



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



NCPs/Ukraine

***Financial &
Legal Issues***

***Access to Risk
Finance***

Background:

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

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 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.

UKRAINE



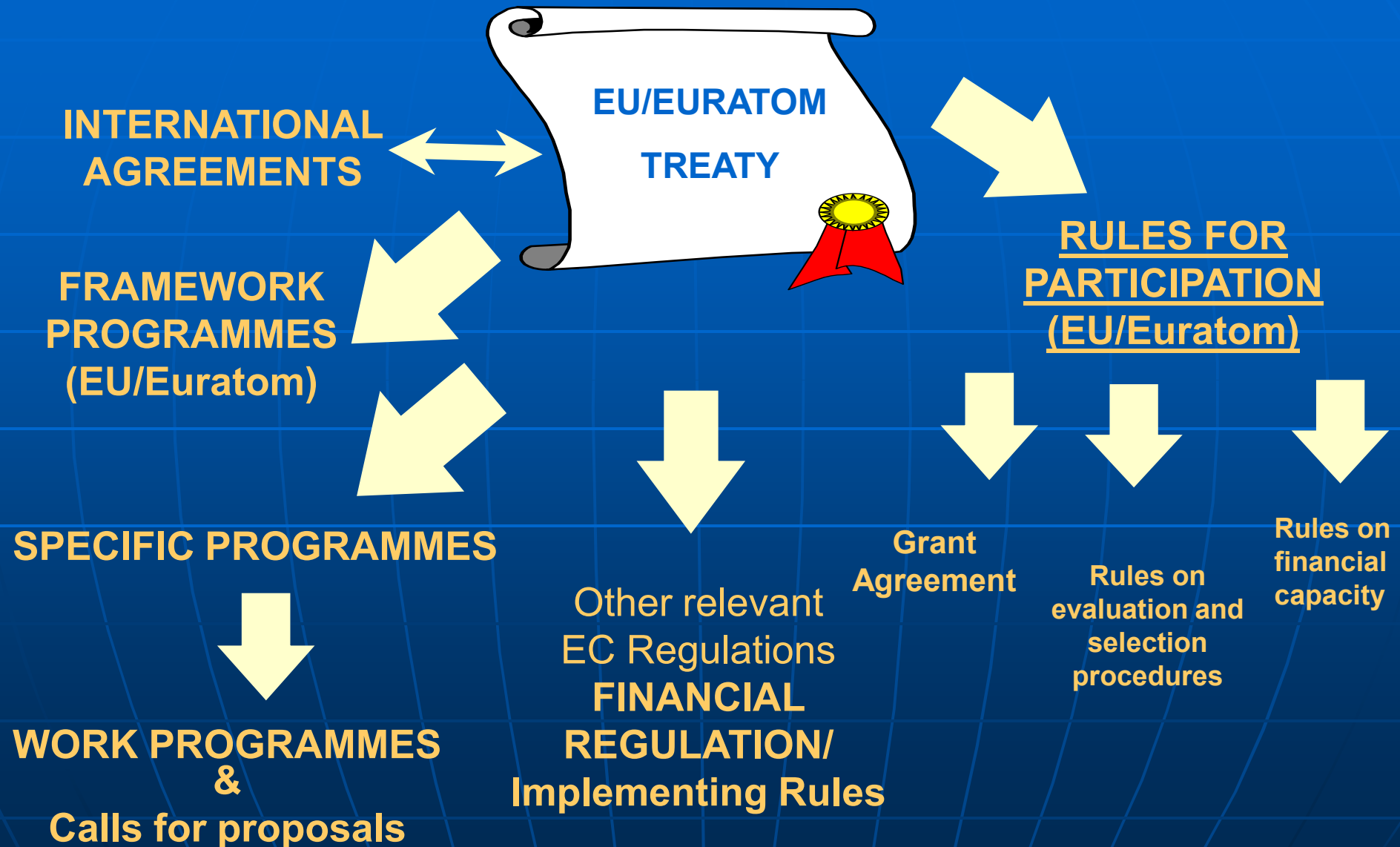
MUST KNOW: Internal regulations

- **Постанова Національного банку України** «Про внесення змін до постанови Правління Національного банку України від 16 січня 2016 р. № 863» щодо звільнення від обов'язкового продажу валютних коштів
- **Постанова Кабінету Міністрів України, № 579, 12.08.2015**
«Про затвердження Положення про порядок реалізації права на академічну мобільність», Положення про умови матеріального забезпечення осіб, направлених за кордон на навчання та стажування»
- **Постанова Кабінету Міністрів України, № 98, 02.02. 2011**
- «Про суми та склад витрат на відрядження державних службовців, а також інших осіб, що направляються у відрядження підприємствами, установами та організаціями, які повністю або частково утримуються (фінансуються) за рахунок бюджетних коштів»
- **ПКУ, Бухгалтерського обліку за законодавством України:**
Амортизація
- etc

EU



Legal Framework



H2020 legislation

- **H2020 Framework Programme — Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020) (OJ 347, 20.12.2013, p. 104).**
- **Euratom Research and Training Programme (2014-2018) — Council Regulation (Euratom) No 1314/2013 of 16 December 2013 on the Research and Training Programme of the European Atomic Energy Community (2014-2018) complementing the Horizon 2020 – The Framework Programme for Research and Innovation (OJ L 347, 20.12.2013, p. 948).**
- **H2020 Specific Programme — Council Decision 2013/743/EU of 3 December 2013 establishing the Specific Programme Implementing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020) (OJ L 347, 20.12.2013, p. 965).**
- **Rules for Participation (RfP) — Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 of December 2013 laying down the rules for the participation and dissemination in Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020) (OJ L 347, 20.12.2013, p.81).**
- **Financial Regulation (FR) — Regulation (EC, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the European Union (OJ L 298, 26.10.2012, p.1).**
- **Rules of Application (RAP) — Commission Regulation (EC, Euratom) No 1268/2012 of 29 October 2012 on the rules of application of I Regulation (EC, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 298, 26.10.2012, p.1).**

Rules for participation

REGULATION (EU) No 1290/2013

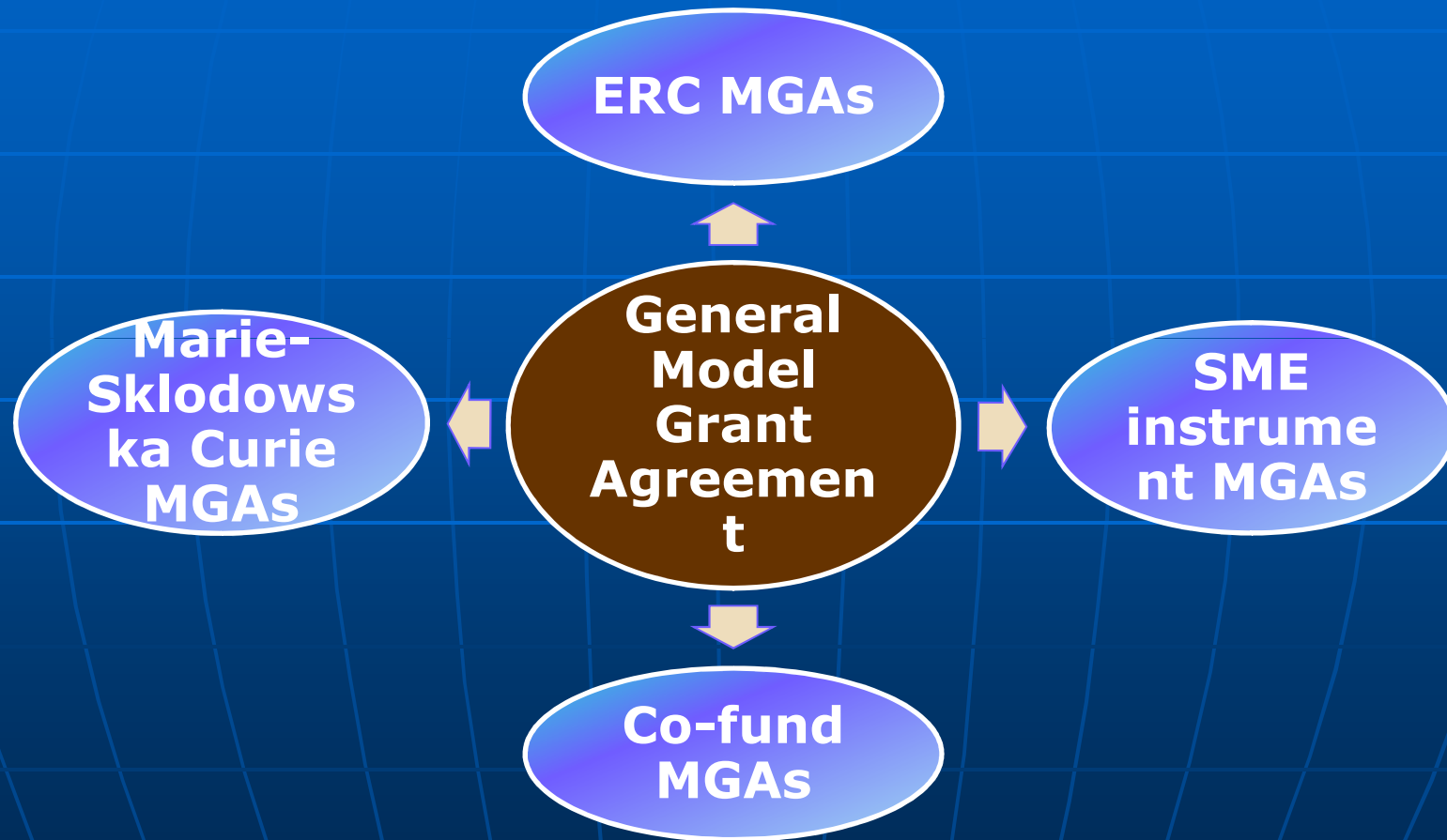
**OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 11 December 2013**

**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%3
A347%3A0081%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



Horizon 2020 Model Grant Agreement

CHAPTER 2	ACTION	17
ARTICLE 2 — ACTION TO BE IMPLEMENTED [— COMPLEMENTARY GRANT] [— JOINTLY FUNDED ACTION]		17
ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION		19
ARTICLE 4 — ESTIMATED BUDGET AND BUDGET TRANSFERS		20
CHAPTER 3	GRANT	24
ARTICLE 5 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATES AND FORMS OF COSTS		24
ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS		35
CHAPTER 4	RIGHTS AND OBLIGATIONS OF THE PARTIES	111
SECTION 1	RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE ACTION	111
ARTICLE 7 — GENERAL OBLIGATION TO PROPERLY IMPLEMENT THE ACTION		111
ARTICLE 8 — RESOURCES TO IMPLEMENT THE ACTION — THIRD PARTIES INVOLVED IN THE ACTION		112
ARTICLE 9 — IMPLEMENTATION OF ACTION TASKS BY BENEFICIARIES NOT RECEIVING EU FUNDING		116
ARTICLE 10 — PURCHASE OF GOODS, WORKS OR SERVICES		119
ARTICLE 11 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES AGAINST PAYMENT		122
ARTICLE 12 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES FREE OF CHARGE		125
ARTICLE 13 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS		128
ARTICLE 14 — IMPLEMENTATION OF ACTION TASKS BY LINKED THIRD PARTIES		134
ARTICLE 15 — FINANCIAL SUPPORT TO THIRD PARTIES		139
ARTICLE 16 — PROVISION OF TRANS-NATIONAL OR VIRTUAL ACCESS TO RESEARCH INFRASTRUCTURE		144
SECTION 2	RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION	151
ARTICLE 17 — GENERAL OBLIGATION TO INFORM		151
ARTICLE 18 — KEEPING RECORDS — SUPPORTING DOCUMENTATION		154
ARTICLE 19 — SUBMISSION OF DELIVERABLES		162
ARTICLE 20 — REPORTING — PAYMENT REQUESTS		163
ARTICLE 21 — PAYMENTS AND PAYMENT ARRANGEMENTS		174
ARTICLE 22 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS		181
ARTICLE 23 — EVALUATION OF THE IMPACT OF THE ACTION		197
SECTION 3	RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND AND RESULTS	198
ARTICLE 23a — MANAGEMENT OF INTELLECTUAL PROPERTY		198
ARTICLE 24 — AGREEMENT ON BACKGROUND		199
ARTICLE 25 — ACCESS RIGHTS TO BACKGROUND		201
ARTICLE 26 — OWNERSHIP OF RESULTS		204
ARTICLE 27 — PROTECTION OF RESULTS — VISIBILITY OF EU FUNDING		208
ARTICLE 28 — EXPLOITATION OF RESULTS		211
ARTICLE 29 — DISSEMINATION OF RESULTS — OPEN ACCESS — VISIBILITY OF EU FUNDING		213
ARTICLE 30 — TRANSFER AND LICENSING OF RESULTS		221
ARTICLE 31 — ACCESS RIGHTS TO RESULTS		226
SECTION 4	OTHER RIGHTS AND OBLIGATIONS	231

**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

direct eligible costs
personnel costs
material costs
travel costs
subcontracts
project specific costs
New VAT
open access costs

ineligible costs
customs duty
exchange rate loss
debts
costs in other projects
inappropriate costs

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**

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

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.



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

Additional info

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



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



Olena Koval

NIP/Ukraine

office 801, 180, Gorkiy Street, Kyiv, 03680, Ukraine

Tel/fax: +380 44 529 0332

E-mail: o.koval@h2020.com.ua

nip@fp7-ncp.kiev.ua

Web: <http://www.fp7-ncp.kiev.ua>

Thanks for your attention