

**EN**

**HORIZON 2020**  
**WORK PROGRAMME 2014 – 2015**

*19. General Annexes*

*Revised*

**This Work Programme was adopted on 10 December 2013. Following the introduction of a new Part 18 relating to the Fast Track to Innovation action, this part has been renumbered Part 19. The changes relating to this revised (renumbered) version are explained on the Participant Portal.**

*Consolidated version following*  
*(European Commission Decision C (2015)8621 of 4 December 2015)*

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## A. List of countries, and applicable rules for funding

Legal entities established in the following countries and territories will be eligible to receive funding through Horizon 2020:

- The Member States of the European Union, including their overseas departments;
- The Overseas Countries and Territories (OCT) linked to the Member States<sup>1</sup>:
  - Anguilla, Aruba, Bermuda, Bonaire, British Virgin Islands, Cayman Islands, Curaçao, Falkland Islands, French Polynesia, Greenland, Montserrat, New Caledonia, Pitcairn Islands, Saba, Saint Barthélemy, Saint Helena, Saint Pierre and Miquelon, Sint Eustatius, Sint Maarten, Turks and Caicos Islands, Wallis and Futuna..
- The Countries Associated to Horizon 2020<sup>2</sup>: the latest information on which countries are associated, or in the process of association to Horizon 2020 can be found in the online manual<sup>3</sup>.
- The following countries, except where this is explicitly excluded in the call text

Afghanistan, Albania, Algeria, American Samoa, Angola, Argentina, Armenia, Azerbaijan, Bangladesh, Belarus, Belize, Benin, Bhutan, Bolivia, Bosnia and Herzegovina, Botswana, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, Chile, Colombia, Comoros, Congo (Democratic People's Republic), Congo (Republic), Costa Rica, Côte d'Ivoire, Cuba, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Ethiopia, Fiji, Gabon, Gambia, Georgia, Ghana, Grenada, Guatemala, Guinea, Guinea-Buissau, Guyana, Haiti, Honduras, Indonesia, Iran, Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kiribati, Korea (Democratic Republic), Kosovo\*, Kyrgyz Republic, Lao, Lebanon, Lesotho, Liberia, Libya, former Yugoslav Republic of Macedonia, Madagascar, Malawi, Malaysia, Maldives, Mali, Marshall Islands, Mauritania, Mauritius, Micronesia, Moldova, Mongolia, Montenegro, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Niger, Nigeria, Pakistan, Palau, Palestine, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Rwanda, Samoa, Sao Tome and Principe, Senegal, Serbia, Seychelles, Sierra Leone, Solomon Islands, Somalia, South Africa, South Sudan, Sri Lanka, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Sudan, Suriname, Swaziland, Syrian Arab Republic, Tajikistan, Tanzania, Thailand, Timor-Leste, Togo, Tonga, Tunisia, Turkey, Turkmenistan, Tuvalu, Uganda, Ukraine, Uzbekistan, Vanuatu, Uruguay, Venezuela, Vietnam, , Yemen, Zambia, Zimbabwe.

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<sup>1</sup> Entities from Overseas Countries and Territories (OCT) are eligible for funding under the same conditions as entities from the Member States to which the OCT in question is linked

<sup>2</sup> Signed an agreement with the Union as identified in Article 7 of the Horizon 2020 Regulation.

<sup>3</sup> [http://ec.europa.eu/research/participants/docs/h2020-funding-guide/cross-cutting-issues/international-cooperation\\_en.htm](http://ec.europa.eu/research/participants/docs/h2020-funding-guide/cross-cutting-issues/international-cooperation_en.htm)

(\* This designation is without prejudice to positions on status and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo declaration of independence).

International European interest organisations<sup>4</sup> will also be eligible to receive funding from Horizon 2020.

Legal entities established in countries not listed above will be eligible for funding when such funding is explicitly foreseen in the relevant call text.

In addition, legal entities established in countries not listed above and international organisations will be eligible for funding:

- When funding for such participants is provided for under a bilateral scientific and technological agreement or any other arrangement between the Union and an international organisation or a third country:
- When the Commission deems participation of the entity essential for carrying out the action funded through Horizon 2020.

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<sup>4</sup> These are international organisations, the majority of whose members are Member States or associated countries, and whose principal objective is to promote scientific and technological cooperation in Europe.

## B. Standard admissibility conditions for grant proposals, and related requirements

1. To be considered admissible, a proposal must be:

- (a) Submitted in the electronic submission system before the deadline given in the call conditions;
- (b) Readable, accessible and printable.

2. Incomplete proposals may be considered inadmissible. This includes the requested administrative data, the proposal description, and any supporting documents specified in the call. The following supporting documents will be required to determine the operational capacity, unless otherwise specified:

- A curriculum vitae or description of the profile of the persons who will be primarily responsible for carrying out the proposed research and/or innovation activities;
- A list of up to five relevant publications, and/or products, services (including widely-used datasets or software), or other achievements relevant to the call content;
- A list of up to five relevant previous projects or activities, connected to the subject of this proposal;
- A description of any significant infrastructure and/or any major items of technical equipment, relevant to the proposed work;
- A description of any third parties that are not represented as project partners, but who will nonetheless be contributing towards the work (e.g. providing facilities, computing resources)

3. Proposals shall include a draft plan for the exploitation and dissemination of the results, unless otherwise specified in the call conditions. The draft plan is not required for proposals at the first stage of two-stage procedures.

4. Page limits will apply to proposals. The limits will be clearly set out in the electronic submission system. If a submitted proposal exceeds the limits, the applicant will receive an automatic warning, and will be advised to re-submit a version that conforms. After the relevant call deadline, excess pages in any over-long proposals will be automatically overprinted with a “watermark”. Expert evaluators will be instructed to disregard these excess pages.

## C. Standard eligibility criteria

All proposals must conform to the conditions set out in the Rules for Participation.

Furthermore, in this work programme, the following conditions apply unless they are supplemented or modified in the call conditions. (The eligibility criteria applying to Marie Skłodowska –Curie actions are set out under that chapter of the work programme).

A proposal will only be considered eligible if:

- (a) its content corresponds, wholly or in part, to the topic description against which it is submitted, in the relevant work programme part;
- (b) it complies with the eligibility conditions set out below, depending on the type of action.

	Eligibility conditions <sup>5,6,7</sup>
<b>Research &amp; innovation action</b>	At least three legal entities. Each of the three shall be established in a different Member State or associated country. All three legal entities shall be independent of each other.
<b>Innovation action</b>	At least three legal entities. Each of the three shall be established in a different Member State or associated country. All three legal entities shall be independent of each other
<b>Coordination &amp; support action</b>	At least one legal entity established in a Member State or associated country.
<b>SME instrument</b>	At least one SME <sup>8</sup> . Only applications from for-profit SMEs established in EU Member States or countries associated to Horizon 2020 <sup>9</sup> ;

<sup>5</sup> The eligibility criteria formulated in Commission notice Nr. 2013/C 205/05 ([OJEU C 205 of 19.07.2013, pp.9-11](#)) shall apply for all actions under this Work Programme, including with respect to third parties receiving financial support in the cases where the respective action involves financial support to third parties by grant beneficiaries in accordance with Article 137 of the EU's Financial Regulation, notably Programme Co-Fund actions.

<sup>6</sup> Some entities from third countries are covered by the Council sanctions in place and are not eligible to participate in Union programmes. Please see: the consolidated list of persons, groups and entities subject to EU financial sanctions, available at [http://eeas.europa.eu/cfsp/sanctions/consol-list\\_en.htm](http://eeas.europa.eu/cfsp/sanctions/consol-list_en.htm).

<sup>7</sup> Given that the EU does not recognise the illegal annexation of Crimea and Sevastopol, legal persons established in the Autonomous Republic of Crimea or the city of Sevastopol are not eligible to participate in any capacity. This criterion also applies in cases where the respective action involves financial support given by grant beneficiaries to third parties established in the Autonomous Republic of Crimea or the city of Sevastopol in accordance with Article 137 of the EU's Financial Regulation. Should the illegal annexation of the Autonomous Republic of Crimea and the City of Sevastopol end, this Work Programme shall be revised.

<sup>8</sup> For-profit SMEs' means micro-, small- and medium-sized enterprises, as defined in Commission Recommendation 2003/361/EC, that are not 'non-profit legal entities' as defined in the Rules for Participation and Dissemination ('legal entity which by its legal form is non-profit-making or which has a legal or statutory obligation not to distribute profits to its shareholders or individual members').

	No concurrent submission or implementation with another phase 1 or phase 2 project <sup>10</sup> .
<b>ERA-NET Cofund</b>	At least three legal entities. Each of the three shall be established in a different Member State or associated country. All three legal entities shall be independent of each other.  Participants in ERA-NET Cofund actions must be research funders: legal entities owning or managing public research and innovation programmes <sup>11</sup>
<b>Pre-commercial procurement (PCP) Cofund &amp; Public procurement of Innovative solutions (PPI) Cofund</b>	At least three legal entities. Each of the three shall be established in a different Member State or associated country. All three legal entities shall be independent of each other.  Furthermore, there must be a minimum of two independent legal entities which are public procurers from two different Member States or associated countries.

*Note:*

In the case of Cofund actions, sole participants formed by several legal entities (e.g. European Research Infrastructure Consortia, European Groupings of Territorial Cooperation, central purchasing bodies) are eligible if the above-mentioned minimum conditions are satisfied by the legal entities forming together the sole participant.

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<sup>9</sup> In line with the EU 2020 strategy, the SME instrument is designed to promote competitiveness, growth and job creation of European SMEs through delivering innovations for the market place. SMEs will be supported to enhance their innovation capacity and innovation output with growth potential. As the SME instrument aims to bridge the gap between research and development and the commercialisation of innovation, the funding of single company projects is possible. The projects need to have a clear European added value (see Rules for Participation).

<sup>10</sup> The SME instrument is targeted at companies that need SME instrument funding as core part of their business strategy to launch a high-potential innovation. It is a competitive scheme in which only the best ideas have a chance to succeed. Consequently SMEs with usually limited absorptions capacities, need to focus their applications but have the chance to come back due to the permanently open call. This way it should also be possible to achieve a reasonable success rate.

<sup>11</sup> ERA-NET Cofund actions support coordination and collaboration between Member States and their research and innovation programmes. Consequently participation in these actions is limited to entities that can fully participate in joint calls and other actions between national and regional programmes. In this regard programme owners are typically national/regional ministries/authorities responsible for defining, financing or managing research programmes carried out at national or regional level. Programme 'managers' are typically research councils or funding agencies or other national or regional organisations that implement research programmes under the supervision of the programme owners.

## D. Types of action: specific provisions and funding rates<sup>12,13</sup>

### **Research and innovation actions**

*Description:* Action primarily consisting of activities aiming to establish new knowledge and/or to explore the feasibility of a new or improved technology, product, process, service or solution. For this purpose they may include basic and applied research, technology development and integration, testing and validation on a small-scale prototype in a laboratory or simulated environment.

Projects may contain closely connected but limited demonstration or pilot activities aiming to show technical feasibility in a near to operational environment.

*Funding rate:* 100%

### **Innovation actions**

*Description:* Action primarily consisting of activities directly aiming at producing plans and arrangements or designs for new, altered or improved products, processes or services. For this purpose they may include prototyping, testing, demonstrating, piloting, large-scale product validation and market replication.

A ‘demonstration or pilot’ aims to validate the technical and economic viability of a new or improved technology, product, process, service or solution in an operational (or near to operational) environment, whether industrial or otherwise, involving where appropriate a larger scale prototype or demonstrator.

A ‘market replication’ aims to support the first application/deployment in the market of an innovation that has already been demonstrated but not yet applied/deployed in the market due to market failures/barriers to uptake. ‘Market replication’ does not cover multiple applications in the market of an innovation<sup>14</sup> that has already been applied successfully once in the market. ‘First’ means new at least to Europe or new at least to the application sector in question. Often such projects involve a validation of technical and economic performance at system level in real life operating conditions provided by the market.

Projects may include limited research and development activities.

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<sup>12</sup> Eligible costs for all types of action are in accordance with the Financial Regulation and the Rules for Participation. In addition, as training researchers on gender issues serves the policy objectives of Horizon 2020 and is necessary for the implementation of R&I actions, applicants may include in their proposal such activity and the following corresponding estimated costs that may be eligible for EU funding:

- i. Costs of delivering the training (personnel costs if the trainers are employees of the beneficiary or subcontracting if the training is outsourced);
- ii. Accessory direct costs such as travel and subsistence costs, if the training is delivered outside the beneficiary's premises;
- iii. Remuneration costs for the researchers attending the training, in proportion to the actual hours spent on the training (as personnel costs).

<sup>13</sup> Participants may ask for a lower rate.

<sup>14</sup> A new or improved technology, product, design, process, service or solution.



*Funding rate:* 70% (except for non-profit legal entities, where a rate of 100% applies)

### **Coordination and support actions**

*Description:* Actions consisting primarily of accompanying measures such as standardisation, dissemination, awareness-raising and communication, networking, coordination or support services, policy dialogues and mutual learning exercises and studies, including design studies for new infrastructure and may also include complementary activities of strategic planning, networking and coordination between programmes in different countries.

*Funding rate:* 100%

### **SME instrument**

*Description:* The SME instrument is targeted at all types of innovative SMEs showing a strong ambition to develop, grow and internationalise. It provides staged support covering the whole innovation cycle in three phases complemented by a mentoring and coaching service. Transition from one phase to the next will be seamless provided the SME project proves to be worth further support in a further evaluation. Each phase is open to new entrants.

#### **a) SME instrument (phase 1)**

*Description:* Feasibility study verifying the technological/practical as well as economic viability of an innovation idea/concept with considerable novelty to the industry sector in which it is presented (new products, processes, design, services and technologies or new market applications of existing technologies). The activities could, for example, comprise risk assessment, market study, user involvement, Intellectual Property management, innovation strategy development, partner search, feasibility of concept and the like to establish a solid high-potential innovation project aligned to the enterprise strategy and with a European dimension. Bottlenecks in the ability to increase profitability of the enterprise through innovation shall be detected and analysed during phase 1 and addressed during phase 2 to increase the return in investment in innovation activities.

*Funding rate:* Funding will be provided in the form of a lump sum of EUR 50,000 <sup>15</sup>.

#### **b) SME instrument (phase 2)**

*Description:* innovation projects that address a specific challenge and demonstrate high potential in terms of company competitiveness and growth underpinned by a strategic business plan. Activities should focus on innovation activities such as demonstration, testing, prototyping, piloting, scaling-up, miniaturisation, design, market replication and the like

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<sup>15</sup> C(2013)8198 authorizing the reimbursement of cost under the form of a lump sum for SME instrument phase 1 actions under Framework Programme Horizon 2020 states that the total eligible cost for a phase 1 project is EUR 71.249. Applying the co-financing rate of 70%, the amount of the grant is established at EUR 50.000.

aiming to bring an innovation idea (product, process, service etc.) to industrial readiness and maturity for market introduction, but may also include some research.

In exceptional circumstances, duly justified by the character of an area, a topic may provide for actions where the research component is strongly present, as an alternative to the innovation actions described above.

SMEs can subcontract work and knowledge that is essential for their innovation project in the spirit of the innovation voucher concept.

Proposals should be based on a strategic business plan either developed through phase 1 or another means.

*Funding rate:* 70% (exceptionally, 100% where the research component is strongly present). The single applicable rate is specified under the relevant topic.

**c) SME instrument (phase 3):** Support to commercialisation promotes the wider implementation of innovative solutions and customers and supports financing of growth by facilitating access to public and private risk capital. This stage will not provide for direct funding, but SMEs can benefit from indirect support measures and services as well as access to the financial facilities supported under Horizon 2020.

**d) Mentoring and coaching:** Each beneficiary of the SME instrument will be offered business coaching support during Phase 1 (up to 3 coaching days) and Phase 2 (up to 12 coaching days) in addition to the grant offered. This support will be provided through the Enterprise Europe Network (EEN) and delivered by a group of qualified and experienced business coaches. The local EEN office will introduce the beneficiary to the coaching process and propose a selection of coaches from the database managed by the Commission for the beneficiary to choose from. The objective is to accelerate the impact of the support provided through the SME instrument and to equip beneficiaries with the necessary skills, business processes and relevant competencies for long-term growth. Phase 3 does not include individual business coaching, but SME instrument participants will be able to count on continuing EEN support in linking to relevant support services within the Network, regionally or nationally. It is important to note that the objective of coaching is not to support the company in project management or reporting obligations related to Horizon 2020 participation. This stage will not provide for direct funding.

### **ERA-NET Cofund**

*Description:* ERA-NET Cofund under Horizon 2020 is designed to support public-public partnerships, including joint programming initiatives between Member States, in their preparation, establishment of networking structures, design, implementation and coordination of joint activities as well as Union topping-up of a trans-national call for proposals. It is based on the merger of the former ERA-NET and ERA-NET Plus actions and is implemented by using ‘programme co-fund actions’. It allows for programme collaboration in any part of the entire research-innovation cycle.

The main and compulsory activity of the ERA-NET Cofund under Horizon 2020 is the implementation of the co-funded joint call for proposals that leads to the funding of trans-national research and/or innovation projects. The call is normally based on a call for proposals

resulting in grants to third parties. In addition to the co-funded call the consortia may implement other joint activities including other joint calls without Union co-funding.

ERA-NET Cofund may also, depending on the research area and the underlying national programmes and their governing principles, target governmental research organisations. The co-funded call for proposals will in these cases be based on in-kind contributions from their institutional funding and the beneficiaries carry out the transnational projects resulting from their call for proposals fully or partially themselves. The in-kind contributions are the resources allocated as direct expenditure in the selected trans-national projects that are not reimbursed by the Union contribution.

The participation of programme managers including governmental research organisations has to be mandated by the national/regional authorities in charge (normally the responsible Ministry).

The minimum conditions for participation have to be fulfilled by the entities participating in the joint trans-national call for proposals.

Only in addition to the minimum conditions, and if justified by the nature of the action, programmes funded by other entities (international programmes, foundations or other non-public programmes) may participate.

Sole participants may be eligible if the above-mentioned specific conditions for eligible ERA-NET Cofund partners are satisfied. A sole participant forming a sole legal entity shall explicitly indicate which of its 'members' are either programme owners or programme managers in the proposed action, and indicate for these members the respective national/regional programmes which are at the disposal of the proposed ERA-NET Cofund action.

*Funding rate:* The Union contribution will be limited to a maximum of 33% of the total eligible costs of the action. The Union contribution to the costs for support to or implementation of trans-national projects is limited to one call per grant agreement.

In accordance with the Decisions concerning Horizon 2020 and the Regulation laying down the rules for the participation and Dissemination in Horizon 2020, the provisions of Article 137(1 (c)) of the Regulation no 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union and Article 210a of the Commission Delegated Regulation no. 1268/2012, shall not be applicable with regard to the financial support provided by the participants in the ERA-NET Cofund actions to third parties participating in projects selected following calls for proposals launched under these actions, since the financial support to third parties is the primary aim of the action and necessary to achieve its objectives.

The contributions of (other) national or regional programmes, not being part of the consortium, to the costs of trans-national projects cannot be considered for the calculation of the Union contribution.

No costs for activities related to the preparation, implementation and follow-up of the co-funded call are eligible. The consortium may however choose to use part of the Union contribution to support their activities as long as the corresponding costs are not declared as eligible and the Union contribution does not exceed 33% of partners' funding of trans-national projects and unit costs for additional activities. This means in practice that they have to replace any Union contribution that is used to support their activities with additional national contributions to the funding of trans-national projects.

The total Union contribution to the costs of providing support to or implementation of trans-national projects is calculated as a percentage of their total eligible cost. Therefore, if the actual eligible costs for support to trans-national projects are lower than the original amount defined in the Grant Agreement, the Union contribution will be reduced accordingly.

The following categories of costs are eligible direct costs, if they comply with the general conditions and the specific conditions set out in the grant agreement:

A. Costs related to trans-national projects:

- (a) Direct costs of providing financial support to third parties implementing transnational projects, paid in accordance with national funding rules.
- (b) Costs for the implementation of trans-national projects by the beneficiaries if they carry out trans-national projects partially or fully themselves.

The consortium must provide financial support to trans-national projects or implement such projects (partially or fully) themselves in accordance with the following conditions:

The projects must be trans-national projects involving at least two independent entities from two different EU Member States or Associated Countries.

The projects must be selected following a joint trans-national call for proposals. The consortium must publish the joint call on a dedicated webpage and promote it at national/regional level via their usual channels of communications to potential proposers. The joint call shall remain open for the submission of proposals for at least 60 days. The consortium must formally notify the Commission of the call and its content at least 30 days before the expected date of publication.

The consortium must make the joint call through a two-step procedure:

- Step 1: review at national or trans-national level
- Step 2: single international peer review.

Only entities that are eligible for funding under the national programmes involved in the joint call may be invited to step 2.

In step 2, the consortium must evaluate proposals with the assistance of at least three independent experts, on the basis of the following award criteria:

- (c) excellence;
- (d) impact;
- (e) quality and efficiency of the implementation.

Proposals must be ranked according to the evaluation results. The selection must be made on the basis of this ranking. The consortium must take all lawful steps to ensure confidentiality of information and documents obtained during the evaluation and selection procedures of the joint call.

After the end of the evaluation the consortium must submit to the Commission the following:

- (a) the ranking list(s) of the projects;
- (b) the observers' report on the evaluation;
- (c) the joint selection list of the projects to be funded, and

- (d) from each consortium partner participating in the joint call, a formal and duly signed commitment on availability of funds for the selected projects.

The consortium must furthermore submit to the European Commission after the end of the evaluation information on each project selected for funding, including data on each participant and abstracts of the project proposal, in a format specified by the European Commission, for publication and evaluation purposes. This information must be updated at the end of the action (information on each funded project, including data on each participant and overview of the results).

B. Coordination costs for additional activities, as a unit cost per year, if the beneficiary carries out activities that go beyond the co-funded call.

An ERA-NET Cofund consortium may carry out other activities in addition to the call receiving top-up funding. Where appropriate, additional partners might be involved which do not participate in co-funded calls under section A. The activities have to be related to the coordination of public research and innovation programmes and should focus on the preparation and implementation of joint activities including additional calls without Union top-up funding. The conditions for call implementation in section A do not apply to additional calls without Union top-up funding.

The coordination cost for the other activities takes the form of a unit cost per year and is limited to those beneficiaries that carry out activities that go beyond the co-funded call. Proposers have to demonstrate the appropriateness of the overall coordination costs for the proposed additional activities.

Beneficiaries that carry out trans-national projects partially or fully themselves cannot declare coordination costs for additional activities.

The unit costs for coordination is fixed to EURO 29000 per year per beneficiary<sup>16</sup>. Indirect costs for the coordination costs must be declared on the basis of the flat rate.<sup>17</sup>

The Union contribution to coordination costs should not exceed 20% of the total Union contribution to the action.

The total duration of the action should normally not exceed 5 years.

### **Pre-Commercial Procurement (PCP) Cofund actions**

*Description:* PCP cofund actions aim to encourage public procurement of research, development and validation of new solutions that can bring significant quality and efficiency improvements in areas of public interest, whilst opening market opportunities for industry and researchers active in Europe. A PCP cofund action provides Union cofunding for a group of procurers ('buyers group') to undertake together one joint PCP procurement, so that there is one joint call for tender, one joint evaluation of offers, and a lead procurer<sup>18</sup> awarding the

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<sup>16</sup> C(2013)8200

<sup>17</sup> The reimbursement rate for the action applies also to the unit costs. This would result in a maximum Union contribution per beneficiary per year of EURO 11962,5

<sup>18</sup> The lead procurer is the beneficiary appointed by the buyers group to coordinate and lead the joint procurement. It can be either one of the procurers in the buyers group or another beneficiary in the action that is established or designated by the procurers in the buyer group to act as lead procurer.

R&D service contracts in the name and on behalf of the buyers group. Each procurer in the buyers group contributes its individual financial contribution to the total budget necessary to jointly finance the PCP, enabling the procurers to share the costs of procuring R&D services from a number of providers and comparing together the merits of alternative solutions paths to address the common challenge. Consortia can choose to have all selected tenderers paid by the lead procurer, or pro rata by each procurer according to the share of the individual financial contribution of each procurer of the total budget. The PCP shall explore alternative solution paths from a number of competing providers to address one concrete procurement need that is identified as *a common challenge*<sup>19</sup> in the innovation plans of the procurers in the buyers group that requires new R&D. Cross-border PCP cooperation should aim to better address issues of common European interest, for example where interoperability and coherence of solutions across borders is required.

*Specific participation requirements:* The buyers group in the consortium that provides the financial commitments for undertaking the joint procurement shall represent the critical mass that can trigger wide implementation of the innovative solutions and shall consist of minimum two independent legal entities which are public procurers that are established in two different Member States or associated countries. The procurers in the buyers group shall be responsible for the acquisition and/or regulatory strategy for the targeted innovative solutions with the aim to obtain ambitious quality and efficiency improvements in the area of public interest addressed by the joint procurement, or shall be entities with a mandate from one or more of such procurers to act on their behalf in the joint procurement (e.g. central purchasing bodies). The lead procurer and the public procurers in the buyers group must be contracting authorities or contracting entities as defined in the EU public procurement Directives.

In addition other types of procurers (e.g. private, NGOs) that provide services of public interest and share the same procurement need, and other entities (e.g. end-users, certification bodies) that add value to the action and whose participation is well justified may participate, on condition that they are not potential suppliers of solutions sought for by the procurement and have no other type of conflict of interest with the procurement undertaken in the action.

Sole participants shall explicitly indicate which of its 'members' are the procurers contributing to the budget of the proposed joint procurement that satisfy the above specific participation requirements and which are the respective procurement budgets of each of these members that are at the disposal for carrying out the procurement. A sole participant acting as buyers group shall have a mandate, well-defined procurement need and budget from its procurers to act on their behalf in the procurement..

*Eligible activities:*

A. Preparation stage

- Preparation of the joint PCP to be carried out in the execution stage. This shall be based on feedback from the needs analysis of the buyers group, prior art analysis and an open market consultation (ref Annex E). Active participation of the final end-users of the solutions shall be ensured at this stage.
- Allocation and training of additional resources for implementation (if appropriate)
- Building cooperation with other stakeholders (if appropriate)

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<sup>19</sup> A PCP that addresses a challenge that consists of several facets (sub-challenges or building blocks) is considered one joint PCP procurement as long as all procurers in the buyers group share the need for - and are willing to co-finance - all the facets of the common challenge.

The expected outcomes of the preparation stage are: (1) Completed tender documents based on the Horizon 2020 PCP model contract documents, using common functional/performance based specifications and common evaluation criteria; (2) Signed joint procurement agreement confirming the final collaboration modus including the financial commitment of the buyers group to pool resources for the PCP; and (3) Final confirmation of the lead procurer.

#### B. Execution stage

- Joint PCP procurement and implementation of the PCP contracts under the supervision of the buyers group, ensuring execution of the R&D services by the providers according to the action plan and requirements defined in the preparation stage.
- Validation and comparison of the performance of the competing PCP solutions against jointly defined criteria by the buyers group (and other concerned final end-users, if applicable) in real-life operational conditions to verify fitness for purpose in view of potential conversion into permanent service of the solutions.
- Dissemination of results and confirmation of the ex-post exploitation strategy based on the outcomes of the PCP

Also eligible are additional coordination and networking activities that embed the PCP into a wider set of demand side activities and clearly add value to the action. This includes activities to remove obstacles for introducing the solutions into the market (e.g. contribution to standardisation, regulation certification), awareness raising and experience sharing, activities preparing the ground for further cooperation among procurers in future PCPs or PPIs.

#### *Funding rate:*

The Union contribution will be limited to maximum 70% of the total eligible costs<sup>20</sup> for the 'eligible activities' defined above, on condition that the PCP is executed in compliance with Annex E. Eligible costs include the price of the R&D services procured via the joint PCP and the costs of the eligible coordination and networking activities defined above. Eligible costs may include in-kind contributions of third parties linked to the grant beneficiaries (e.g. corresponding to resources put at the disposal of grant beneficiaries to carry out the project). VAT is an eligible cost except for beneficiaries that can deduct it.

The requested reimbursement of the estimated eligible costs of coordination and networking activities may not exceed 30% of the requested grant. The consortium may choose to use part of the Union contribution to increase the support to coordination and networking activities as long as the Union contribution does not exceed 70% of the sum of those costs and the price of the PCP call for tender. The consortium may choose to use part of the Union contribution to increase the support to the budget for the PCP call for tender as long as the Union contribution does not exceed 70% of the sum of those costs and the costs of the coordination and networking activities.

Indirect eligible costs are calculated as a flat rate of 25% of direct eligible costs, excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary. Thus, on the price of the PCP procurement carried out during the PCP Cofund action, no indirect costs are eligible.

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<sup>20</sup> See Rules for Participation on programme co-fund type actions.

### **Public Procurement of Innovative Solutions (PPI) Cofund actions**

*Description:* The objective of PPI cofund actions is to enable groups of procurers to share the risks of acting as early adopters of innovative solutions, whilst opening market opportunities for industry. A PPI Cofund action provides Union cofunding for a group of procurers ('buyers group') to undertake together one joint PPI procurement, so that there is one joint PPI call for tender launched by the 'lead procurer'<sup>18</sup> and one joint evaluation of offers<sup>21</sup>. In case framework contracts/agreements with lots are used, the specific contracts for procuring specific quantities of goods/services for each procurer can be awarded either all by the lead procurer or by each procurer in the buyers group individually. Each PPI Cofund action focuses on one concrete unmet need that is shared by the participating procurers and requires the deployment of innovative solutions that are to a significant extent similar across countries and are therefore proposed to be procured jointly. This means that the innovative solutions procured by all procurers in the buyers group shall have the same core functionality and performance characteristics (described in the common specifications for the joint call for tender), but may have additional 'local' functionality due to differences in the local context of each individual procurer (which can be reflected in the specificities of the specific contracts).

*Specific participation requirements:* These are the same as for PCP Cofund actions described above, except that for PPI Cofund actions the procurers in the buyers group shall be directly responsible for the acquisition of the targeted innovative solutions, or shall be entities that have a mandate from one or more of such procurers to act on their behalf as contracting party in the PPI procurement (e.g. central purchasing bodies).

#### *Eligible activities:*

##### A. Preparation stage

- Preparation of the PPI to be carried out in the execution stage. Active participation of the final end-users of the solutions shall be ensured in this stage.
- Allocation and training of additional resources for implementation (if appropriate)
- Building cooperation with other stakeholders (if appropriate)
- Activities to verify market readiness prior to deployment (if applicable), which can involve the organisation of conformance testing, certification or quality labelling of solutions.

The expected outcomes of the preparation stage are: (1) Completion of common specifications for the PPI, using functional / performance based specifications and common agreed evaluation criteria. This shall be based on needs analysis of the buyers group (and final end-users if not the same), prior art analysis, and (if applicable) feedback from testing / certification and open market consultation (see Annex E); (2) Signed joint procurement agreement confirming the final collaboration modus including financial commitment of the procurers in buyers group for the PPI; and (3) Final confirmation of the lead procurer.

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<sup>21</sup> No matter whether the lead procurer only does the procurement/tendering or also the contracting for the public procurement of innovative, in any case the evaluation of all tenders shall be carried out based on common specifications defined jointly by all procurers in the buyers group.



B. Execution stage

- Joint PPI procurement and implementation of the PPI contracts within the timeframe of the project under supervision of the buyers group, ensuring deployment of the solutions according to the requirements defined in the preparation stage.
- Deployment of the innovative solutions and evaluation of results of operating the procured solutions in real-life operating conditions with a duration that allows for appropriate evaluation of the impact of the innovative solutions on the conversion into permanent service.
- Wide dissemination of the results of the PPI Cofund action and confirmation of the exploitation strategy based on outcomes of the PPI.

Also eligible are additional coordination and networking activities that embed the PPI into a wider set of demand side activities are also eligible and clearly add value to the action. This includes for example activities to remove obstacles for introducing the PPI innovations into the market (e.g. contribution to standardisation, regulation and certification), awareness raising and experience sharing, activities preparing the ground for further cooperation among procurers in future PCPs or PPIs.

*Funding rate:*

The Union contribution will be limited to a maximum 20% of the total eligible costs<sup>20</sup> for the 'eligible activities' defined above, on condition that the PPI is executed in compliance with Annex E. Eligible costs include the price of the innovative solutions procured via the joint PPI and the costs of the eligible coordination and networking activities defined above. Eligible costs may include in-kind contributions of third parties (e.g. corresponding to resources put at the disposal of grant beneficiaries). Costs for procurement of R&D are not eligible. VAT is an eligible cost except for beneficiaries that can deduct it.

The requested reimbursement of the estimated eligible costs of coordination and networking activities may not exceed 50% of the requested grant. The consortium may choose to use part of the Union contribution to increase the support to coordination and networking activities as long as the Union contribution does not exceed 20% of the sum of those costs and the price of the PPI call for tender. The consortium may choose to use part of the Union contribution to increase the support to the budget for the PPI call for tender as long as the Union contribution does not exceed 20% of the sum of those costs and the costs of the coordination and networking activities.

Indirect eligible costs are calculated as a flat rate of 25% of direct eligible costs, excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary. Thus, on the price of the PPI procurement carried out during the PPI Cofund action, no indirect costs are eligible.

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The **Risk Finance** instruments are described under section 6 of the work programme.

## E. Specific requirements for innovation procurement (PCP/PPI) supported by Horizon 2020 grants

The following requirements apply to PCPs and PPIs for which the tender preparation and/or the call for tender implementation is supported by Horizon 2020, and apply to PCPs and PPIs supported by Cofund actions (ref Annex D) or subcontracting activities in other types of actions.

### (i) *Specific requirements for Pre-Commercial Procurement (PCP)*

The following requirements apply to ensure that the definition and requirements for PCP in the Horizon 2020 rules for participation and the conditions for the R&D services exemption of the EU public procurement directives<sup>22</sup> are respected, that the sharing of IPR rights in PCP takes place according to market conditions and that the Treaty principles<sup>23</sup> and competition rules are fully respected in the PCP process:

- PCPs shall be compliant with the Horizon 2020 definitions:

*'Pre-commercial procurement'* means procurement of R&D services involving risk-benefit sharing under market conditions, and competitive development in phases, where there is a clear separation between the procurement of the R&D services procured from the deployment of commercial volumes of end-products<sup>24</sup>.

*'Risk-benefit sharing under market conditions'* refers to the approach in PCP where procurers share with suppliers at market price the benefits and risks related to the IPRs resulting from the R&D. *'Competitive development in phases'* refers to the competitive approach used in PCP by procurers to buy the R&D from several competing R&D providers in parallel, to compare and identify the best value for money solutions on the market to address the PCP challenge. To reduce the investment risk for the procurer, reward the most competitive solutions and facilitate the participation of smaller innovative companies, the R&D is also split in phases (solution design, prototyping, original development and validation / testing of the first products), with the number of competing R&D providers being reduced after each phase subsequent to intermediate evaluations. *'Separation from the deployment of commercial volumes of end-products'* refers to the complementarity of PCP, which focuses on the R&D phase before commercialisation, and PPI, which does not focus on R&D but on the commercialisation/diffusion of solutions.

- The PCP call for tender shall be launched by a contracting authority or contracting entity as defined in EU public procurement directives 2004/18/EC, 2004/17/EC, and 2009/81/EC.
- PCP only covers the procurement of R&D services, in a way that is clearly separated from any potential subsequent purchases of commercial volumes of end-products. Procurers

<sup>22</sup> Article 16f of Directive 2004/18/EC, Article. 24e of Directive 2004/17/EC, Article 13(f)(j) of Directive 2009/81/EC

<sup>23</sup> In particular the fundamental Treaty principles on the free movement of goods and workers, the freedom to provide services, the freedom of establishment and the free movement of capital, as well as the principles deriving there from, such as the principles of non-discrimination, transparency and equal treatment

<sup>24</sup> See Rules for Participation and PCP communication COM/2007/799 and associated SEC(1668)2007

undertaking a PCP can if they so desire, but are not obliged to, after the PCP procure at market price R&D results generated during a PCP<sup>25</sup>.

- In preparation of the PCP call for tender, an open dialogue<sup>26</sup> with potential tenderers and end-users shall be held to broach the views of the market about the intended R&D scope. The results of this open market consultation shall be duly taken into account to fine-tune the tender specifications, so that the gap between state-of-the art industry development and the procurement needs justifies the need to procure R&D<sup>27</sup> services.
- In respect of the Treaty principles, EU wide publication shall be ensured for the PCP call for tender<sup>28</sup> in at least English, offers shall be accepted and communication with stakeholders shall be enabled at all stages throughout the PCP in at least English, and all offers shall be evaluated according to the same objective criteria regardless of the geographic location, organisation size or governance structure of the tenderers.
- The prior information notice for the open market consultation and the PCP contract notice shall be promoted and advertised widely using in particular also Horizon 2020 Internet sites and National Contact Points. The Commission shall be informed at least 5 days prior to the expected date of publication of the PIN for the open market consultation and 30 days prior to the expected date of publication of the PCP contract notice and its content. The PCP call for tender shall remain open for the submission of tenders for at least 60 days.
- The PCP contract notice shall contain information on the intended number of R&D providers that will be selected (minimum three) to start the PCP, the number of PCP phases and the expected duration and budget for each PCP phase. The PCP procurement shall cover the full PCP life cycle of solution design, prototyping, and original development including testing of a limited volume of test series products/services. Each of the three PCP phases can be split up into further phases if appropriate.
- Procurers should avoid the use of selection criteria based on disproportionate qualification and financial guarantee requirements (e.g. with regards to prior customer references and minimum turnover). Functional/performance based specifications shall be used, to formulate the object of the PCP tender as a problem to be solved, without prescribing a specific solution approach to be followed. Evaluation of the tenders shall be based on best value for money criteria, not just lowest price.

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<sup>25</sup> Negotiated procedure without publication, Article 31(2)(a) resp. Article 40(3)(b) resp. Article 28(2)(b) of public procurement directives 2004/18/EC resp. 2004/17/EC.

<sup>26</sup> The open dialogue should be organised in a way not to preclude or distort competition. In respect of the Treaty principles, the open dialogue shall be announced well in advance and widely via a prior information notice (PIN) in the Official Journal of the EU (OJEU) and enable potential tenderers regardless of the geographic location to participate at least in English. All information given in answers to questions from participants in the dialogue should be documented and published.

<sup>27</sup> In line with WTO GPA Article XV 1e, R&D can cover activities such as solution exploration and design, prototyping, up to the original development of a limited volume of first products or services in the form of a test series. Original development of a first product or service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the product or service is suitable for production or supply in quantity to acceptable quality standards. R&D does not include quantity production or supply to establish commercial viability or to recover R&D costs, nor commercial development activities such as incremental adaptations or routine or periodic changes to existing products, services, production lines, processes or other operations in progress, even if such changes may represent improvements.

<sup>28</sup> Through the OJEU, using the TED (Tenders Electronic Daily) web Portal

- The PCP process shall be organised while taking care to avoid any conflict of interests, including in the use of external experts. Potential providers of solutions sought for by a PCP cannot be beneficiaries in an action during which this PCP is planned or undertaken.
- The PCP process shall require selected R&D providers to locate the majority of the R&D activities for the PCP contract, including in particular the principal researcher(s) working for the PCP contract, in the Member States or Associated Countries.
- In PCP, procurers do not reserve the R&D results exclusively for their own use. In line with the Horizon 2020 Rules for Participation, an R&D provider generating results in PCP shall own the attached IPRs. The procurers shall enjoy royalty-free access rights to use the R&D results for their own use. The procurers shall also enjoy the right to grant or to require participating R&D providers to grant non-exclusive licenses to third parties to exploit the results under fair and reasonable market conditions without any right to sublicense. A call-back provision shall ensure that if an R&D provider fails to commercially exploit the results within a given period after the PCP as identified in the contract or uses the results to the detriment of the public interest, including security interests, it shall transfer any ownership of results to the procurers. The procurers shall inform tenderers of the procurers' right to publish - after consultation with each participating R&D provider - public summaries of the results of the PCP project, including information about key R&D results attained and lessons learnt by the procurers during the PCP (e.g. on the feasibility of the explored solution approaches to meet the procurers' requirements and lessons learnt for potential future deployment of solutions). Details should not be disclosed that would hinder application of the law, would be contrary to the public interest, would harm the legitimate business interests of the R&D providers involved in the PCP (e.g. regarding IPR protected specificities of their individual solution approaches) or could distort fair competition between the participating R&D providers or others on the market.
- To enable the public procurers to establish the correct (best value for money) market price for the R&D service, in which case the presence of State aid can in principle be excluded, the distribution of rights and obligations between public procurers and R&D providers, including the allocation of IPRs, shall be published in the PCP call for tender documents and the PCP call for tender shall be carried out in a competitive and transparent way in line with the Treaty principles which leads to a price according to market conditions. The public procurers should ensure that the PCP contracts with R&D providers contain a financial compensation according to market conditions<sup>29</sup> compared to exclusive development price for assigning IPR ownership rights to participating R&D providers, in order for the PCP call for tender not to involve State aid.
- The PCP contract that will be concluded with each selected tenderer shall take the form of one single framework agreement covering all PCP phases, which does not involve contract renegotiations after contract award. This framework agreement shall contain information on the future procedure for implementing the different phases (through specific contracts), including the format of the intermediate evaluations (incl. evaluation criteria and weightings) after the solution design and prototype development phases.

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<sup>29</sup> The financial compensation compared to exclusive development cost should reflect the market value of the benefits received and the risks assumed by the participating R&D provider. In case of IPR sharing in PCP, the market price of the benefits should reflect the commercialisation opportunities opened up by the IPRs to the R&D provider, the associated risks assumed by the R&D provider comprise for instance the cost carried by the R&D provider for maintaining the IPRs and commercialising the products.

**(ii) Specific requirements for Public Procurement of Innovative solutions (PPI)**

PPIs shall be compliant with the Horizon 2020 definitions:

*'Public procurement of innovative solutions (PPI)'* means procurement where contracting authorities act as a launch customer of innovative goods or services which are not yet available on a large-scale commercial basis, and may include conformance testing<sup>30</sup>. *'Launch customers'*, also called early adopters, refers to the first approx. 20% customers on the EU Internal Market in the market segment of the procurers that are deploying innovative solutions to tackle the challenge addressed by the PPI procurement. PPI shall result in the first application/commercialisation of innovative solutions, meaning that the solutions have to be new to the procurers' market segment or new to the EU Internal Market, and relevant to procurers in other Member States and/or Associated Countries. *'Innovative solutions'* are innovative goods or services with better than best available performance levels which suppliers are called to meet through production innovation. This includes solutions that typically have already been (partially) technically demonstrated with success on a small scale, and may be nearly or already in small quantity on the market, but which owing to residual risk of market uncertainty have not been produced at large enough scale yet to meet mass market price/quality requirements and have therefore not widely penetrated the market segment of the procurers yet. This also includes solutions based on existing technologies that are to be utilised in a new and innovative way. PPI does not include the procurement of R&D.

- The PPI call for tender shall be launched by a contracting authority or contracting entity as defined in EU public procurement directives 2004/18/EC, 2004/17/EC and 2009/81/EC.
- Procurers should avoid the use of selection criteria based on disproportionate qualification and financial guarantee requirements (e.g. with regards to prior customer references and minimum turnover). Functional/performance based specifications shall be used, to formulate the object of the PPI tender as a problem to be solved, without prescribing a specific solution approach to be followed. Evaluation of the tenders shall be based on best value for money criteria (not just lowest price).
- The distribution of rights and obligations between procurers and the solution provider(s), including the allocation of IPRs, shall be published in the PPI call for tender documents. The PPI call for tender shall be carried out in a competitive and transparent way in line with the Treaty principles which leads to a price according to market conditions. In order to encourage fair and wide exploitation of results, ownership rights of IPRs generated during the execution of a PPI contract should be assigned to the party generating the IPRs, except in duly justified cases (e.g. when that party is not able to exploit them).
- Procurers shall organise their procurement so as to avoid any conflict of interest, including in the use of external experts. Potential providers of solutions sought for by a PPI cannot be beneficiaries in an action during which this PPI is planned or undertaken.
- Procurement procedures covered by the EU public procurement directives that do not involve procurement of R&D can be used. Restricted procedures with shortened timeframes for submission of offers for urgency reasons shall not be used.

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<sup>30</sup> See Rules for Participation

Unless the PPI is undertaken by (a) procurer(s) that has conducted a PCP in line with the requirements described in section (i) of this Annex E, to buy the prototypes or limited first test products/services that were developed during the PCP<sup>31</sup>:

- In preparation of the PPI call for tender, an open market consultation<sup>26</sup> with potential tenderers and end-users shall be held to inform the market well in advance of the upcoming PPI and broach the views of the market about the intended scope of the PPI. Information retrieved from this consultation about the gap between perceived procurement needs and on-going industry developments shall be taken into account in the PPI tender specifications, so that the PPI duly focuses on 'early adoption' of 'innovative' solutions.
- The market shall be informed well in advance<sup>32</sup> of the target date by when the PPI is expected to be launched. Market readiness prior to deployment can be verified through the organisation of e.g. conformance testing, certification or quality labelling of solutions.
- EU wide publication shall be ensured for PPI contract notices<sup>28</sup> in at least English, offers shall be accepted and communication with stakeholders shall be enabled at all stages throughout the procurement in at least English, and all offers shall be evaluated according to the same objective criteria.
- The prior information notices for the open market consultation, early announcement of the target date for launching the PPI, and the PPI contract notice shall be promoted and advertised widely using in particular also Horizon 2020 Internet sites and National Contact Points. The Commission shall be informed at least 5 days prior to the expected date of publication of the PIN for the open market consultation and 30 days prior to the expected date of publication of the PPI contract notice and its content. The PPI call for tender shall remain open for the submission of tenders for at least 60 days.
- Where the WTO Government Procurement Agreement does not apply, participation in PPI tendering procedures shall be open on equal terms to bidders from EU Member States and all countries with which the EU has an agreement in the field of public procurement under the conditions laid down in that agreement, including all countries associated to Horizon 2020. Where the WTO Government Procurement Agreement applies, PPI contracts shall be also open to bidders from States which have ratified this agreement, under the conditions laid down therein.

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<sup>31</sup> The negotiated procedure without publication foreseen for this in the EU public procurement directives can then be used: Article 31(2)(a) resp. Article 40(3)(b) of directives 2004/18/EC resp. 2004/17/EC. At least three offers shall be asked including from the R&D providers that successfully completed the pre-ceding PCP.

<sup>32</sup> By means of a Prior Information Notice (PIN) in the OJEU

## F. Model Rules of Contest (RoC) for Prizes

This annex provides a model for the Rules of Contest that will be published for Prizes under this Work Programme.

### **1. Objectives pursued**

As already specified in the Work Programme.

### **2. Expected results**

As already specified in the Work Programme.

### **3. Award criteria**

As already specified in the Work Programme, or, if the Work Programme only provides essential award criteria, then specific award criteria detailing the essential award criteria shall be provided.

### **4. Arrangements and final dates for the registration of contestants, if required, and arrangements and final dates for the submission of entries**

Required entry forms and deadlines for submission. Registration of contestants can apply only to inducement prizes.

### **5. Amount of prize(s) including specific amount for each prize, if applicable**

### **6. Arrangement for the payment of the prize to the winner after its award**

### **7. Conditions for cancellation of the contest, if any**

The Commission has to right to terminate the contest before its closing date without any obligation to indemnify contestants in case the objective of the contest has been achieved by a non-registered or non-eligible contestant.

The Commission has the right to decide not to award any prize if no entries are received or if no entries are to be awarded by the contest jury.

### **8. Conditions for participation**

The contestant must not have received any other Union prize before that is the subject of the current competition.

All information given by the contestant in the application must be correct and complete.

## **8.1. Eligibility criteria**

As already specified in the Work Programme, or, if the Work Programme only provides essential eligibility criteria, then specific eligibility criteria detailing the essential eligibility criteria shall be provided.

## **8.2. Exclusion criteria**

Contestant will be excluded from participating in the competition if they fall under any of the following situations<sup>33</sup>:

The contestant:

- a) is bankrupt or being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) has been convicted of an offence concerning professional conduct by a judgment of a competent authority of a Member State which has the force of *res judicata*;
- c) has been guilty of grave professional misconduct proven by any means which the European Union bodies can justify including by decisions of the European Investment Bank and international organisations;
- d) is not in compliance with all its obligations relating to the payment of social security contributions and the payment of taxes in accordance with the legal provisions of the country in which it is established, with those of the country of the authorising officer responsible and those of the country where the activity is to be implemented;
- e) has been the subject of a judgement which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such activity is detrimental to the Union's financial interests;
- f) is subject to an administrative penalty for being guilty of misrepresenting the information required as a condition of participation in a procurement procedure or another grant award procedure or failing to supply this information, or having been declared to be in serious breach of its obligations under contracts or agreements covered by the Union's budget. Natural persons with power of representation, decision-making or control over one of the contestants that are legal entities, must not be in the situations referred to in b) and e) above:

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<sup>33</sup> Contestants which are in one of the situations referred to in Article 106(1) and Articles 107, 108 and 109 of the Financial Regulation are excluded from participating in the contest.



Contestants must:

- g) have no conflict of interests in connection with the prize; a conflict of interests could arise in particular as a result of economic interests, political or national affinity, family, emotional life or any other shared interest;
- h) inform the European Commission, without delay, of any situation considered a conflict of interests or which could give rise to a conflict of interests;
- i) have not been granted, and will not grant, have not sought and will not seek, have not attempted and will not attempt to obtain, and have not accepted and will not accept any advantage, financial or in kind, to or from any party whatsoever, where such advantage constitutes an illegal practice or involves corruption, either directly or indirectly, inasmuch as it is an incentive or reward relating to the award of the prize;

In case of award of a prize, the following evidence shall be provided upon request and within the time limit set by the European Commission:

For situations described in (a), (b) and (e), production of a recent extract from the judicial record is required or, failing that, a recent equivalent document issued by a judicial or administrative authority in the country of origin or provenance showing that those requirements are satisfied. Where the contestant is a legal person and the national legislation of the country in which the contestant is established does not allow the provision of such documents for legal persons, the documents should be provided for natural persons, such as the company directors or any person with powers of representation, decision making or control in relation to the contestant.

For the situation described in point (d) above, recent certificates or letters issued by the competent authorities of the State concerned are required. These documents must provide evidence covering all taxes and social security contributions for which the contestant is liable, including for example, VAT, income tax (natural persons only), company tax (legal persons only) and social security contributions.

For any of the situations (a), (b), (d) or (e), where any document described in the two paragraphs above is not issued in the country concerned, it may be replaced by a sworn or, failing that, a solemn statement made by the interested party before a judicial or administrative authority, a notary or a qualified professional body in his country of origin or provenance.

If the contestant is a legal person, information on the natural persons with power of representation, decision making or control over the legal person shall be provided only upon request by the European Commission.

### 8.3. Sole liability of contestants

The Commission may not be held responsible for any claim relating to the activities carried out in the framework of the contest by the contestant. The Commission shall not be held liable for any damage caused or sustained by any of the contestants, including any damage caused to third parties as a consequence of or during the implementation of the activities related to the contest.

### 8.4. Checks and audits

The contestants accept that, if they are awarded a prize, the Commission, OLAF and the Court of Auditors may carry out checks and audits in relation to the contest and the received prize.

### 8.5. Publicity

#### 8.5.1. Publicity by the winner of the prize

The contestants accept, if they are awarded a prize, to promote the action and its results, by providing targeted information to multiple audiences (including the media and the public) in a strategic and effective manner.

Unless the Commission requests or agrees otherwise or unless it is impossible, any communication activity related to the action (including in electronic form, via social media, etc.) must:

- (a) display the EU emblem and
- (b) include the following text:

*“This action has been awarded the prize [name of the prize] from the European Union’s Horizon 2020 research and innovation programme”.*

When displayed together with another logo, the EU emblem must have appropriate prominence.

For the purposes of its obligations, the winner of the prize may use the EU emblem without first obtaining approval from the Commission. This does not, however, give it the right to exclusive use. Moreover, the winner of the prize may not appropriate the EU emblem or any similar trademark or logo, either by registration or by any other means.

#### 8.5.2. Publicity by the Commission

The Commission may use, for its communication and publicising activities, information relating to the action, documents notably summaries for publication and public deliverables as well as any other material, such as pictures or audio-visual material that it receives from the winner of the prize (including in electronic form).

The Commission will publish the name of the winner, its locality, the amount of the prize and its nature and purpose and that the contestant may request the Commission to waive such publication if disclosure risks threatening its security and safety or harm its commercial interest.

Photos and videos taken by the Commission either in preparation of the award ceremony or during the award ceremony are the sole property of the Commission.

### **8.6. Processing of personal data**

Registration and submission of application shall be made in writing, which implies by letter or by electronic means (as specified in the rules of the contest), provided that they are non-discriminatory in nature and ensure integrity, confidentiality and protection of personal data. All personal data contained in the application shall be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council (OJ L8 of 12.01.2001, p1) on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Such data shall be processed by the Controller solely in connection with the implementation and follow-up of the application of the winner, without prejudice to a possible transmission to the bodies in charge of a monitoring or inspection task in accordance with European Community and European Union legislation.

Contestants may, on written request, gain access to their personal data and correct any information that is inaccurate or incomplete. They should address any questions regarding the processing of their personal data to the Controller, via the contact person announced in the rules of the contest. Please send in addition a scanned copy of your letter to the email address announced in the rules of the contest.

Contestants may, at any time, lodge a complaint against the processing of their personal data with the European Data Protection Supervisor.

The Commission shall be authorised to publish, in whatever form and on or by whatever medium, the following information:

- The name of winner(s);
- The locality of winner(s)
- The general purpose of the activities of the winner(s) in relation to the award of the prize, in the form of the summary provided by the winner(s);
- The amount of the prize awarded;

### **8.7. Applicable law and competent jurisdiction**

The contest is governed by the applicable Union law complemented, where necessary, by the law of Belgium. The General Court or, on appeal, the Court of Justice of the European Union, shall have sole jurisdiction to hear any dispute between the Union and any participant concerning the interpretation, application or validity of the rules of this contest, if such dispute cannot be settled amicably.

If international organisations are eligible, this general rule may be complemented by the special conditions proposed in the model grant agreement on dispute settlement - arbitration and applicable law.

### **8.8. Applicability of penalties**

By virtue of Article 212 of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, 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 Union and with due regard to the principle of proportionality, a contestant which has committed irregularities or fraud, has made false declarations shall be liable to:

- (a) administrative penalties consisting of exclusion from all contracts, grants and contests financed by the Union budget for a maximum of five years from the date on which the infringement is established and confirmed following a contradictory procedure with the contestant; and/or
- (b) financial penalties of 2% to 10% of the value of the prize.

In the event of another infringement within five years following the establishment of the first infringement, the period of exclusion under point (a) may be extended to 10 years and the range of the rate referred to in point (b) may be increased to 4% to 20%.

### **8.9. Dissemination and exploitation obligations**

Obligations regarding dissemination of results laid down in Title III of the rules for participation and dissemination in Horizon 2020 (Regulation 1290/2013) apply, as well as any additional rules provided in the Work Programme.

## G. Technology readiness levels (TRL)

Where a topic description refers to a TRL, the following definitions apply, unless otherwise specified:

- TRL 1 – basic principles observed
- TRL 2 – technology concept formulated
- TRL 3 – experimental proof of concept
- TRL 4 – technology validated in lab
- TRL 5 – technology validated in relevant environment (industrially relevant environment in the case of key enabling technologies)
- TRL 6 – technology demonstrated in relevant environment (industrially relevant environment in the case of key enabling technologies)
- TRL 7 – system prototype demonstration in operational environment
- TRL 8 – system complete and qualified
- TRL 9 – actual system proven in operational environment (competitive manufacturing in the case of key enabling technologies; or in space)

## H. Evaluation

### Selection Criteria

a) *Financial capacity*: In line with the Financial Regulation and the Rules for Participation. At the proposal stage, coordinators will be invited to complete a self-assessment using an on-line tool.

b) *Operational capacity*: As a distinct operation, carried out during the evaluation of the award criterion ‘Quality and efficiency of the implementation’, experts will indicate whether the participants meet the selection criterion related to operational capacity, to carry out the proposed work, based on the competence and experience of the individual participant(s).

### Award criteria

Experts will evaluate on the basis of the criteria ‘excellence’, ‘impact’ and ‘quality and efficiency of the implementation’. The aspects to be considered in each case depend on the types of action as set out in the table below, unless stated otherwise in the call conditions. (The provisions applying to calls under Marie Skłodowska –Curie are set out under that chapter of the work programme).

<b>Type of action</b>	<b>Excellence</b>	<b>Impact</b>	<b>Quality and efficiency of the implementation</b>
<b>All types of action</b>	<p>The following aspects will be taken into account, to the extent that the proposed work corresponds to the topic description in the work programme.</p> <p><b>Clarity and pertinence of the objectives;</b></p> <p>Credibility of the proposed approach.</p>	<p>The extent to which the outputs of the project should contribute at the European and/or International level to:</p> <p><b>The expected impacts listed in the work programme under the relevant topic</b></p>	<p>The following aspects will be taken into account:</p> <p>Coherence and effectiveness of the work plan, including appropriateness of the allocation of tasks and resources;</p> <p>Complementarity of the participants within the consortium (when relevant);</p> <p>Appropriateness of the management structures and procedures, including risk and innovation management.</p>

General Annexes

<p><b>Research and innovation; Innovation; SME instrument</b></p>	<p><b>Soundness of the concept, including trans-disciplinary considerations, where relevant;</b></p> <p><b>Extent that proposed work is ambitious, has innovation potential, and is beyond the state of the art (e.g. ground-breaking objectives, novel concepts and approaches)</b></p>	<p>Enhancing innovation capacity and integration of new knowledge;</p> <p>Strengthening the competitiveness and growth of companies by developing innovations meeting the needs of European and global markets; and, where relevant, by delivering such innovations to the markets;</p> <p>Any other environmental and socially important impacts (not already covered above);</p> <p>Effectiveness of the proposed measures to exploit and disseminate the project results (including management of IPR), to communicate the project, and to manage research data where relevant.</p>	
<p><b>Coordination &amp; support actions</b></p>	<p><b>Soundness of the concept;</b></p> <p><b>Quality of the proposed coordination and/or support measures.</b></p>	<p>Effectiveness of the proposed measures to exploit and disseminate the project results (including management of IPR), to communicate the project, and to manage research data where relevant.</p>	
<p><b>ERA-NET Cofund</b></p>	<p><b>Level of ambition in the collaboration and commitment of the participants in the proposed ERA-NET action to pool national resources and coordinate their national/regional research programmes.</b></p>	<p>Achievement of critical mass for the funding of trans-national projects by pooling of national/regional resources and contribution to establishing and strengthening a durable cooperation between the partners and their national/regional research programmes;</p> <p>Effectiveness of the proposed measures to exploit and disseminate the project results and to communicate the project.</p>	

<p><b>Pre-commercial procurement Cofund/ Public procurement of innovative solutions Cofund</b></p>	<p><b>Progress beyond the state of the art in terms of the degree of innovation needed to satisfy the procurement need.</b></p>	<p>Strengthening the competitiveness and growth of companies by developing innovations meeting the needs of European and global procurement markets</p> <p>Effectiveness of the proposed measures to exploit and disseminate the project results (including management of IPR), to communicate the project.</p> <p>More forward-looking concerted procurement approaches that reduce fragmentation of demand for innovative solutions</p>	
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**Note**

Unless otherwise specified in the call conditions:

- (a) Evaluation scores will be awarded for the criteria, and not for the different aspects listed in the above table. For full proposals, each criterion will be scored out of 5. The threshold for individual criteria will be 3. The overall threshold, applying to the sum of the three individual scores, will be 10.
- (b) For Innovation actions and the SME instrument (phases 1 and 2), to determine the ranking, the score for the criterion ‘impact’ will be given a weight of 1.5.
- (c) For the evaluation of first-stage proposals under a two-stage submission procedure, only the criteria ‘excellence’ and ‘impact’ will be evaluated. Within these criteria, only the aspects in bold will be considered. The threshold for both individual criteria will be 4.

**Priority order for proposals with the same score**

Unless the call conditions indicate otherwise, the following method will be applied.

As part of the evaluation by independent experts, a panel review will recommend one or more ranked lists for the proposals under evaluation, following the scoring systems indicated above. A ranked list will be drawn up for every indicative budget shown in the call conditions.

If necessary, the panel will determine a priority order for proposals which have been awarded the same score within a ranked list. Whether or not such a prioritisation is carried out will depend on the available budget or other conditions set out in the call fiche. The following



approach will be applied successively for every group of *ex aequo* proposals requiring prioritisation, starting with the highest scored group, and continuing in descending order:

- (i) Proposals that address topics not otherwise covered by more highly-ranked proposals, will be considered to have the highest priority.
- (ii) These proposals will themselves be prioritised according to the scores they have been awarded for the criterion *excellence*. When these scores are equal, priority will be based on scores for the criterion *impact*. In the case of Innovation actions, and the SME instrument (phases 1 and 2), this prioritisation will be done first on the basis of the score for *impact*, and then on that for *excellence*.

If necessary, any further prioritisation will be based on the following factors, in order: size of budget allocated to SMEs; gender balance among the personnel named in the proposal who will be primarily responsible for carrying out the research and/or innovation activities.

If a distinction still cannot be made, the panel may decide to further prioritise by considering how to enhance the quality of the project portfolio through synergies between projects, or other factors related to the objectives of the call or to Horizon 2020 in general. These factors will be documented in the report of the Panel.

- (iii) The method described in (ii) will then be applied to the remaining *ex aequos* in the group.

## I. Budget flexibility

Budgetary figures given in this work programme are indicative. Unless otherwise stated, final budgets may vary following the evaluation of proposals. The final figures may vary by up to 20% with respect to those indicated in this work programme for the following budgeted activities:

- Total expenditure for each call for proposals;
- Any repartition of the call budget within a call, up to 20% of the total expenditure of the call;
- Evaluation and monitoring, up to 40%<sup>34</sup> of the total expenditure for all these activities;
- Each other individual action not implemented through calls for proposals.

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<sup>34</sup> Due to the unexpectedly high number of proposals received for 2015 calls for proposals, and in order to comply with the Commission obligation to appoint independent experts to evaluate proposals and monitor the implementation of actions funded.

## J. Classified Information

In the case of actions involving security-related activities special provisions for classified information (as defined in Commission Decision 2001/844/EC, ECSC, Euratom) will be taken in the grant agreement, as necessary and appropriate.

Proposals should not contain any classified information. However, it is possible that the output of an action ('Foreground') needs to be classified, or that classified inputs ('Background') are required. In such cases proposers have to ensure and provide evidence of the adequate clearance of all relevant facilities. Consortia have to clarify issues such as e.g. access to classified information or export or transfer control with the national authorities of their Member States/Associated Countries prior to submitting the proposal. Proposals need to provide a draft security classification guide, indicating the expected levels of classification. Appropriate arrangements will have to be included in the consortium agreement.

Topics in the work programme that are most likely to lead to classified projects include the following reference:

*“Projects addressing this topic may involve the use of classified background information (EU or national) or the production of security sensitive foreground information. As such, certain project deliverables may require security classification. The final decision on the classification of projects is subject to the security evaluation.”*

This applies primarily to the Secure Societies challenge, but the provisions may appear in other parts. These references do not however preclude a different assessment following the security scrutiny. To that effect positively evaluated proposals involving sensitive or classified information will be flagged to the members of the Secure Societies Programme Committee configuration and dealt with according to its Rules for Procedure.

## K. Financial support to third parties

Where this possibility is indicated under the relevant topic, proposals which foresee a financial support to third parties<sup>35</sup>, shall clearly detail the objectives and the results to be obtained and include at least the following elements:

- a closed list of the different types of activities that qualify for financial support,
- the persons or categories of persons which may receive financial support,
- the criteria for awarding financial support
- the criteria for calculating the exact amount of the financial support,
- the maximum amount to be granted to each third party (may not exceed EUR 60 000 for each third party unless it is necessary to achieve the objectives of the action)

The financial support may also take the form of a prize awarded following a contest organised by the beneficiary.

In such case proposals shall clearly detail at least the following elements:

- the conditions for participation;
- the award criteria;
- the amount of the prize;
- the payment arrangements.

Further boundary conditions regarding the above listed elements or other elements may be laid down in the relevant call allowing a financial support to third parties.

The grant beneficiary must ensure that recipients of the financial support allow the Commission, the European Anti-fraud Office and the Court of Auditors to exercise their powers of control, on documents, information, even stored on electronic media, or on the final recipient's premises.

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<sup>35</sup> Article 137 of the Financial Regulation