Security in Horizon Europe

Framework programme for research and innovation 2021–2027

Security Appraisal
&
Ownership control assessment

Who are we?

VINNOVA
Sveriges innovationsmyndighet

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Today's agenda

- Security in Horizon Europe
- Context
- Legal framework
- Process
- Q&A

International Cooperation in Research & Innovation

Commitment to openness
Safeguarding EU interests

@EUScienceInnov | #EUResearchArea | #ResearchImpactEU | #HorizonEU

Truly global & protectionism

Horizon Europe is excellence based

- Top-20 countries take home 95 % of the money
- But 173 countries participate, i.e. 153 countries share 5 % of the money

Associated Countries with strong research eco-systems

- UK, Canada, New Zeeland, South Korea, Japan, Switzerland
- Ongoing negotiations with India, Australia and Singapore

Promote sovereignty in strategic technologies

- Restricted calls in cyber security, quantum, chips, space, Artificial Intelligence, …

Security appraisal

Concerns the project's content

- Secure that processes and procedures within granted projects are appropriate
- From both security and scientific perspective
- Will almost always result in recommendations, adjustments, etc.

Ownership Control Assessment

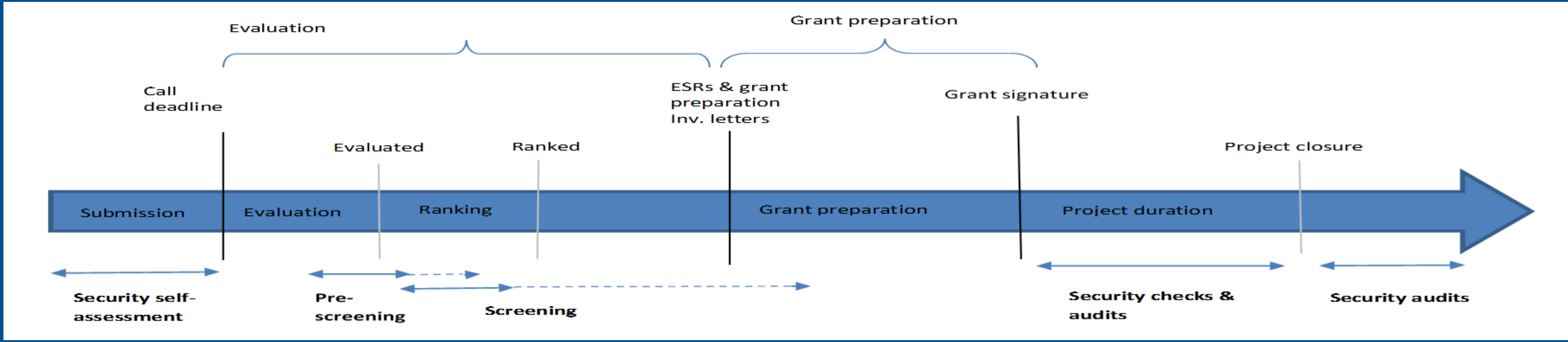
Concerns the consortium composition

- ’Safeguard competitiveness & sovereignty’
- Yes/No answer (kick the partner out or not?)

Security Scrutiny

Security continuum

- Ongoing effort from idea to final report and beyond



Security Appraisal

- Security scrutiny -> Security appraisal
- Three main steps:
- The Security Self-assessment
  - by the Applicant – all proposals;
- The Security Review
  - by the granting authority, the Commission and national security experts – at selection of proposals;
- The Security Checks & Audits
  - by the Commission or the relevant funding body – where appropriate, during or after the life of the project.

Security review

- Three steps
- Security Pre-screening
  - carried out by qualified staff of the granting authority, during the scientific evaluation or soon after
- Security Screening
  - performed by qualified staff of the European Commission (DG HOME), after the scientific evaluation and before the signature of the Grant Agreement
- Security Scrutiny
  - conducted by the Security Scrutiny Group, comprised of national security experts, after the scientific evaluation and before the signature of the Grant Agreement

Possible outcomes

- No security concern
  - No security issues were identified in the proposal
  - No need for the Grant Agreement to include a security section.
- Security recommendations and/or security classification
  - The security summary report will list one or more security requirements that should be set out in the Grant Agreement:
    - security recommendation to limit the dissemination level of certain deliverables for security reasons;
    - classification of certain deliverables at a certain level;
    - appointment of a Project Security Officer;
    - establishment of a Security Advisory Board;
    - other security recommendations.
- Proposal too sensitive to be funded - funding is refused and the proposal is rejected
  - information to be used or generated by the project is too sensitive
  - the applicants lack the right experience, skills or authorisations to handle classified information at the appropriate level

Ownership Control Assessment

Eligibility condition

HORIZON-CL4-2026-01-MAT-PROD-24: Cooperation on innovative advanced materials with Japan (CSA)

Call: INDUSTRY	
Specific conditions	
Expected EU contribution per project	The Commission estimates that an EU contribution of around EUR 0.80 million would allow these outcomes to be addressed appropriately. Nonetheless, this does not preclude submission and selection of a proposal requesting different amounts.
Indicative budget	The total indicative budget for the topic is EUR 0.80 million.
Type of Action	Coordination and Support Actions
Legal and financial set-up of the Grant Agreements	The rules are described in General Annex G. The following exceptions apply: The granting authority may, up to 4 years after the end of the action, object to a transfer of ownership or to the exclusive licensing of results, as set out in the specific provision of Annex 5.

Eligibility conditions	The conditions are described in General Annex B.

HORIZON-CL4-2026-01-MAT-PROD-13: Monitoring of secondary raw materials (CSA)

Call: INDUSTRY	
Specific conditions	
Expected EU contribution per project	The Commission estimates that an EU contribution of around EUR 4.00 million would allow these outcomes to be addressed appropriately. Nonetheless, this does not preclude submission and selection of a proposal requesting different amounts.
Indicative budget	The total indicative budget for the topic is EUR 4.00 million.
Type of Action	Coordination and Support Actions
Eligibility conditions	The conditions are described in General Annex B. The following exceptions apply: To increase EU resilience in raw materials supply chains and thus reduce the serious risk to the Union's strategic assets, economic and societal interests, autonomy and security associated with the current EU reliance on a few third countries for critical raw materials, by increasing sustainable and responsible sourcing of primary and secondary raw materials necessary to enable the green and digital transition and in alignment with the objectives of the Critical Raw Materials Act[70], participation in this topic is limited to legal entities established in Member States, associated countries, OECD countries, African Union Member States, MERCOSUR, CARIFORUM, Andean Community and countries with which the EU has concluded strategic partnerships on raw materials[71] as well as trade agreements (or association/economic partnership or equivalent agreements, including the new Clean Trade and Investment Partnerships) containing raw materials cooperation provisions (i.e. Energy and Raw materials chapters)[72]. The choice of these countries was made taking into consideration the development of strategic international partnerships on raw materials and avoidance of reinforcing existing over-dependencies, as well as the importance of involving partners committed to pursuing open trade in such materials. Proposals including legal entities which are not established in the

European Commission

When participation is limited by EU

A wide range of formulations, e.g.

- "participation in this topic is limited to legal entities established in Member States"
- "participation is limited to legal entities established in Member States, Iceland and Norway, associated countries and OECD countries."
- "participation in this topic is limited to legal entities established in Member States, associated countries, OECD countries, African Union Member States, MERCOSUR, CARIFORUM, Andean Community and countries with which the EU has concluded strategic partnerships on raw materials[60] as well as trade agreements (or association/economic partnership or equivalent agreements, including the new Clean Trade and Investment Partnerships) containing raw materials cooperation provisions (i.e. Energy and Raw materials chapters)[61]."
- "participation is limited to legal entities established in Member States, Iceland and Norway and the following additional associated countries: Canada, Israel, Republic of Korea, New Zealand, Switzerland, and the United Kingdom. In addition, entities established in third countries which may become associated to Horizon Europe during 2026 and 2027 may be eligible to participate in this topic if the third country is identified for this topic as an eligible country in the List of Participating Countries in Horizon Europe at the time of submission of the application. In any case, the association agreement to the Programme must apply by the time of the signature of the grant agreement."
- "For the duly justified and exceptional reasons listed in the paragraph above, in order to guarantee the protection of the strategic interests of the Union and its Member States, entities established in an eligible country listed above, but which are directly or indirectly controlled by a non-eligible country or by a non-eligible country entity, may not participate in the action unless it can be demonstrated, by means of guarantees positively assessed by their eligible country of establishment, that their participation to the action would not negatively impact the Union's strategic assets, interests, autonomy, or security. Entities assessed as high-risk suppliers of mobile network communication equipment within the meaning of 'restrictions for the protection of European communication networks' (or entities fully or partially owned or controlled by a high-risk supplier) cannot submit guarantees.

Ownership control – Basic Idea

- Control = being able to influence important decisions
- This can be through ownership, voting rights or actual influence in practice

Non-EU control
- If a non-EU owner can influence key decisions
- Looks at the whole ownership chain, not just direct owners

What is reviewed
- Ownership and voting structure
- Who takes decisions in the organisation
- Important business relationships
- Financial dependencies

Note!
Even smaller ownership shares can count if they give influence (e.g. veto rights)

Read more: Participation in EU calls with ownership and control restrictions

Overall message

It's not only where a company is based – it's who ultimately controls it

3.1 How is control defined

'Control' is defined as the possibility to exercise decisive influence on the participant, directly or indirectly, through one or more intermediate entities, 'de jure' or 'de facto'. ⚠ The fact that no influence is actually exercised is not relevant, as long as the possibility exists.

European Commission

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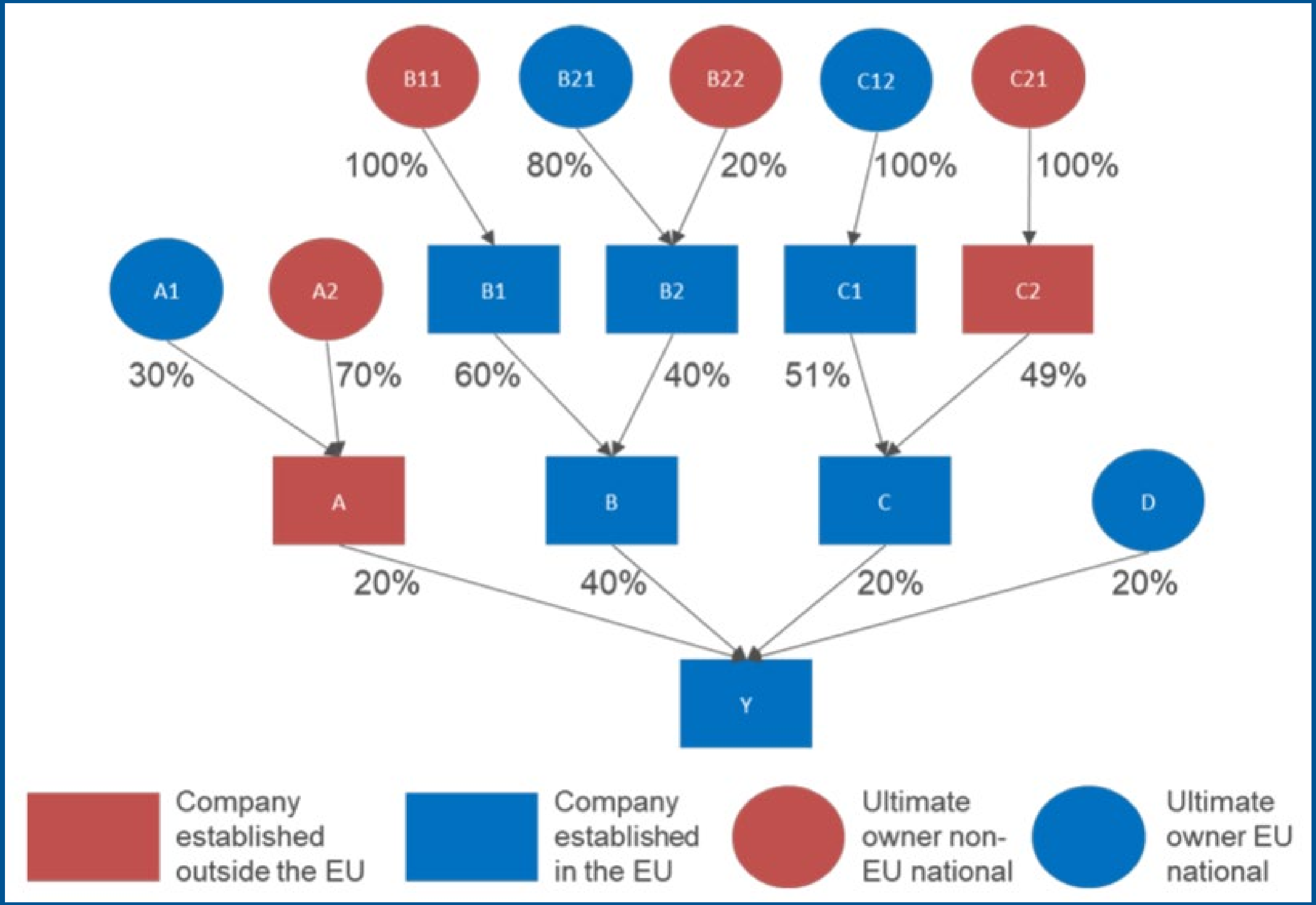
Example (chain of control)



Process

If chosen for funding

If non-EU Controlled

Application → Grant preparation: Assessment → Fill in Guarantee → Guarantee must be approved by competent authority

Application

- All participants fill in ownership control declaration
- Collected submitted by coordinator
- Provide documents if requested

Grant preparation: Assessment

- CVS checks and confirms status:
  - EU-controlled
  - Non-EU controlled
- Can require supporting document

Fill in Guarantee

- Participation may still be possible
- Ineligible participants have to fill in ownership control guarantee

Guarantee must be approved by competent authority

- COM contact MS directly, NO need for participants to take contact

Conclusion: prepare well

- “Forewarned is forearmed”
- Inform yourself
- Talk and plan internally in your organisation
- Take strategical and concious decision