

Legal and financial issues in Horizon Europe

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Turkey in Horizon 2020 – online training

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Introduction

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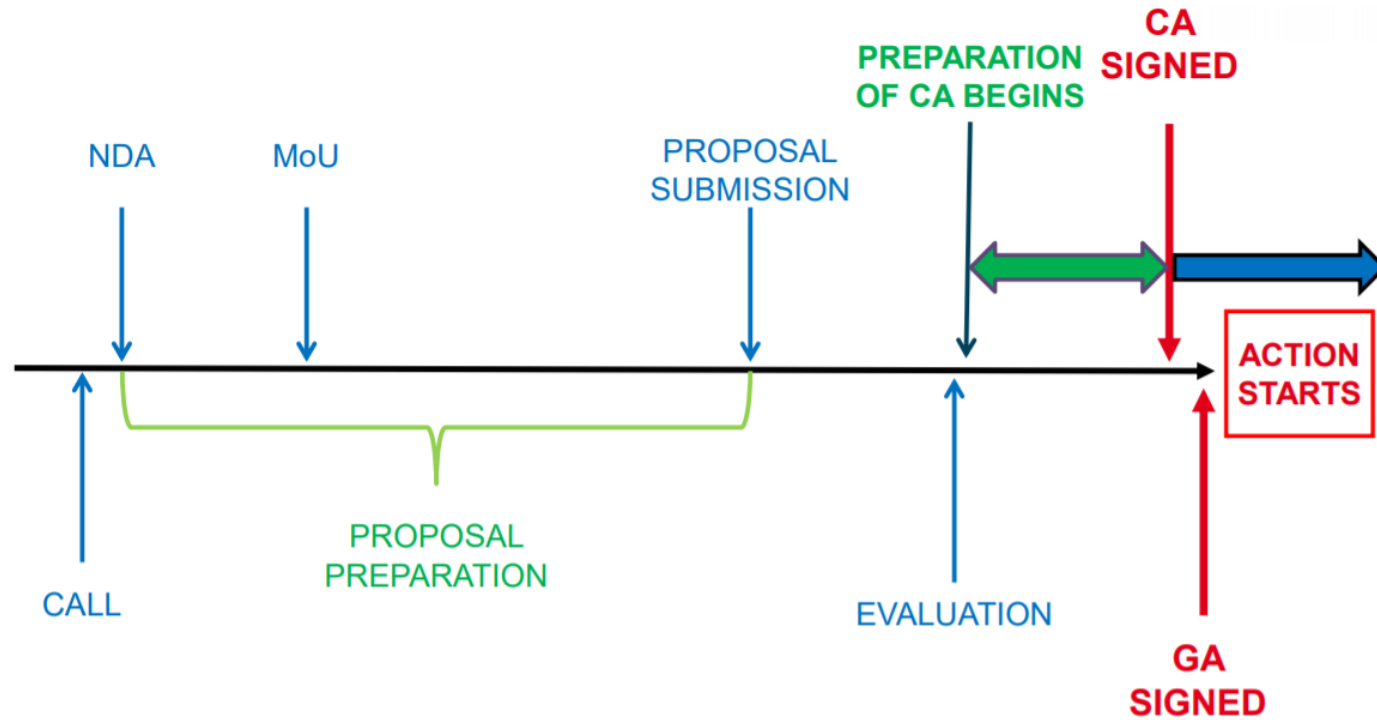
Model Grant Agreement – main novelties

- Main novelties of Horizon Europe
- Proposal budget – cost categories



Project implementation

Timeline



Consortium agreement

What?

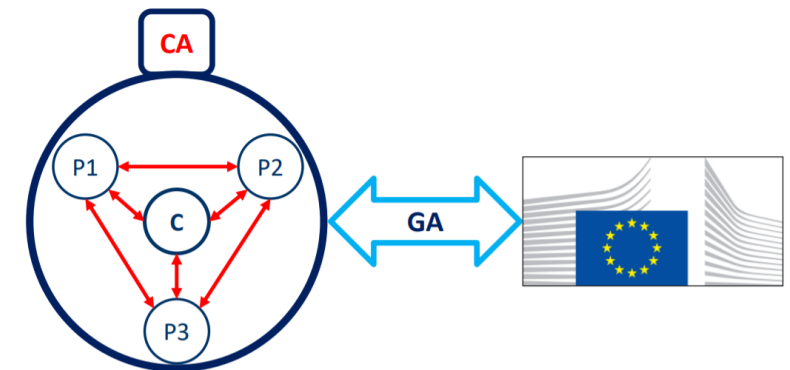
Internal agreement between the members of the consortium

Why?

For ensuring a proper implementation of the action

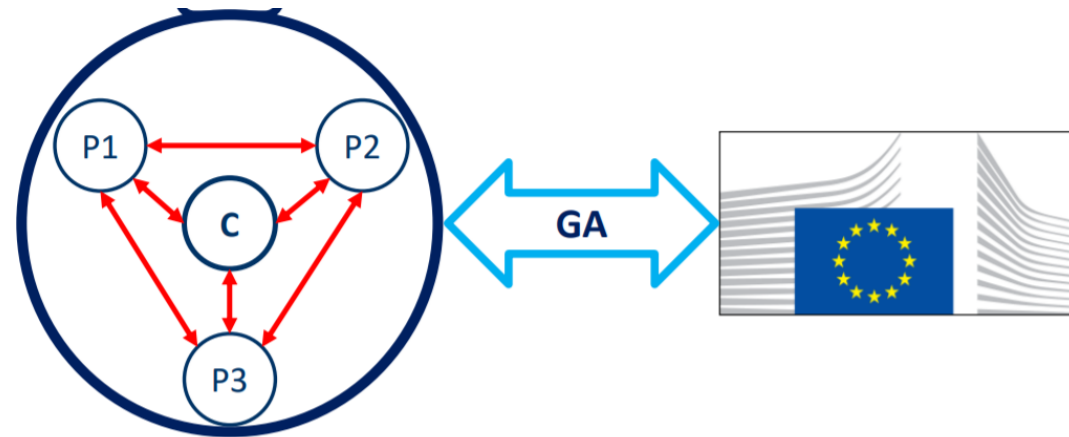
When?

Recommendation: Before signature of Grant Agreement

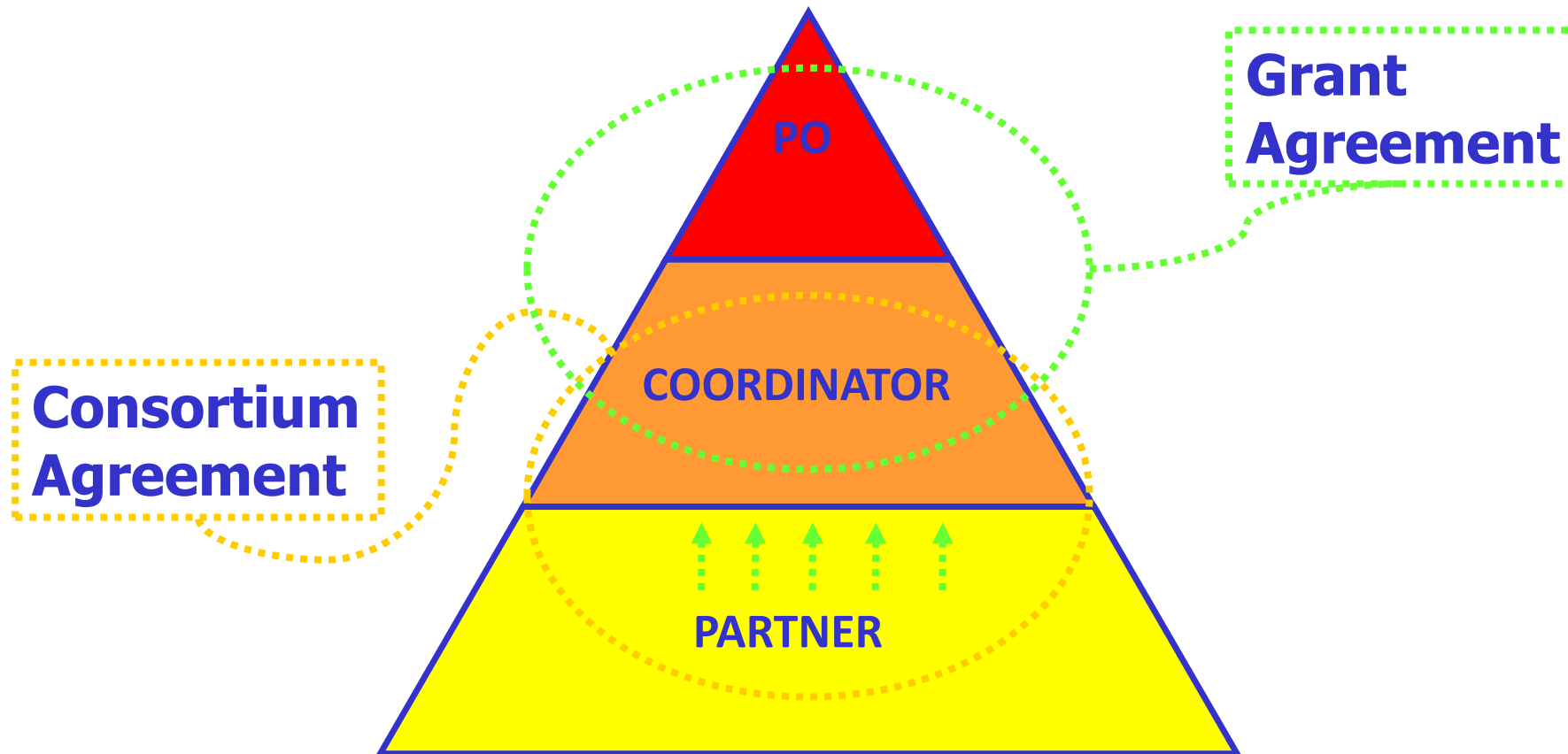


Grant Agreement

- ▮ Agreement between the European Commission and beneficiaries
- ▮ Rights and obligations for implementing the action



Consortium Agreement Vs Grant Agreement



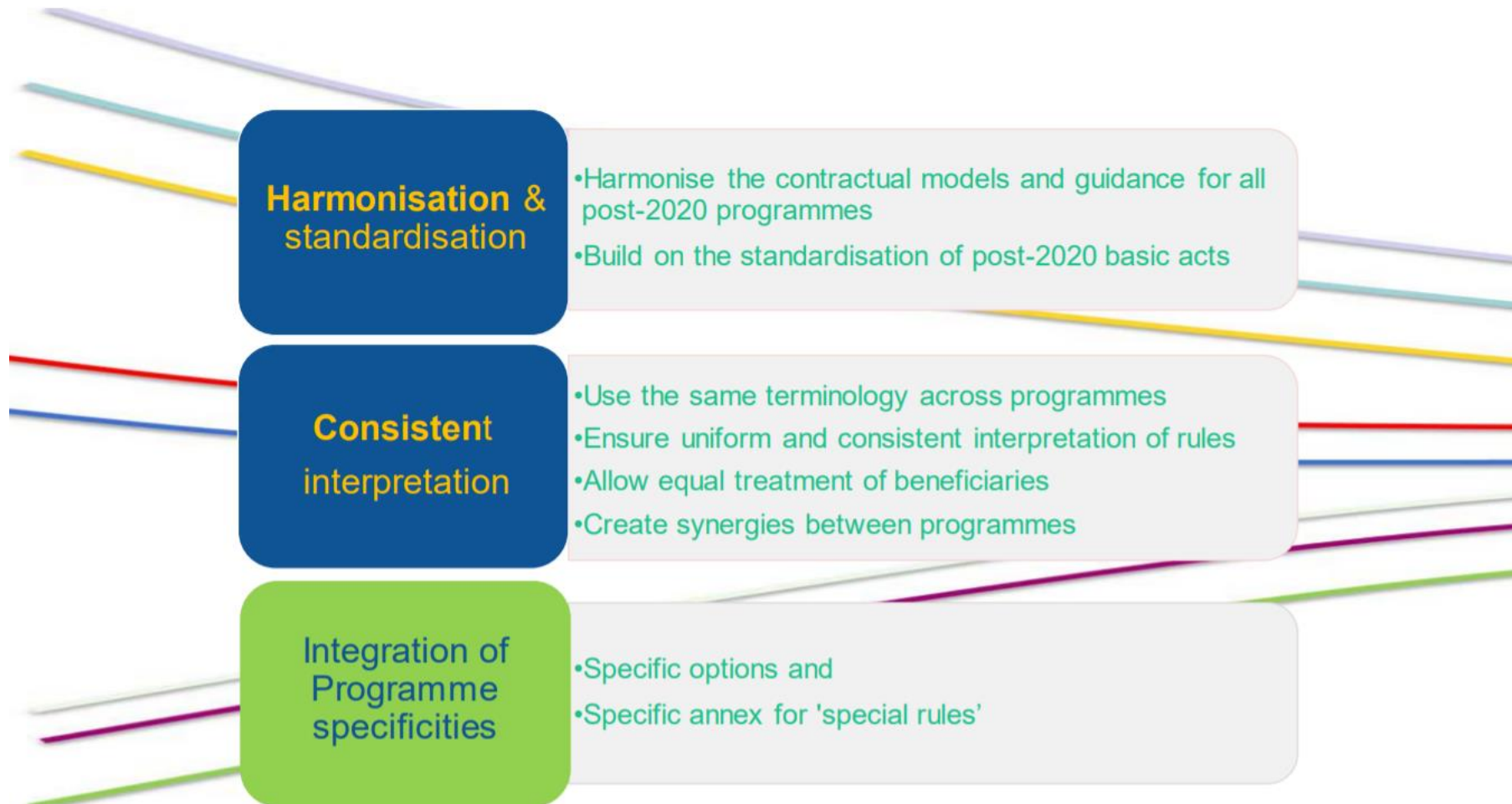
Model Grant Agreement – Corporate approach

- Starting from a complicated framework: Numerous Model Grant Agreements (MGAs) in EU: paper-based or electronically-managed ('eGrants')

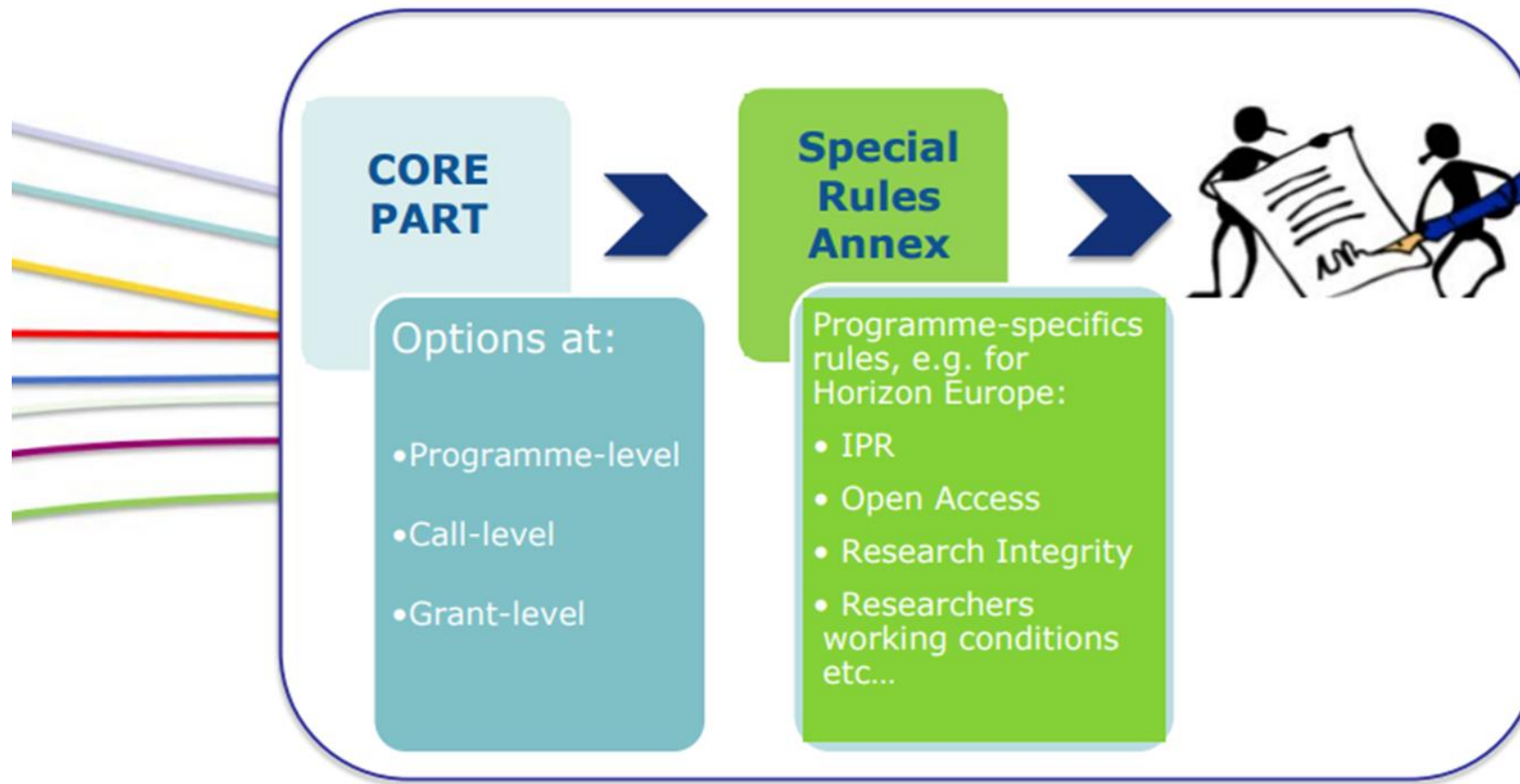


- The EC has adopted a new approach in Horizon Europe → the corporate approach

Corporate Model Grant Agreement – main objectives



Corporate Model Grant Agreement structure



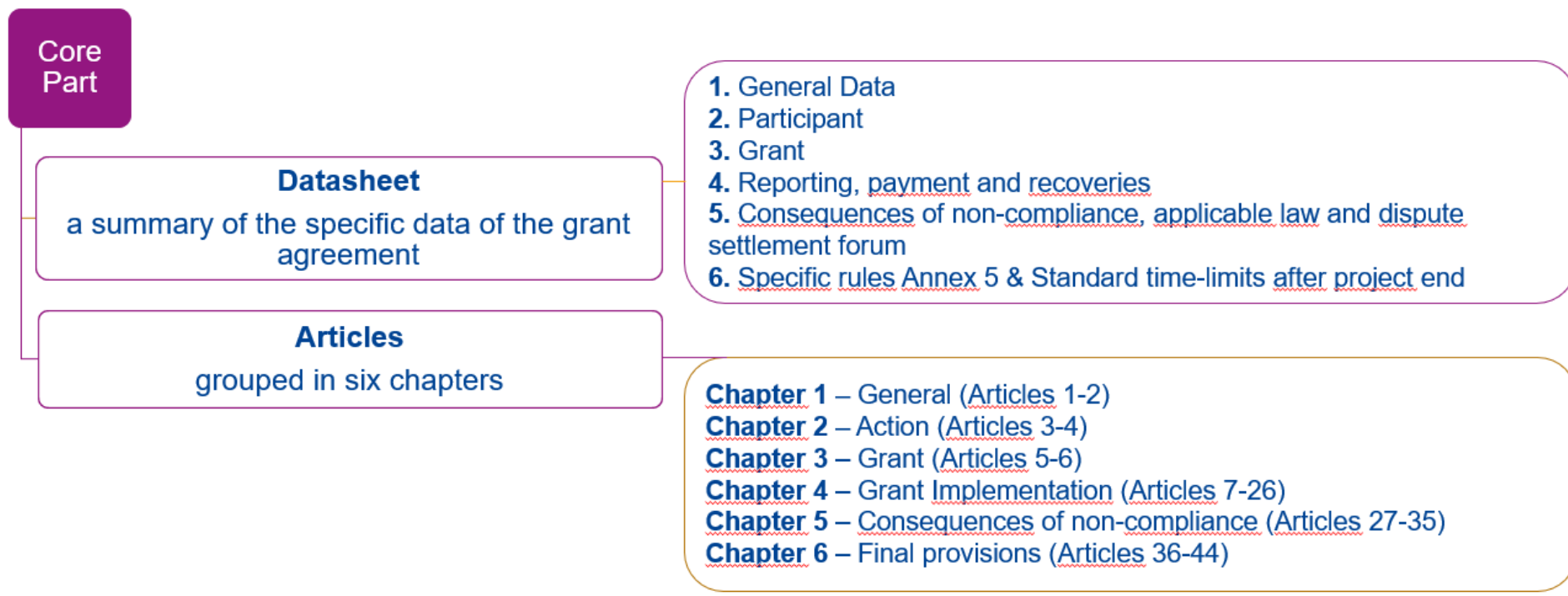
The Horizon Europe Grant Agreement Structure



Horizon Europe Model Grant Agreement V1.1 is now online

The Horizon Europe Grant Agreement

Structure – core part



Horizon Europe Annex 5

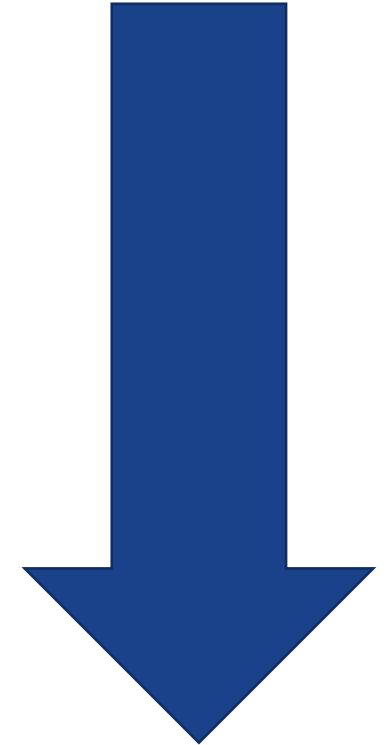
Annex 5 Special Rules

- **Security** (Article 13)
- **Ethics** (i.e. research integrity) (Article 14)
- **Values** (i.e. gender mainstreaming) (Article 14)
- **IPR** (Article 16)
- **Communication, Dissemination, Open Science and Visibility** (Article 17)
- **Specific rules for carrying out the action** (Article 18)
 - recruitment and working conditions,
 - specific rules for access to research infrastructure actions,
 - specific rules for PCP and PPI procurements,
 - specific rules for co-funded partnerships,
 - specific rules for ERC actions,
 - specific rules for EIT-KIC actions,
 - specific rules for MSCA actions
 - Specific rules for EIC actions

Disclaimer: Information not legally binding

To summarise....

- ❏ Proposal submission (following rules for participation)
- ❏ Evaluation (following 3 criteria)
- ❏ Preparation and signature of the Consortium Agreement
- ❏ Preparation and signature of Grant Agreement
- ❏ Project implementation

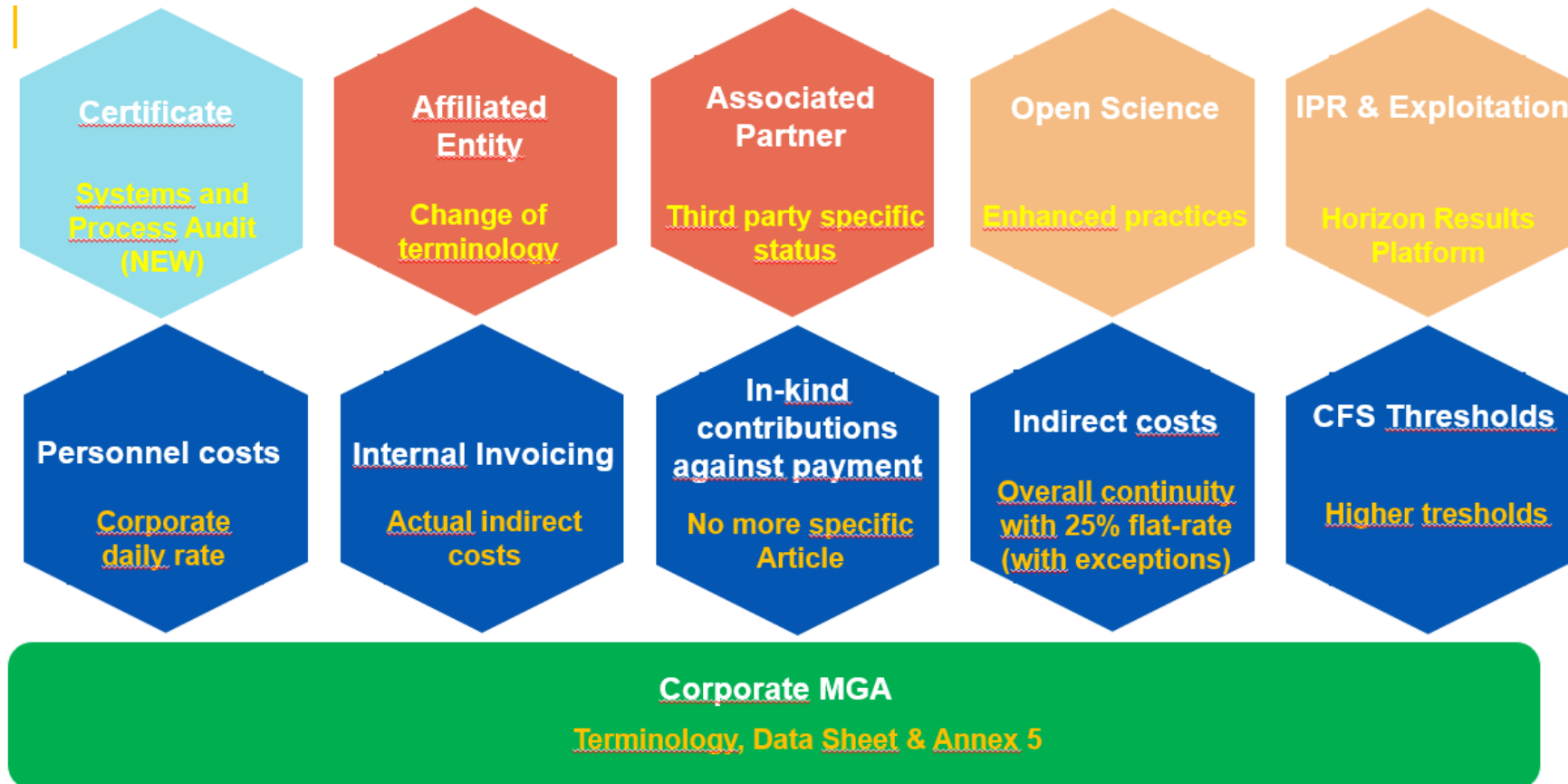




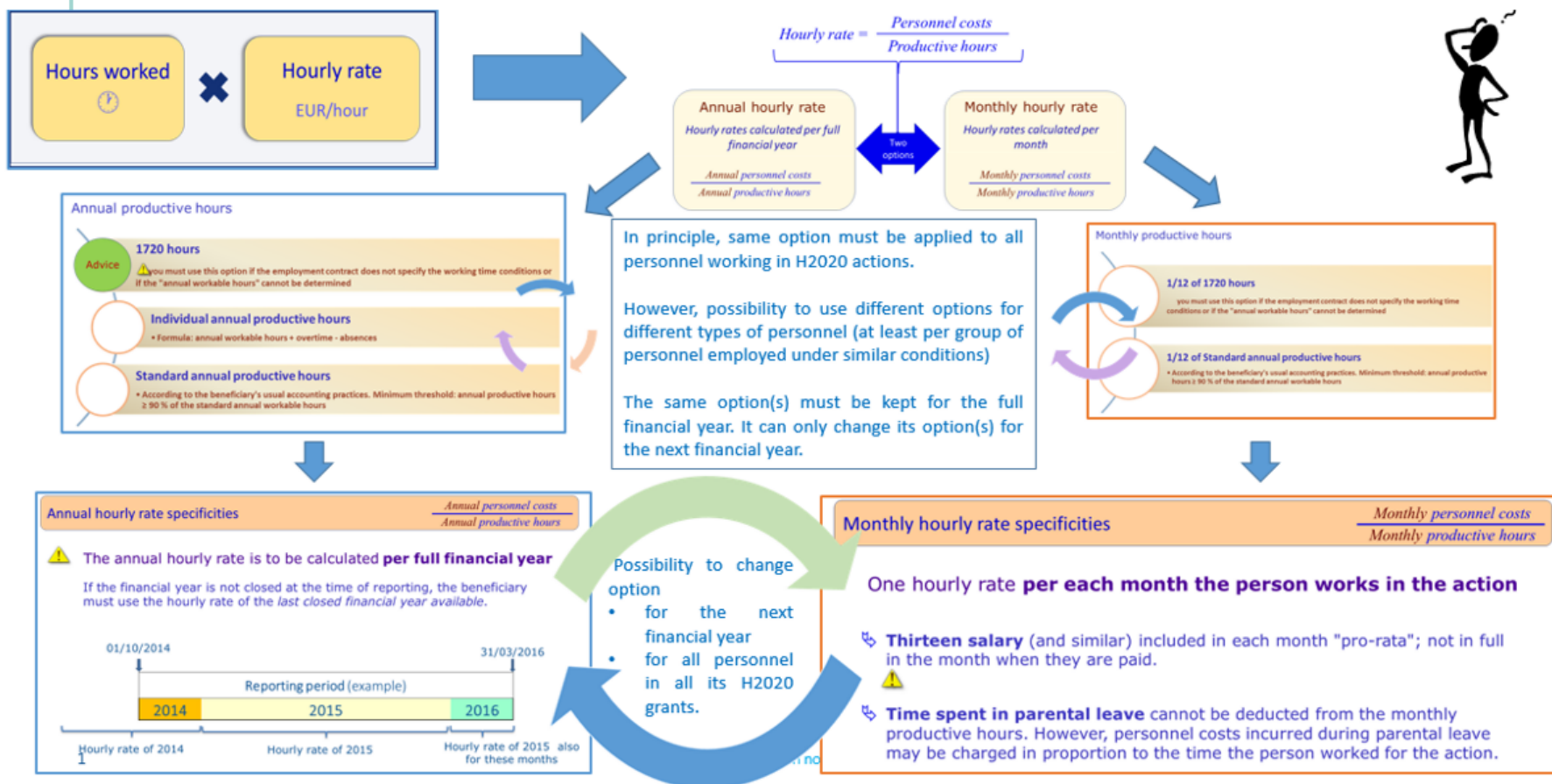
Q&A

Model Grant Agreement main novelties

Model Grant Agreement – main changes



Horizon 2020: a snapshot of the situation



Personnel costs

▮ Costs eligibility conditions:

- Personnel costs: personnel working for the beneficiary under an employment contract and assigned to the action

Method for calculating
Personnel costs:

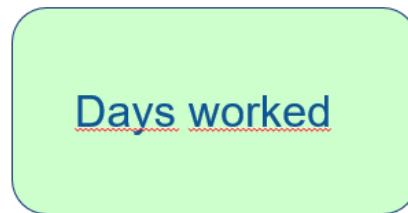
$$\text{Personnel costs} = \text{Daily rate} \times \text{Days worked in the project}$$

Personnel cost – daily rate

$$\text{Daily rate} = \frac{\text{actual annual personnel costs for the person}}{215^*}$$

* For Horizon Europe: Still possible to **deduct actual working days spent on parental leave** from the fixed number of 215 days

Personnel costs – days worked



- use reliable **time records** (i.e. time-sheets) either on paper or in a computer-based time recording system.
- Or
- sign a **monthly declaration on days spent for the action** (template under development).

Personnel cost – monthly declaration

I – What if a beneficiary is using the monthly declaration for days spent on the action?



What kind and what level of verifications are envisaged to check the reliability of this declaration, when performing audits afterwards?



Minimum formal elements:

- Grant ref.; Activity ref.; Names + dates & signatures
- Number of days spent on the action



No discrepancy with:

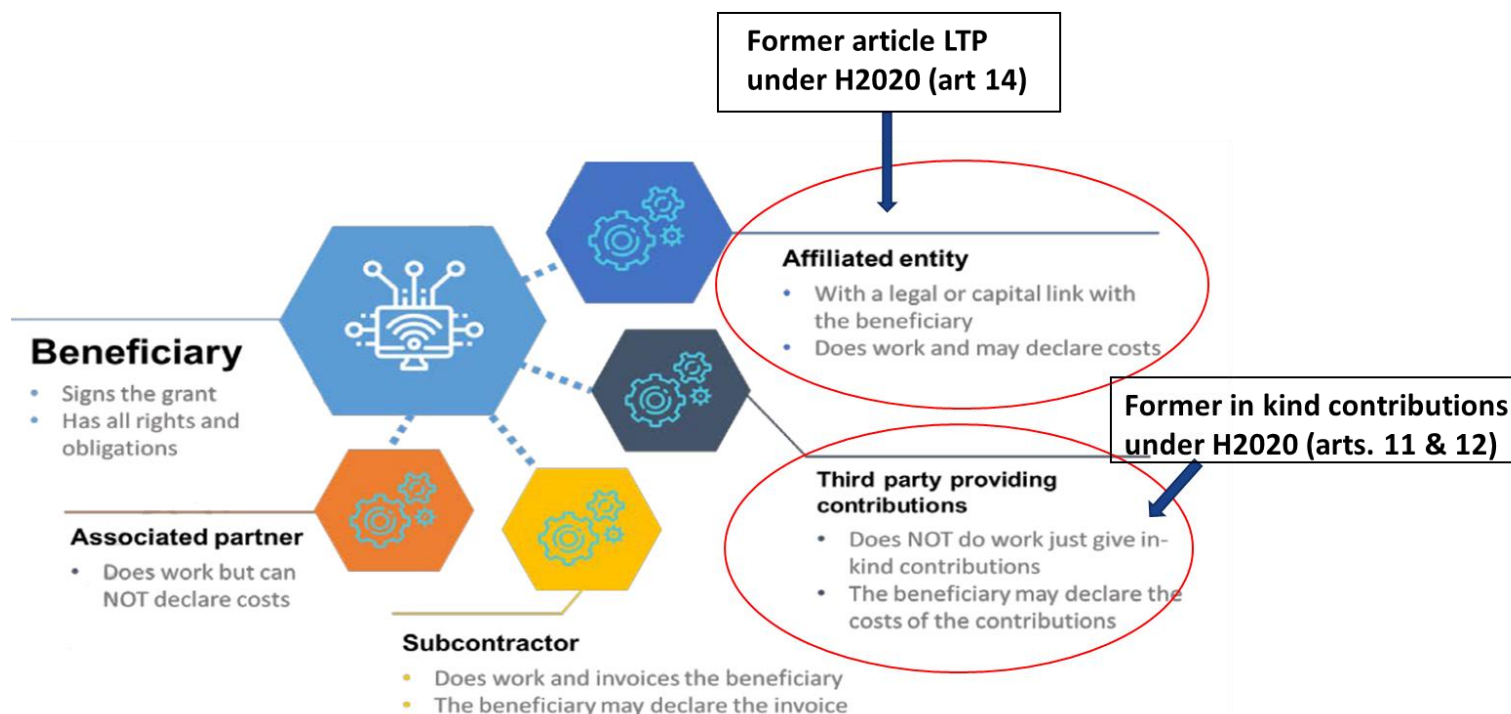
- HR records and,
- time-recording system used alongside the declaration, **if any**

Disclaimer: Information not legally binding



Third parties in Horizon Europe

Third parties involved in the action



Affiliated entity



Article 187 (1)(b) of the EU Financial Regulation:

Entities '*that have a link with the beneficiary, in particular a legal or capital link, which is neither limited to the action nor established for the sole purpose of its implementation*'.

Affiliated entities in Horizon Europe = Linked third parties in Horizon 2020

(alignement of labelling/definition in the corporate context)

Third party providing in kind contribution

IN-KIND CONTRIBUTIONS AGAINST PAYMENT

- No more special Article (corporate approach):
- But they can still be declared as:
 - Seconded persons under Personnel costs provisions
 - Other types as purchase of goods, works or services
- Indirect costs calculated on top via the 25% flat-rate

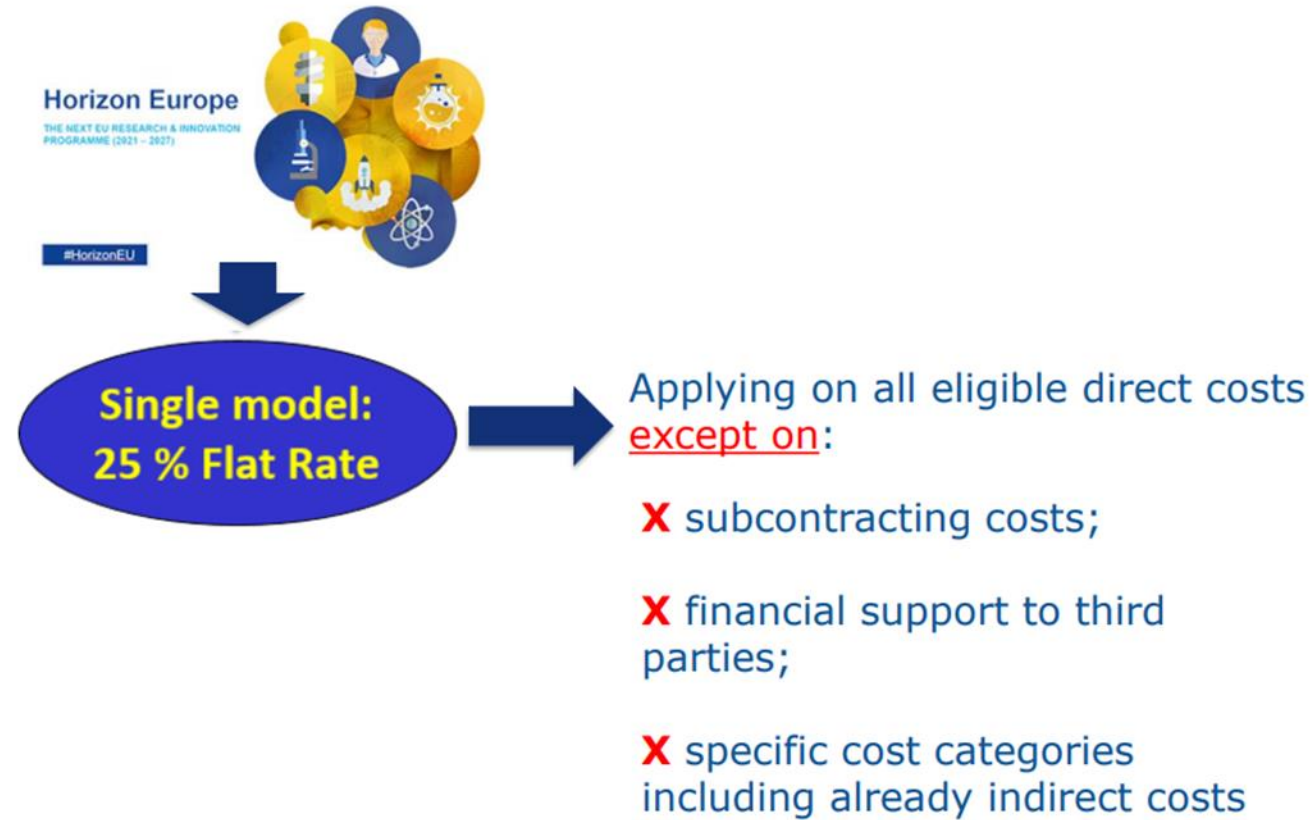
IN-KIND CONTRIBUTIONS FREE OF CHARGE

- Specific provisions (Art 6(1) & Art 9(2)) HE MGA (stemming from Horizon Europe specific legal base)
- They must be declared under the relevant cost category (i.e. as if they were costs incurred by the beneficiary).
- Only direct costs must be reported
- Indirect costs calculated on top via the 25% flat-rate (with exceptions, like for internal invoicing)

Associated partner

- Inherited and derived from the **'International partner'** status in H2020 MGA
- **Corporate terminology** and status with the following features:
 - AP does work but cannot declare costs
 - AP can be linked:
 - either to one or more beneficiaries
 - or with the whole consortium
 - The beneficiaries must ensure that some of MGA obligations also applied to AP (*i.e. Articles 11 (proper implementation), 12 (conflict of interests), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping)*)

Indirect costs



Horizon Europe budget

3 – Budget for the proposal

			Estimated expenditure							Estimated income						
										Requested EU contribution			Revenues	Other sources of financing		Total estimated income (s)=(n)+(o)+(p)+(q)+(r)
			Estimated eligible costs							EU contribution to eligible costs			Income generated by the action (o)	Financial contributions (q)	Own resources (r)	
										A. Personnel costs/€ (a1)	B. Subcontracting costs/€ (b)	C. Purchase costs				
No	Participant name	Country			C.1 Travel and subsistence/€ (c1)	C.2 Equipment/€ (c2)	C.3 Other goods, works and services /€ (c3)									
1	Participant 1	NL														
2	Participant 2	LB														
	Affiliated Entity	LB														
3	Participant 3	DE														
	Associated Partner	AR														
4	Participant 4 (without funding)	US														
Total																

Possible

Possible



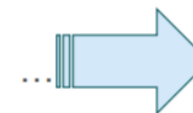
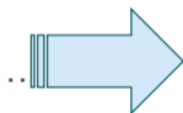
Budget – cost categories

A. Personnel costs		B. Subcontracting costs	C. Purchase costs		
A.1 Employees (or equivalent)	A.4 SME owners and natural person beneficiaries		C.1 Travel and subsistence	C.2 Equipment	C.3 Other goods, works and services
A.2 Natural persons under direct contract					
A.3 Seconded persons					

* For general HE MGA – different budget tables for Lump sum and unit-based MGA

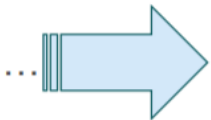
Budget – cost categories

D. Other cost categories							
/D.1 Financial support to third parties /	/D.2 Internally invoiced goods and services /	/D.3 Trans-national access to research infrastructures /	/D.4 Virtual access to research infrastructures /	/D.5 PCP/PPI procurement costs/	/D.6 European Partnership Cofund additional coordination and networking costs/	/D.7 Euratom Cofund staff mobility costs/	/D.8 ERC additional funding/



* For general HE MGA – different budget tables for Lump sum and unit-based MGA

Budget – cost categories



Indirect costs	Total costs	EU contribution to eligible costs			Maximum grant amount ⁶
E. Indirect costs ³		Funding rate % ⁴	Maximum EU contribution ⁵	Requested EU contribution	

Links

Corporate Model Grant Agreement

<https://ec.europa.eu/transparency/regdoc/rep/3/2020/EN/C-2020-3759-F1-EN-ANNEX-1-PART-1.PDF>

Horizon Europe Model Grant Agreement

https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/agr-contr/general-mga_horizon-euratom_en.pdf



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