

July 28, 2021

Business Plan 2021: Partners located in Third Countries

Update & Guidance

Important: the information in this brief is relevant for all partners located in third countries and all partners that are in a KAVA with a third country partner. Please review this document.

Overview

The purpose of this update is to provide you with guidance on how EIT Climate-KIC will address partners located in third countries for the amendment of the EIT 2021 business plan. This information is relevant both for partners located in one of the third countries that are seeking to associate to the Horizon Europe programme as well as consortium members and partners that are included in the same 2021 KAVA.

Eligibility of partners located in Third Countries

As you are aware, Partners based in third countries will not be eligible for cost reimbursements if their country does not associate to the Horizon Europe programme. EIT Climate-KIC has continued to track this issue and has shared information with our partners in webinars and documentation (see the [Partner Information page: link](#) password ckicpartner). Prior to the final submission of the business plan 2021, a solution to include partners in their respective KAVAs was agreed with EIT for the submission process: the solution was to include partners in the KAVA but without assigned EIT funding, but rather EIT Climate-KIC is assigned the partner's EIT funding. The intent was to re-assign the EIT funding in the business plan at the amendment stage. This assumed that the third country association negotiations would be largely concluded or nearing completion. For avoidance of doubt, by including EIT Climate-KIC in the KAVA 'holding' the EIT funding but not as a delivery partner, this allowed partners to be named in the business plan 2021.

With the resubmission of the business plan 2021 through the amendment process due on September 30th, EIT Climate-KIC has reviewed the overall status of the association processes, based on available information. While there are some positive indications that each country will associate prior to December 31, 2021, it is unlikely that they all will by the amendment deadline. With the intent of supporting our partner community and allowing them to assess their own risk and make their own choice, EIT Climate-KIC will remain in the respective partner KAVAs 'holding' the EIT funding. This means that partners will be able to report their eligible costs and EIT Climate-KIC will distribute funding, as per the grant business cycle and rules governing the reimbursement process – subject to the partner becoming eligible under Horizon Europe requirements. EIT Climate-KIC will not participate in the KAVA as a delivery partner and, as such, will ask partners to confirm that they understand the arrangement and will not hold EIT Climate-KIC liable for disallowances or costs incurred should the partner's respective country not associate prior to the end of the year. The Task Confirmation Letter includes relevant clauses addressing this intent.



Understanding your risk, making your choice:

It is public information that Switzerland has made arrangements and intend on putting in place financial support for country-based organisations that participate in the Horizon Europe programme. All third countries partners, including Switzerland, and partners participating in the same KAVAs, are encouraged to inform themselves in order to assess for themselves, firstly, the status of the negotiations and, secondly, the conditions that may apply should governments choose to off-set EIT funding. Information is available on diverse platforms, including the EU Commission Horizon Europe website and individual country websites. EIT Climate-KIC is tracking based on available information and updates from EIT, but does not have special access to additional information. Affected partners are encouraged to inform themselves and assess their own risk – keeping in mind that project costs will only be eligible from EIT if their respective country associates to the Horizon Europe programme.

Next Steps in the grant cycle

The contracting process is underway, with the issuance of the Horizon Europe 2021 Grant Agreement Accession Forms and other relevant Horizon Europe documentation. Task Confirmation Letters will be issued as and when partners submit the completed forms, the project monitoring form on Plaza and, if appropriate, update their workplans/budgets. The Task Confirmation letters make specific reference to the third country risk. To that end, it states that the risk is wholly the partner's as costs will be deemed ineligible should their country not associate. Where applicable (i.e. the partner in receipt of the Task Confirmation Letter is a third country partner or delivering in a project/KAVA with third country partner(s)), Annex 4 contains a declaration for the partners to confirm that they understand the risks and role of EIT Climate-KIC to 'hold' the EIT funding, and not as a delivery partner with associated liability. Finally, there are several instances where the grant recipient is located in a non-associated country whilst its affiliate is located in an associated country, both the grant recipient and the affiliates costs will be ineligible. EIT Climate-KIC will reach out to those organisations, however, they should not hesitate to contact us.

While the general rule is that Horizon Europe should be awarded to entities established in Horizon Europe eligible countries, the Horizon Europe regulation does allow for exceptions. EIT Climate-KIC will seek exceptions on a limited basis to include partners in non-associated Third Countries. EIT has informed all KICs that this mechanism is not appropriate for all countries and partners, as the aim is to consider whether the partner meets specific conditions in terms of outstanding competence and expertise, access to particular research infrastructures, access to particular geographical environments, and access to particular data. Each request for an exception will be reviewed by an EIT external expert on a case-by-case basis, resulting in a recommendation to the EIT. EIT has indicated that they do not expect to have decisions on each exception until September.

What should partners do?

- All partners should make themselves aware of the risks, whether they are located in a third country or are if they are in a shared KAVA. For consortium members, partners should discuss options and ensure they are equally aware of the risks, should the third country partner not be able to claim eligible costs or complete deliverables and KPI's.
- Review the Task Confirmation Letter to ensure the conditions set out in the document are understood and are acceptable.



- Assess the available information on the Horizon Europe and EU Commission websites, along with the specific third country government websites to consider whether the status of the association negotiation processes provide sufficient positive signals to proceed.
- If the decision is to proceed, sign the Task Confirmation Letter. If the decision is not to proceed, reach out to your EIT Climate-KIC contact or the Community Desk (communitydesk@climate-kic.org) **before September 15th** and EIT Climate-KIC will work with each partner to remove them from the business plan 2021.

If you have specific questions, please reach out to the contacts noted above. We will do our best to respond to your queries on a timely basis.

