE 8 — RESOURCES TO IMPLEMENT THE ACTION — THIRD PARTIES INVOLVED IN THE ACTION.....	24
ARTICLE 9 — IMPLEMENTATION OF ACTION TASKS BY BENEFICIARIES NOT RECEIVING EU FUNDING.....	24
ARTICLE 10 — PURCHASE OF GOODS, WORKS OR SERVICES.....	24
ARTICLE 11 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES AGAINST PAYMENT.....	24
ARTICLE 12 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES FREE OF CHARGE.....	24
ARTICLE 13 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS.....	24
ARTICLE 14 — IMPLEMENTATION OF ACTION TASKS BY LINKED THIRD PARTIES.....	24
ARTICLE 15 — FINANCIAL SUPPORT TO THIRD PARTIES.....	24
ARTICLE 16 — PROVISION OF TRANS-NATIONAL OR VIRTUAL ACCESS TO RESEARCH INFRASTRUCTURE.....	24
SECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION	24
ARTICLE 17 — GENERAL OBLIGATION TO INFORM.....	24
ARTICLE 18 — KEEPING RECORDS — SUPPORTING DOCUMENTATION.....	24
ARTICLE 19 — SUBMISSION OF DELIVERABLES.....	24
ARTICLE 20 — REPORTING — PAYMENT REQUESTS.....	24
ARTICLE 21 — PAYMENTS AND PAYMENT ARRANGEMENTS.....	24
ARTICLE 22 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS.....	24
ARTICLE 23 — EVALUATION OF THE IMPACT OF THE ACTION.....	24
SECTION 3 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND AND RESULTS	24
ARTICLE 23a — MANAGEMENT OF INTELLECTUAL PROPERTY.....	24
ARTICLE 24 — AGREEMENT ON BACKGROUND.....	24
ARTICLE 25 — ACCESS RIGHTS TO BACKGROUND.....	24
ARTICLE 26 — OWNERSHIP OF RESULTS.....	24
ARTICLE 27 — PROTECTION OF RESULTS — VISIBILITY OF EU FUNDING.....	24
ARTICLE 28 — EXPLOITATION OF RESULTS.....	24
ARTICLE 29 — DISSEMINATION OF RESULTS — OPEN ACCESS — VISIBILITY OF EU FUNDING.....	24
ARTICLE 30 — TRANSFER AND LICENSING OF RESULTS.....	24
ARTICLE 31 — ACCESS RIGHTS TO RESULTS.....	227
SECTION 4 OTHER RIGHTS AND OBLIGATIONS	232
ARTICLE 32 — RECRUITMENT AND WORKING CONDITIONS FOR RESEARCHERS.....	232
ARTICLE 33 — GENDER EQUALITY.....	235
ARTICLE 34 — ETHICS.....	236
ARTICLE 35 — CONFLICT OF INTERESTS.....	240
ARTICLE 36 — CONFIDENTIALITY.....	242
ARTICLE 37 — SECURITY-RELATED OBLIGATIONS.....	244
ARTICLE 38 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING.....	248
ARTICLE 39 — PROCESSING OF PERSONAL DATA.....	251
ARTICLE 40 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE [COMMISSION][AGENCY].....	255
CHAPTER 5 DIVISION OF BENEFICIARIES' ROLES AND RESPONSIBILITIES — RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES — RELATIONSHIP WITH PARTNERS OF A JOINT ACTION	256
ARTICLE 41 — DIVISION OF BENEFICIARIES' ROLES AND RESPONSIBILITIES — RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES — RELATIONSHIP WITH PARTNERS OF A JOINT ACTION.....	256
CHAPTER 6 REJECTION OF COSTS — REFLECTION OF THE GRANT — RECOVERY — PENALTIES — DAMAGES — SUSPENSION — TERMINATION — FORCE MAJEURE	264
SECTION 1 REJECTION OF COSTS — REFLECTION OF THE GRANT — RECOVERY — PENALTIES	264
ARTICLE 42 — REJECTION OF INELIGIBLE COSTS.....	264
ARTICLE 43 — REDUCTION OF THE GRANT.....	268
ARTICLE 44 — RECOVERY OF UNDEE AMOUNTS.....	273
ARTICLE 45 — ADMINISTRATIVE AND FINANCIAL PENALTIES.....	283
SECTION 2 LIABILITY FOR DAMAGES	287
ARTICLE 46 — LIABILITY FOR DAMAGES.....	287
SECTION 3 SUSPENSION AND TERMINATION	290
ARTICLE 47 — SUSPENSION OF PAYMENT DEADLINE.....	290
ARTICLE 48 — SUSPENSION OF PAYMENTS.....	293
ARTICLE 49 — SUSPENSION OF THE ACTION IMPLEMENTATION.....	296
ARTICLE 50 — TERMINATION OF THE AGREEMENT OR OF THE PARTICIPATION OF ONE OR MORE BENEFICIARIES.....	301
SECTION 4 FORCE MAJEURE	317
ARTICLE 51 — FORCE MAJEURE.....	317
CHAPTER 7 FINAL PROVISIONS	318
ARTICLE 52 — COMMUNICATION BETWEEN THE PARTIES.....	319
ARTICLE 53 — INTERPRETATION OF THE AGREEMENT.....	322
ARTICLE 54 — CALCULATION OF PERIODS, DATES AND DEADLINES.....	323
ARTICLE 55 — AMENDMENTS TO THE AGREEMENT.....	324
ARTICLE 56 — ACCESSION TO THE AGREEMENT.....	335
ARTICLE 57 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES.....	338
ARTICLE 58 — ENTRY INTO FORCE OF THE AGREEMENT.....	342
I.3 Specific issues per country.....	343
II. ERC MGAs	344
II.1 Background information and approach.....	344
II.2 H2020 ERC MGA: Annotations.....	348
ARTICLE 2 — ACTION TO BE IMPLEMENTED.....	349
ARTICLE 4 — ESTIMATED BUDGET AND BUDGET TRANSFERS.....	350
ARTICLE 5 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATE AND FORMS OF COSTS.....	351

Your Bible: H2020 Work programmes



- Restrict eligibility of participants from third countries (e.g. security concerns, reciprocity)
- Introduce additional eligibility criteria
- Number of participants, type of participant and place of establishment
- Lay down further details for the application of the award criteria, and specify weighting and thresholds – see general annexes
- Specify third countries that are eligible for funding
- Specify the funding rate for an action
- Specify that lump sums or scale of unit costs can be used for an action (subject to prior separate Commission Decision)
- Identify beneficiaries for grants without a call for proposals etc

Costs Reimbursement



Cost reimbursement

- **Personnel costs**
- **Wider acceptance of average personnel costs**
- **Acceptance of supplementary payments (for non-profit organisations of up to 8000 euros/year/person)**
- **Simplifying participation for SMEs**
- **Less requirements for time records**
- **...and more in the Horizon 2020 Grant Agreement**

“Personnel costs are eligible, if they are related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and assigned to the action (‘costs for employees (or equivalent)’). They must be limited to salaries (including during parental leave), social security contributions, taxes and other costs included in the remuneration, if they arise from national law or the employment contract (or equivalent appointing act)....(AMGA).

Background documents

Horizon 2020 Rules for Participation¹ Article 27 – Direct eligible personnel costs

Horizon 2020 Annotated Model Grant Agreement² Article 6 – Eligible and ineligible costs

Exchange rates provisions

- Beneficiary's accounts in Euro
For purchases in other currencies ⇒ conversion into Euro according to its usual accounting practice
- Beneficiary's accounts in other currencies
Average of the daily exchange rates published in the Official Journal of the EU calculated over the reporting period

Calculation shortcut: you may use the editable charts on the website of the European Central Bank at:

<http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>



Time to grant: speeding up the process

A maximum TTG of 8 months

5 months for informing all applicants on scientific evaluation

3 months for signature of GA

No more negotiations:

each proposal evaluated 'as it is',
not as 'what could be';

Legal entity validated in parallel.

No more paper:

e-communication & e-signature of grants.

How to speed up the process

- ✓ **No more negotiations:**
each proposal evaluated 'as it is',
not as 'what could be';
- ✓ **Legal entity validated in parallel.**
- ✓ **No more paper:**
e-communication & e-signature of grants.

The image shows a screenshot of the Horizon Europe Research & Innovation Participant Portal website. The page title is 'Welcome to the Research and Innovation Participant Portal'. The website header includes the European Union flag and the text 'RESEARCH & INNOVATION'. The main content area is divided into two columns of text, with a row of six icons at the bottom. The icons represent various aspects of the research process: a globe, a building, a person, a document, a person, and a person.

Payments

	Time-to-Pay	From
One Pre-financing	30 days	From: entry into force or 10 days before the starting date (whichever is the latest)
→ Retention 5 % of maximum grant for the Guarantee Fund		
Interim Payments	90 days	From reception of periodic report
→ Based on financial statements (EU contribution = eligible costs approved * reimbursement rate)		
→ Limit = 90 % of the maximum grant (Retention 10%)		
Payment of the Balance	90 days	From reception of final reports

Controls and Audits

- **Financial viability**
Restricted to coordinators for projects \geq €500 k€
- **Audit certificates**
Only for final payments/per beneficiary /for actual costs \geq €325 000 €
Optional Certificates on average personnel costs
- **Ex-post audits**
Provisions in **Horizon 2020 Regulation!**
Commission's audits up to two years after payment of the balance
Audit strategy focused on risk and fraud prevention
- **Continuity with FP7**
Guarantee Fund



FP7 10 most common errors

1. Costs claimed are not substantiated or not linked to the project
2. Third parties and subcontracting costs not properly reported
3. Depreciation costs not correctly charged to the project
4. Indirect costs model not properly reflecting the entity's reality
5. Indirect costs – ineligible costs included
6. Personnel costs – calculation of productive hours
7. Personnel costs – charging of hours worked on the project
8. Personnel costs – use of average personnel costs
9. Payment of salaries to owner/managers of SME
10. VAT

Additional info

H2020 Participant Portal

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

-  Horizon 2020 Annotated Grant Agreement
http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf
-  Horizon 2020 On-line Manual
<http://ec.europa.eu/research/participants/portal/desktop/en/funding/guide.html>
-  Questions? *Research Enquiry Service*
<http://ec.europa.eu/research/enquiries>

Horizon 2020 Ukraine National Portal

h2020.com.ua

The screenshot shows the homepage of the Horizon 2020 Ukraine National Portal. At the top left, there is a logo for the Ministry of Education and Science of Ukraine. The main header features the text 'ГОРИЗОНТ 2020. НАЦІОНАЛЬНИЙ ПОРТАЛ' and 'HORIZON 2020' with a globe icon. Below the header is a navigation menu with links: ГОЛОВНА, ГОРИЗОНТ 2020, ПОДІЛ, ПІДТРИМКА, ІНШІ ПРОГРАМИ, МСП, КОНТАКТИ, and ENGLISH. The main content area displays two news items. The first is titled 'Інфодень «Дії Марії Склодовської – Кюрі для розвитку навичок, навчання та кар'єри»' with a date of 06.10.2016. The second is titled 'Інформаційний день Європейського інституту інновацій і технологій' with a date of 29.09.2016. On the right side, there is a sidebar with sections: 'Мова сайту' (Language) with options for Ukrainian and English, 'Важливо' (Important), 'Без рубрики' (Uncategorized), 'Новини' (News), and 'Пошук' (Search).

Horizon 2020 Mini Guide

H2020 Financial Rules. Budget

H2020 Financial Rules. Subcontract.
Third Parties

H2020. SME Instrument

H2020.Registration

H2020.Partners Search Service

H2020. Mobility Program

H2020.EURACCESS

H2020. IPR

+NCPs contribution



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Thanks for your attention