

UKRO Horizon 2020 Condensed

What is 'International cooperation' in Horizon 2020?

International cooperation (INCO) in research and innovation is important to strengthen European academia and industry, and to help better address global societal challenges and support the EU's external policies. In the context of Horizon 2020, **international cooperation refers to collaboration with any legal entity based in the so-called 'third countries'** that are neither EU Member States nor Associated Countries. This includes new global players, such as the BRIC countries (Brazil, Russia, India and China) or established global leaders, like the USA, Canada, Japan and Australia.

There is no specific programme dedicated to international cooperation within Horizon 2020, unlike in FP7 with its International Cooperation theme under the *Capacities* programme. Instead, collaborative projects involving international partners are encouraged across the whole of Horizon 2020. Multi-annual roadmaps for cooperation were developed for key partner countries, such as the EFTA countries, EU enlargement countries, European Neighbourhood Policy countries, industrialised economies, emerging economies and developing countries.

What can be funded?

International cooperation is supported by Pillar 1 of Horizon 2020, more specifically by the Marie Skłodowska-Curie Actions, the European Research Council and Research Infrastructures, and focus on researcher-driven activities that are open to researchers from third countries. A second area targets international cooperation activities through all seven societal challenges (Pillar 3) and the enabling and industrial technologies challenge (Pillar 2), such as ICT, Space and the Key Enabling Technologies (KETs). There are also cross-cutting international cooperation activities, such as supporting policy dialogue in research and innovation with international partners, which are supported by Societal Challenge 6 on Europe in a changing world – inclusive, innovative and reflective Societies.

Another area of Horizon 2020 that supports international cooperation is EURATOM.

Funding, eligibility and project details

The funding instruments for supporting international cooperation include research and innovation projects (collaborative projects with international partners), networking activities, and joint initiatives with international partners, such as coordinated calls/and joint calls.

In principle, any legal entity based in third countries is able to participate in Horizon 2020, however unlike in FP7, only countries that have a GDP below a certain threshold are eligible to receive EU funding automatically. These countries are mentioned in **Annex A** to the Horizon 2020 Work Programme. The specified threshold effectively excludes the BRIC countries and Mexico from automatically receiving EU funding, although South Africa, for instance, is still eligible to receive it. Funding for participants from countries above this threshold may be possible in the following exceptional cases:

- If the topic/call text explicitly mentions the availability of such funding (e.g. **INT-1-2015**);
- If the Commission deems the participation of a legal entity based in a third country necessary for the success of the project because it can provide expertise or access to geographical areas, data or infrastructures that cannot be found anywhere in Europe; or
- If the funding is provided under a bilateral agreement specifying such funding – only one such agreement is currently in place, allowing legal entities in the USA to receive EU funding under Societal Challenge 1 – Health, demographic change and wellbeing.

National co-funding mechanisms in third countries

To facilitate the participation of researchers from third countries that no longer automatically qualify to receive EU funding under Horizon 2020, the Commission often negotiates the creation of the so-called 'co-funding mechanisms' with various research funding bodies. These funds are administered by the national ministries or research funders in the relevant third countries, independently from the European

Commission, and normally include a separate (rather straightforward) review process. Most funds under the co-funding mechanisms are awarded automatically after the successful evaluation of the relevant Horizon 2020 project, which includes the third country partner, although procedures can vary from country to country.

To date, the following national co-funding programmes have been created:

- Co-funding for most or all thematic areas:
 - Republic of Korea, Mexico, China, Taiwan, Hong Kong and Macau, Russia
- Co-funding for selected thematic areas:
 - Australia (Societal Challenge 1), Japan, India;
- Co-funding by region:
 - Canada (Quebec), Brazil (São Paulo, Santa Catarina, Goiás, Minas Gerais, Goiás, and Amparo à Pesquisa)
- Countries where no jointly agreed mechanism for co-funding Horizon 2020 projects is currently in place:
 - New Zealand, USA...

Involving organisations from third countries that are not eligible to receive Horizon 2020 funding in projects

Beneficiaries

Organisations from third countries that are not eligible to receive EU funding, can participate as beneficiaries in many parts of Horizon 2020 with full rights and obligations under the Horizon 2020 Grant Agreement, which they need to sign. Their involvement must be indicated already at the proposal stage and subsequently included in Annex 1 (Description of the Action), and their costs identified in Annex 2 (Estimated budget), although they can only get reimbursed in exceptional cases (e.g. if their participation is crucial for the success of the project and they cannot receive funding from a national co-funding mechanism). The activities performed by beneficiaries must be included in the technical reporting.

Third parties

- **Contracts for goods, works and services (Article 10), third parties providing in-kind contributions against payment or free of charge (Articles 11 and 12), subcontracts (Article 13) and linked third parties (Article 14)** – organisations from third countries that are not eligible to receive EU funding can participate as third parties if they meet the conditions set out in the respective articles of the Horizon 2020 Model Grant Agreement. They do not sign the grant agreement and thus do not receive the funding directly from the European Commission, but their involvement must be indicated already at the proposal stage (with the exception of contracts for goods, works and services) and subsequently included in Annex 1 (Description of the Action), and their costs identified in Annex 2 (Estimated budget). These third parties get the funding indirectly (via their respective beneficiaries).
- **International partners under Article 14a** – only organisations from countries not mentioned in Annex A to the Horizon 2020 Work Programme can participate as international partners under Article 14a. Their involvement must be indicated already at the proposal stage and subsequently included in Annex 1 (Description of the Action), and their costs identified in Annex 2 (Estimated budget) for statistical purposes, although they will not be reimbursed for their work on the project. Like the other types of third parties, international partners participating in projects under Article 14a do not sign the grant agreement and thus do not have any direct obligations imposed on them by the Commission. However, their beneficiaries must ensure that they comply with several key requirements related to reporting, keeping (non-financial) records, etc. The activities performed by international partners under Article 14a must be included in the technical reporting.

This new option for third parties was introduced in version 4.0 of the Horizon 2020 Grant Agreement, published on 27 February 2017, and **does not apply to earlier versions of the document**. The Commission decided to introduce Article 14a to promote collaboration with non-European partners, knowing that it is not always possible for organisations based in industrialised countries and emerging economies that are not eligible to receive Horizon 2020 funding (such as Australia, USA, Canada, Japan, BRIC countries and Mexico) to be full beneficiaries on projects (e.g. if they are unable to sign the grant agreement for legal reasons).

Implementing Arrangement with USA/Institutional Arrangement with Canada

In 2016, Canada and the USA signed **Institutional/Implementing Arrangements** with the European Union, which recognise that some **public** legal entities from these countries cannot sign the Horizon 2020 Grant Agreement for legal reasons and allow them to collaborate with Horizon 2020-funded consortia outside of the programme's legal framework. In Canada, the IA applies only to Science-Based Departments and Agencies (SBDA) and Granting Agencies (GA), while in the USA it is extended to all public legal entities, including universities. Under the IAs, both parties (the third country organisation and the Horizon 2020 consortium) agree the modalities of their collaboration, taking into account things like IP management, dissemination of results, etc. and ensuring that they comply with the rules and regulations of their respective funding programmes. Detailed information on the IA with the USA is available in the Commission's dedicated **FAQ document**.

Consequently, none of the provisions of the Horizon 2020 Model Grant Agreement apply to such legal entities as they do not sign it and operate outside of its scope. Their involvement does not need to be described in the proposal to Horizon 2020 calls or included in Annex 1 (Description of the Action), and their costs do not need to be identified in Annex 2 (Estimated budget). However, applicants can include this information in the proposal, if they so wish, bearing in mind that it will not be evaluated. Consequently, the activities performed by such organisations do not need to be reported on Horizon 2020 projects.

International partners under Article 14a and Implementing/Institutional Arrangements

It is important to remember that Article 14a does not extend the rules of the IAs to all third countries that are not eligible to receive Horizon 2020 funding and that this new option for third parties is completely separate from the Arrangements with Canada and the USA, as described above. Subscribers willing to work with third country partners should also bear in mind that despite introducing Article 14a and the IAs, the Commission's preference is always to have as many third country partners as possible involved as beneficiaries signing the grant agreement (provided they have a clear role on the project). The other possibilities should only be explored if signing the grant agreement is not possible for any reason.

The table below summarises the main features of involving organisations from third countries that do not qualify to receive Horizon 2020 funding as beneficiaries, international partners under Article 14a and as collaborators under the Institutional/Implementing Arrangements with Canada and the USA:

	Beneficiaries	International partners under Article 14a	Institutional/Implementing Arrangements
Must be indicated in proposal/ Annexes 1 and 2?	YES	YES	NO
Involvement evaluated by Horizon 2020 evaluators?	YES	YES	NO
Must sign the grant agreement?	YES	NO	NO
Legal framework of Horizon 2020 applies?	YES	YES (some obligations only)	NO
Activities must be included in Horizon 2020 reporting?	YES	YES	NO
Eligible for Horizon 2020 funding?	NO (but funding can be granted in exceptional cases)	NO	NO

Relevant EU policy areas and developments

The European Commission's Communication on 'Enhancing and focusing EU international cooperation in research and innovation, a strategic approach' states that a "dual approach" to international cooperation occur in Horizon 2020. The Commission is keen to promote the importance of jointly addressing global challenges, but also in making Europe more attractive as a location for research and innovation, as well as boosting industrial competitiveness. In this context, the Strategy recommends increasing cooperation on EU strategic priorities while still allowing third countries (neither EU nor Associated Countries) to participate in EU research where this is of mutual benefit.

From 2017, a **Service Facility** for research and innovation cooperation will support the Commission in reinforcing bilateral, multilateral and bi-regional dialogues with third countries and regions, as well as identifying and addressing barriers to and opportunities for increased cooperation. It will also support the Commission's activities in pursuing the EU R&I international cooperation **strategy**.

Roadmaps for international cooperation and INCO monitoring reports

In September 2014, the Commission published **Roadmaps for international cooperation** in research and innovation covering a number of third countries and regions, including, South Africa, the USA, Brazil, India, South Korea and many more. These Roadmaps identify the priority areas for mutually beneficial cooperation, which are reflected in the Horizon 2020 Work Programmes. The **updated version** of the document was published in October 2016, alongside the **Second Report on the Implementation of the Strategy for International Cooperation**, and includes new Roadmaps for Mexico, New Zealand, Australia, the African Union, ASEAN and Latin America. The Commission's **third report** was published as part of the Impact Assessment of Horizon Europe.

INCO Flagship Initiatives in 2018-2020 Work Programme

The INCO Flagship Initiatives are research initiatives recognised by the EU and the relevant partner country as political priorities of mutual interest, which are eventually translated into specific calls for proposals in Horizon 2020. They help to ensure that dedicated funding is available for all researchers taking part in projects (via Horizon 2020 for European researchers and through national co-funding mechanisms in third countries not eligible to receive EU funding), and that international cooperation in Horizon 2020 remains high by targeting specific international partner countries.

More than 30 INCO Flagship Initiatives will be supported under the last Work Programme of Horizon 2020, including the **All Atlantic Ocean Research Alliance** and the **EU-China FAB Flagship**.

More information:

- European Commission's International Co-operation website:
ec.europa.eu/research/iscp
- European Commission's Third Country Roadmaps and Communication on 'Enhancing and focusing on EU international co-operation in research and innovation: A strategic approach': ec.europa.eu/research/iscp/index.cfm?pg=strategy
- European Commission's Reports on the Implementation of the Strategy for International Co-operation: ec.europa.eu/research/iscp/index.cfm?pg=strategy
- Horizon 2020 Annotated Model Grant Agreement:
ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf
- Horizon 2020 Model Grant Agreement:
ec.europa.eu/research/participants/data/ref/h2020/mga/gga/h2020-mga-gga-multi_en.pdf
- Horizon 2020 Rules for participation:
ec.europa.eu/research/participants/portal/desktop/en/funding/reference_docs.html#h2020-legal-basis-rfp
- European Commission's Funding & Tenders Portal:
 - Calls for proposals
ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/index.html
 - Horizon 2020 Work Programme 2018-2020
ec.europa.eu/research/participants/portal/desktop/en/funding/reference_docs.html#h2020-work-programmes-2018-20s
- Sign up to the UKRO Portal to stay up to date on Horizon 2020 general developments, calls, events and results: ukro.ac.uk
- For specific questions, contact your UKRO European Advisor.