

 EUROPEAN ACADEMY

HANDBOOK

FOR TRAINING COURSE

FINANCIAL ADMINISTRATION & AUDITING
PREPARATION FOR E.C. FUNDED PROJECTS

Developed by

Sara Dishkova
CIA

Riga | 2022

EUROPEAN ACADEMY

Established in 2015, European Academy was created as a respond to the noticeable information gap between the E.C. and its beneficiaries.

Due to the complexity of the E.U. funding environment and with E.C. often revising its frames and numerous rules, we have observed a lack of harmonised information in regards to existing opportunities, regulations, procedures and most importantly the contractual obligations and responsibilities that come with each grant. It has been really frustrating seeing brilliant ideas and funding applications failing again and again, and negative adjustments being imposed to projects of considerable size due to totally preventable mistakes.

Therefore, building on our direct experience within the E.C. and the E.U. funding and project environment, European Academy was established with the sole purpose of providing knowledge transfer in highly specialised domains through accurate, in-depth and intensive tutoring and training.

Conventional experience-based knowledge, obtained by identifying patterns and through trial and error, often leads to misconceptions and wrong practices being applied repeatedly. Our point of difference is that our courses have been developed from the same standpoint as the policies and blueprints of the various funding frameworks and as such are crafted to reflect the modus operandi of the E.C.

We have established an exceptional pool of first class experts with a strong background within the

E.C., various Executive Agencies, Public Administration, Research Institutes, Universities and the Industry, who have served as Evaluators, External Auditors, Compliance Officers, Controllers and in other key roles and have contributed to the development and implementation of policies and the establishment of procedures, guidelines and methodologies.

THE TUTOR

Sara Dishkova

Experienced internal auditor, both in private sector and in the domain of EU-funds-spending entities. Sara was actively involved in the establishment of the internal audit function in the administrations managing the pre-accession EU funds in Bulgaria. As such she worked as internal auditor for SAPARD, ISPA and PHARE Agencies and held many training courses for government officials. Worked for more than three years as internal auditor of EU Agencies and bodies, serving as an external auditor in the Common Audit Service (CAS) of the European Commission (RTD), was responsible for the outsourced audits of FP7 beneficiaries. Participated in the development of the procedures used for audit of personnel costs in projects under H2020 funding. Sara is also a Business Consultant in Belgium, ICTNET.





Financial Administration and Auditing Preparation in EU funded projects

Sara Dishkova, CIA, European Academy

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Content

- The EU Funding - legal basis
 - EU Funding Instruments
 - Horizon Europe and H2020
 - Grants Management Process
 - Cost Eligibility
 - Receipts
 - Examples and Questions
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KNOW YOUR PARTNER

THE EUROPEAN COMMISSION

EC as the principal budget player of the EU	Other players in EU budget management
Financial principles of the EU budget management	Budget Implementation Methods and Financing Instruments
Controlling the EU funded actions	Costs Eligibility



EU Funding – legal framework

- Multi-Annual Financial Framework

- **Financial Regulation**

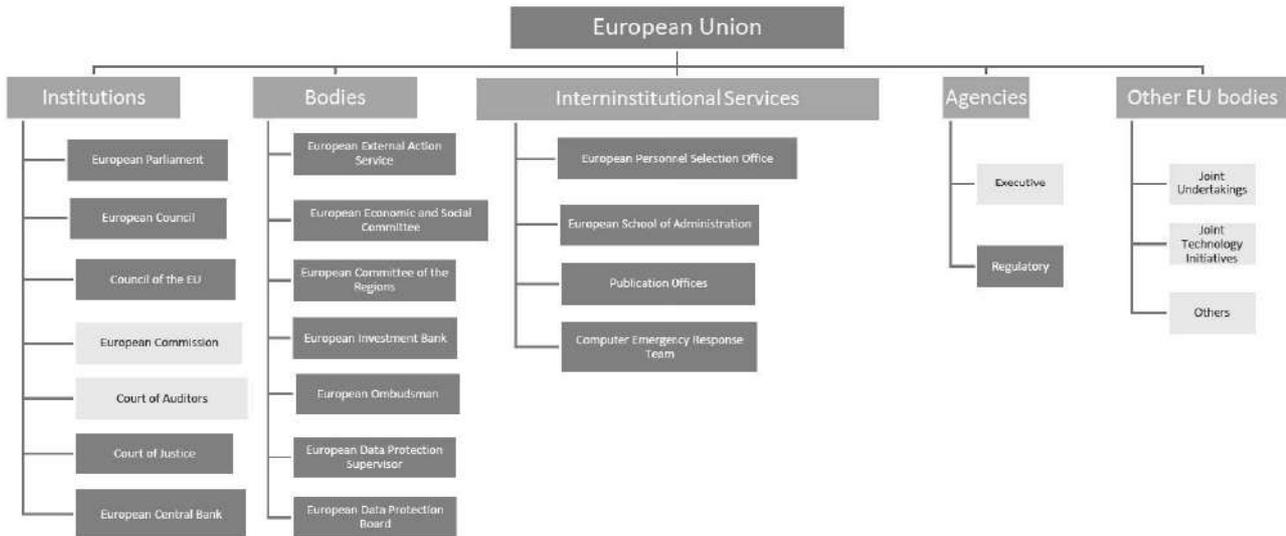
- Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union (the **Financial Regulation**)
- REGULATION (EU, Euratom) 2020/2092 of EU Parliament and the Council on a general regime of conditionality for the protection of the Union budget
- Interinstitutional Agreement (IIA) of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources

- **Establishing Regulation**

- For each EU Programme – Horizon Europe, EU4Health, Erasmus, Digital Europe Programme, etc.

Read more in-depth: <https://www.europarl.europa.eu/factsheets/en/section/188/financing>

EU organisational structure



European Commission



Instigating and implementing the EU's policies

- Multi-annual Financial Framework (MFF) 2021 - 2027
- the 6 EC Priorities,
- Work Programmes,
- Regulations and Decisions
- Guidance documents

Methods of EU budget implementation

Direct management (Art. 62 FR)

- The EU budget is implemented directly by EC departments, the EU delegations, or EAs and other EU bodies (Art. 62)
- Evaluation Committee (Art. 150 FR)
- Guarantees may be requested by the applicants. (Art. 152)
- Instruments of Titles VII, VIII, IX, X and XII of FR

Shared management (Art. 62 and 63 FR)

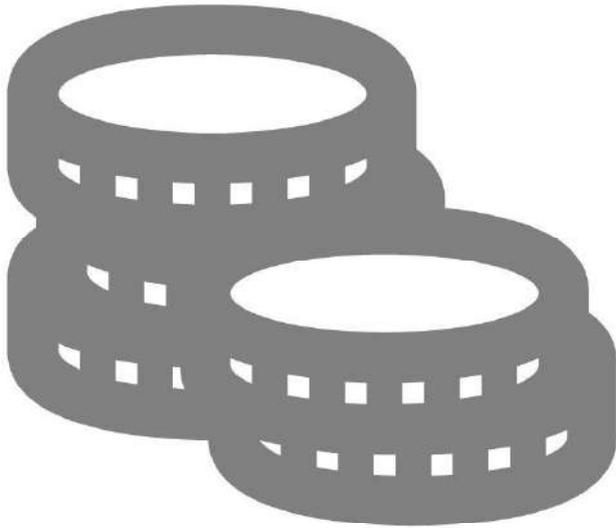
- With Members States (national authorities participate in the organisation of the competitions, selection of projects and contract management)
- MSs share the control and audit obligations towards the EU budget
- EC monitors the management and control systems established in MSs
- the instruments for budget implementation shall be the ones provided for in sector-specific rules

Indirect management (Art. 62 and Title VI)

- apply the instrument of Title VI
- In the case of financial instruments and budgetary guarantees, Titles VI and X
- The implementing entities shall apply the instruments for budget implementation set out in the contribution agreement concerned.

Instruments of EU Funding

- **Grants** - Title VIII FR
 - Grants are based on the reimbursement of the eligible costs
 - Action / Operating Grants
 - **Procurement** – Title VII FR
 - Public procurement is used by the Commission for the purchase of services and material necessary to the working of the European institutions.
 - **Prizes** – Title IX FR
 - **Financial Instruments and Budgetary Guarantees** – Title X FR
 - **Other** – Title XII
 - Union Trust Funds
 - Support for 3rd countries
 - External experts
-
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Forms of EU contributions Art. 125 FR

- Actual costs incurred
- Unit costs
- Lump sums
- Flat-rate financing
- A combination of the forms
- Financing not linked to the costs of the relevant operations

Sound Financial Management



Economy

The resources used shall be made available in due time, in appropriate quantity and quality, and at the best price



Efficiency

The best relationship between the resources employed, the activities undertaken and the achievement of objectives



Effectiveness

The extent to which the objectives pursued are achieved through the activities undertaken

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Sound financial management (Art. 33 of the FR)

- **Economy** - the resources used by the Union institution concerned in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality, and at the best price
- **Efficiency** - the best relationship between the resources employed, the activities undertaken and the achievement of objectives
- **Effectiveness** - the extent to which the objectives pursued are achieved through the activities undertaken
- **SMART objectives**: Specific, Measurable, Attainable, Relevant and Time-bound
- **RACER PMI indicators**: Relevant, Accepted, Credible, Easy and Robust
- **Funding Risks**:
 - for the Commission
 - for the Beneficiaries

Who is managing the EU grants?



Administrative structure

- EC's Directorates General (DGs) and Services
- Central Validation Service (REA)
- Common Implementation Service, Common Audit Service
- Agencies and other EU bodies
- Court of Auditors
- OLAF

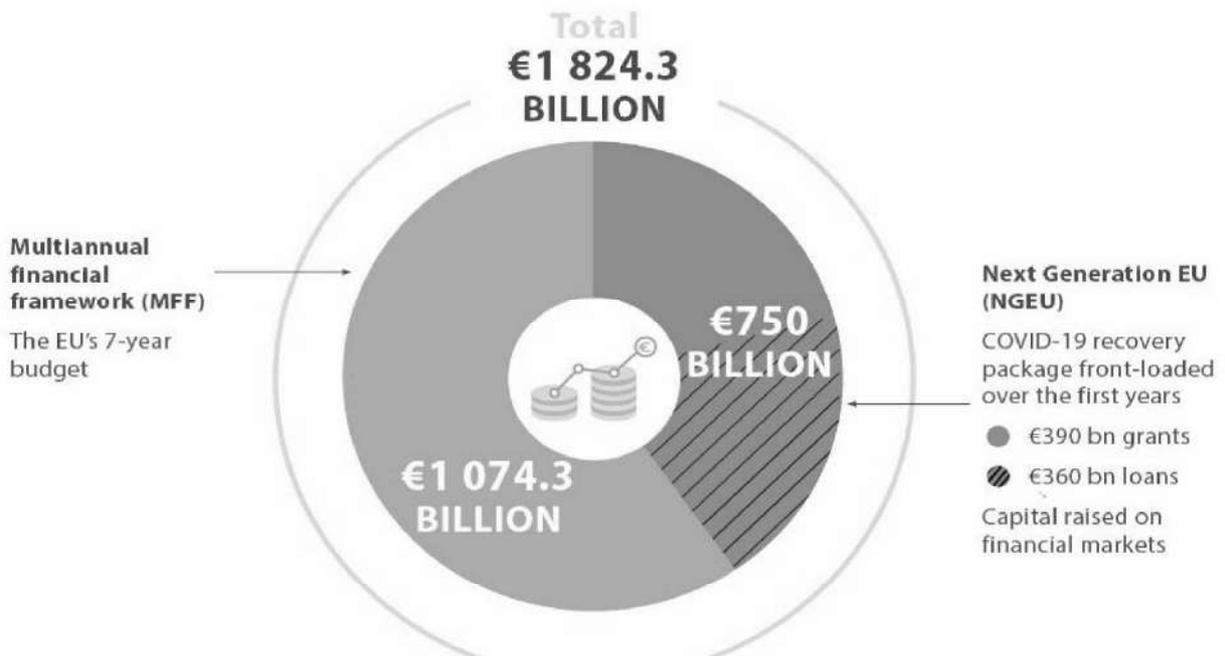
Why communication and publicity are so important for the EU funded projects?

- Communication should be more targeted and should aim to increase the visibility of the Union contribution for citizens. (Recitals, (11) FR)
- The Commission shall make available, in an appropriate and timely manner, information on recipients of funds financed from the budget (Art. 38.1 FR)
- The GA shall include provisions governing the visibility of the Union financial support, except in duly justified cases where public display is not possible or appropriate (Art. 201, 2(h) FR)
- Art. 17 in the GA – General Obligation to inform

https://ec.europa.eu/info/resources-partners/european-commission-visual-identity_en



EU Expenditure 2021-2027 (in 2018 prices)

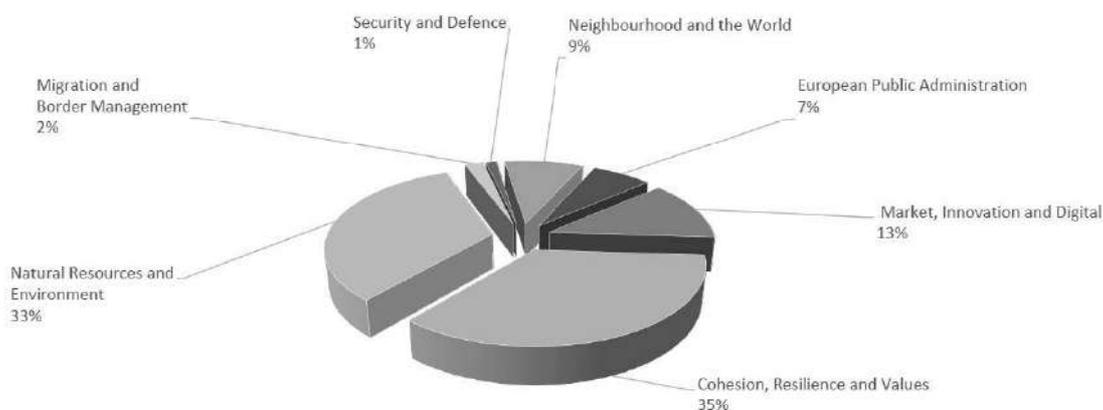


MFF 2021-2027 headings / proportions

2022 EU budget: breakdown of commitment appropriations into MFF categories

MFF heading	EUR billion	%
Single Market, Innovation and Digital	21.78	12.9%
Cohesion, Resilience and Values	56.04	33.1%
Natural Resources and Environment	56.24	33.2%
Migration and Border Management	3.09	1.8%
Security and Defence	1.79	1.1%
Neighbourhood and the World	17.17	10.1%
European Public Administration	10.62	6.3%
Thematic Special Instruments	2.8	1.7%
Total	169.52	100.0%

Multiannual Financial Framework 2021-2027 (own resources)



Details per EU Programme: https://ec.europa.eu/info/funding-tenders/find-funding/eu-funding-programmes_en#eu-programmes-and-funds-financed-from-the-eu-budget-and-nextgenerationeu

NextGenerationEU breakdown

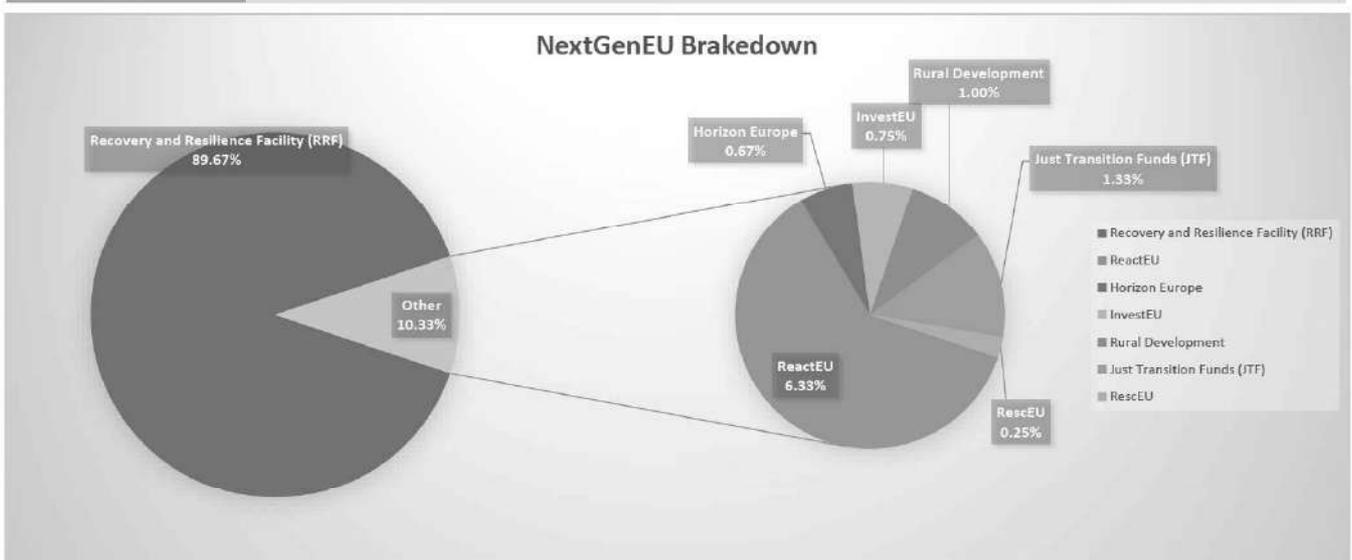
Source: Conclusions of the European Council of 21 July 2020

	2018 prices	2022 prices
Recovery and Resilience Facility (RRF)	672,50	723,8
of which, loans	360	385,8
of which, grants	312,5	338
ReactEU	47,5	50,6
Horizon Europe	5	5,4
InvestEU	5,6	6,1
Rural Development	7,5	8,1
Just Transition Funds (JTF)	10	10,9
RescEU	1,9	2
TOTAL	750	806,9

All amounts in €, in billions. Source: European Commission

NextGenEU Breakdown

Source: Conclusions of the European Council of 21 July 2020



Horizon Europe

Horizon Europe is be the ninth framework programme for investment in research and innovation

Financial envelope:

€95.5 billion

€5 billion from the
NextGenerationEU

Increase of 29% in
comparison with the H2020
(2014-2020) (adjusted for
the UK's departure).

World Research Investment 2000-2018

- Source: DG Research and Innovation, Chief Economist - R&I Strategy & Foresight Unit.
- Notes:
- (1) Data produced by Science-Metrix based on Scopus database. Fractional counting method used.
- (2) BRIS includes Brazil, Russian Federation, India and South Africa.
- (3) Developed Asia economies includes Japan and South Korea.
- Figures correspond to year 2018.
- See Page 11, Horizon Europe - Practical Guide for China <https://op.europa.eu/en/web/eu-law-and-publications/publication-detail/-/publication/3f5d8bd9-d358-11eb-0c72-01aa75ed71e1>

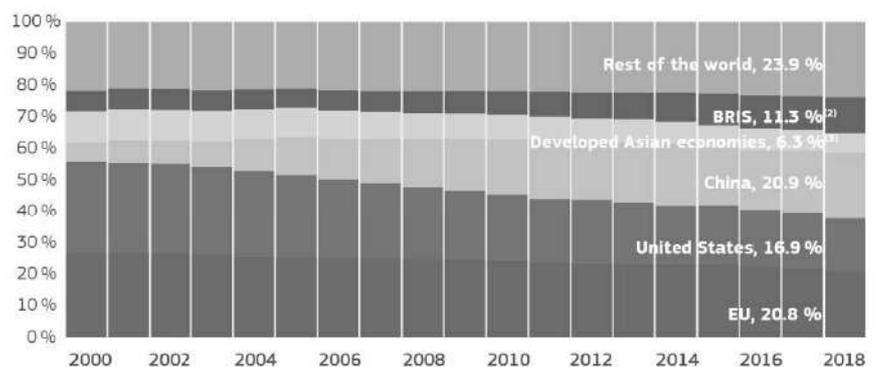
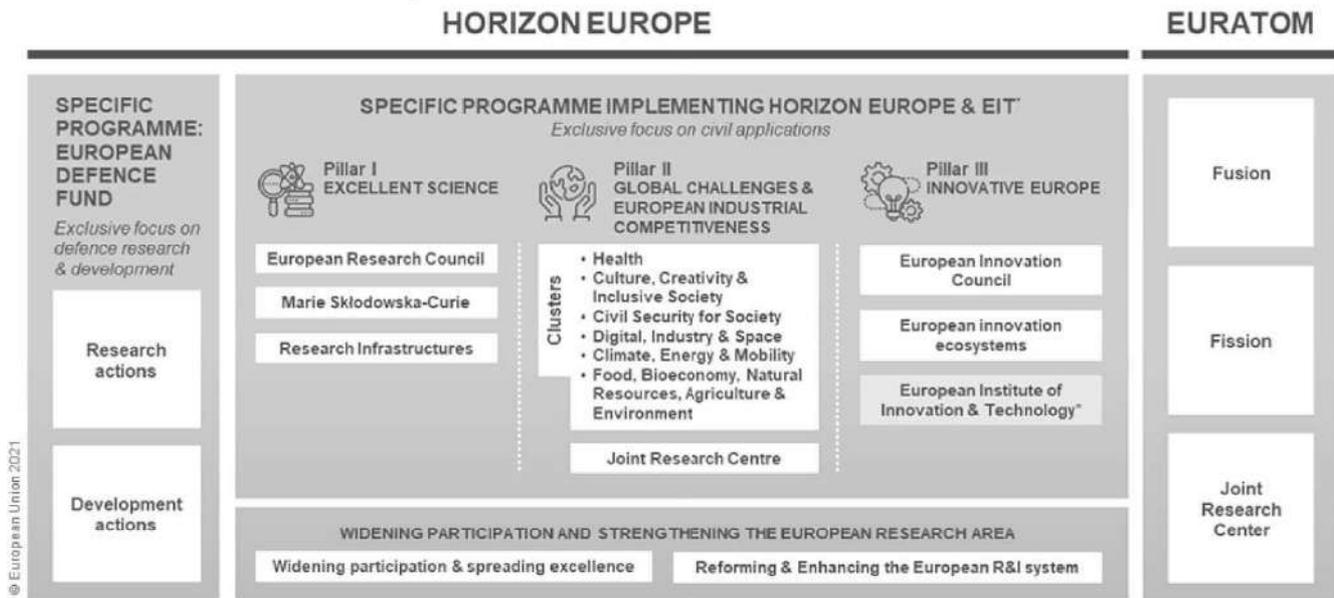


Figure 1 World share of scientific publications¹, 2000 and 2018

Horizon Europe Pillars Structure



* The European Institute of Innovation & Technology (EIT) is not part of the Specific Programme

Horizon Europe - Simplifications

- Corporate MGA mandatory for all EU programmes
 - The articles were reduced from 58 to 44 and their format is more straightforward and easy to interpret; the use of the same terminology across programmes ensures a consistent interpretation of rules.
- Data Sheet
 - summarises the project's key information, covering not only general data such as a summary of the project, the start and end date, the acronym, and the participants list, but also includes its financial data, reporting and payments scheduling and consequences of non-compliance
- Personnel Cost Accounting
 - Corporate Daily Rate (new method, based on "day-equivalents")
 - $\frac{[\text{Actual Personnel Costs per person per year}]}{215}$
 - Time recording and conversions of total yearly hours to day equivalents
 - No more 'last closed financial year' rule
 - Possible replacement with monthly declarations (template under development)
 - Use of calendar year approach
 - New calculation of Additional Remuneration
 - (the lower of the two rates between action rate and national schemes rate)

Horizon Europe – Simplifications 2

- For internally produced or provided goods and services within the beneficiary's organisation directly for the action:
 - No application of the 25% flat-rate on top of the unit cost (for internal invoices)
 - Instead, possibility to accept actual indirect costs allocated via beneficiary's usual key drivers in the unit cost calculation;
- Unit costs for Travel, Subsistence and Accommodation
 - based on EC method, reference in the Data Sheet
- Audit Optimisation (art. 53.3 HE Establishment Regulation)
 - System and Process Audit (SPA) – less audits, less CFS, risk planning, control system assessment
 - CFS thresholds: 430 000 or 725 000 euro
 - Art. 24.4 GA (p.65 Annotated version) and Art. 36 Fin Regulation 2018/1046

Horizon Europe

- Missions (new)
- Partnerships
- Open Science
- Seal of Excellence (new)
- European Defence Fund (new)
- R&I Focus on civil applications
- Mutual Insurance Mechanism (new name)
- ERC and EIC
- European Innovation Council's tools Pathfinder and Accelerator
- Sinergies between all EU programmes
- 35% of the HE budget contributing to climate objectives
- Common rules across the Programme for participations managed by the EIT, JUs, JTI, bodies under and Article 185 TFEU

Missions & IEP

EU Regulation 2021/695 Establishing HE

ANNEX VI

AREAS FOR POSSIBLE MISSIONS AND AREAS FOR POSSIBLE INSTITUTIONALISED EUROPEAN PARTNERSHIPS TO BE ESTABLISHED UNDER ARTICLE 185 OR 187 TFEU

In accordance with Articles 8 and 12 of this Regulation, the areas for possible missions and possible European Partnerships to be established under Article 185 or 187 TFEU are set out in this Annex.

I. Areas for possible missions:

- Missions Area 1: Adaptation to Climate Change, including Societal Transformation.
- Mission Area 2: Cancer.
- Mission Area 3: Healthy Oceans, Seas, Coastal and Inland Waters.
- Mission Area 4: Climate-Neutral and Smart Cities.
- Mission Area 5: Soil Health and Food.

Each mission follows the principles set out in Article 8(4) of this Regulation.

II. Areas for possible Institutionalised European Partnerships on the basis of Article 185 or 187 TFEU:

- Partnership Area 1: Faster development and safer use of health innovations for European patients, and global health.
- Partnership Area 2: Advancing key digital and enabling technologies and their use, including but not limited to novel technologies such as artificial intelligence, photonics and quantum technologies.
- Partnership Area 3: European leadership in Metrology including an integrated Metrology system.
- Partnership Area 4: Accelerate competitiveness, safety and environmental performance of Union air traffic, aviation and rail.
- Partnership Area 5: Sustainable, inclusive and circular bio-based solutions.
- Partnership Area 6: Hydrogen and sustainable energy storage technologies with lower environmental footprint and less energy-intensive production.
- Partnership Area 7: Clean, connected, cooperative, autonomous and automated solutions for future mobility demands of people and goods.
- Partnership Area 8: Innovative and R&D intensive SMEs.

The first Horizon Europe strategic plan (2021-2024)

- Key strategic orientations
 - Digital, Enabling, Emerging Technologies
 - Europe's Ecosystems and Biodiversity
 - Circular, Climate-Neutral and Sustainable Economy
 - Resilient, Inclusive, Democratic European Society
- European co-funded and co-programmed partnerships
- Missions
- International Cooperation



Coffee Break

13.15 – 14.15 CET

8.15 – 9.15 Brasil

PLEASE, OPEN YOUR WEBCAM WHEN YOU ARE BACK

SO WE KNOW YOU ARE HERE.

THANK YOU

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H2020 Legal Framework

- The Financial Regulation of the EU/Euratom - Regulation 2018/1046
- The H2020 Establishment Regulation of the EU 1291/2013
- Rules for Participation and Dissemination Regulation 1290/2013
- Rules of Application (RAP) - Regulation (EC, Euratom) No 1268/2012
- H2020 Work Programme 2018-2020
- Euratom Research and Training Programmes
- Model Grant Agreement and the Annotated version(s)
- MGA Annexes

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Horizon Europe Legal Framework

- The Financial Regulation of the EU/Euratom - Regulation 2018/1046
 - The Horizon Europe Framework Programme Establishment Regulation 2021/695
 - First HE Strategic Plan 2021-2024
 - Model Grant Agreement and the Annotated version
 - MGA Annexes
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H2020 – types of action: funding rates

- RIA 100% or RIA-LS - Research and Innovation Actions (LS – Lump-Sum)
 - IA 70% or IA-LS – Innovation Actions (100% for non-profit beneficiaries)
 - CSA 100% or CSA-LS – Coordination and Support Actions
 - ERC 100%
 - MSCA 100%
 - COFUND
 - ERA-NET 33%
 - EJP 70%
 - Procurement
 - PCP 30%
 - PPI 50%
 - SME Instrument
 - 1st phase – a lump sum of 50 000 euro;
 - 2nd phases – 70% (of a range 0.5 - 2.5 mln euro)
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GRANTS

Art. 180, p. 2, Financial Regulation

Grants may be awarded in order to finance any of the following:

- (a) an action intended to help achieve a Union policy objective ('action grants');
- (b) the functioning of a body which has an objective forming part of, and supporting, a Union policy ('operating grants').

Operating grants shall take the form of a financial contribution to the work programme of the body referred to in point (b) of the first subparagraph.

Control Safeguards

Ex-Ante
financial
capacity
check

Required only
for private
coordinators in
projects of more
than
EUR 500.000
Art.27 HE EstReg

Mutual
Insurance
Mechanism

5 % of the total
Grant amount
All Grants
All funding
schemes

Certified
Financial
Statements

Only one CFS in the
last reporting period;
For costs above 325
000 euro;

EX-Post
audits

Emphasis on risk-
based control and
fraud detection;
Ex-post audits up to
2 years after the
payment of the
balance

System and
Process
Audits

For certain
beneficiaries it
would be possible to
apply for SPA;
positive SPA results
in less audits, higher
thresholds for CFS,
risk planning, control
system assessment

Larger beneficiaries / beneficiaries with less control system reliability: a priority for auditing

Mutual Insurance Mechanism/ Participant Guarantee Fund

- (H2020 MGA) Art. 21.2 Amount retained for the Guarantee Fund

5% of the maximum grant amount (see Article 5.1), is retained by the *Granting Authority*

from the pre-financing payment and

is transferred into the 'MIM/**Guarantee Fund**'

- At the final payment of the balance:

Release of the retained amount after covering all amounts due by the beneficiary

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Grant management

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Lunch Break
13.00 – 14.00 CET
8.00 – 9.00 Brazil

TIME FOR
LUNCH



PLEASE OPEN YOUR WEBCAM
WHEN YOU ARE BACK
SO WE KNOW YOU ARE THERE 😊

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GRANTS MANAGEMENT

- Pre-signature
 - Call for proposal, Submission of proposal, Selection, Evaluation, Validating checks/(Negotiation), Signature, Start date of the duration of the action
- After signature
 - Keeping records
 - Amendments
 - Reporting, Payments and Suspensions
 - Checks, reviews, audits and investigations
 - Role of the Coordinator
 - Deliverables
 - Dissemination and Exploitation of Results
 - Communication

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Cooperation for protection of the financial interests of the EU

- **EU Financial Regulation, Article 129**
 - (1) Any person or entity receiving Union funds shall fully cooperate in the protection of the financial interests of the Union and shall, as a condition for receiving the funds, grant the necessary rights and access required.... to comprehensively exert their respective competences.
 - (2) Any person or entity receiving Union funds under direct and indirect management shall agree in writing to grant the necessary rights And shall ensure that any 3rd parties involved in the implementation of EU funds grant equivalent rights.
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GRANTS Management

- **REQUEST OF INFORMATION (Art.17 of the GA H2020)**
 - **The Commission may request a Beneficiary to provide ANY information at ANY time during or after the action.**
 - In an ex-post financial audit that starts 18 months after the balance is paid, the Commission may request any information it needs during the audit. The audit may continue beyond the 2 years after the balance is paid (see Article 22).
 - The Commission may request information from the beneficiaries in order to evaluate the action's impact up to 5 years after the balance is paid (see Article 23).
 - The beneficiaries must comply with any additional exploitation obligations set out in Annex 1, for up to 4 years after the action ends (see Article 3).
 - **Personal data may be transferred to internal audit service, to the Court of Auditors or to the European Anti-Fraud Office (OLAF) and between authorising officers of the Commission, and the executive agencies (Art. 57 of Financial Regulation)**
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GRANTS Management

- Keeping Records (Art. 132 FR)
 - Sufficiency relates to the quantity of evidence;
 - Appropriateness relates to its quality.
 - The evidence must be verifiable, auditable and available.
 - **Original documents (according to national law) or certified copies**
 - In principle, documents should be kept in the format in which they were received or created.
 - 5 years after the payment of the balance (3 years for low-value grants < 60 000€)
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GRANTS Management

- Keeping Records (Art.18 MGA H2020)
 - Retention period (after the payment of the balance) for the original supporting documents (Art. 132 FR and H2020 AMGA p. 174)
 - 5 years
 - 3 years for grants up to 60 000 euro
 - Beneficiaries' usual accounting practice and internal control practice must enable direct reconciliation between the costs declared, the accounting records and the supporting documents
 - For Unit Costs:
 - Number of units declared; or COMUC compliance
 - For Flat-Rate Costs:
 - Only the eligibility of the cost basis, on which the flat-rate is applied
 - For Lump Sum funded actions:
 - Prove of implementation of the tasks according to Annex 1, but not for the concrete costs
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Grant management

- Keeping records (2):
 - For Personnel Costs (Art.18.1.2) reported as actual costs
 - TIME records (H2020)
 - Monthly timesheets: Name/Signature of person, Name/Signature of supervisor, Number of HOURS
 - Declarations – for people working EXCLUSEVELY on the action
 - Accounting records and supporting documents
 - general ledger transactions, annual financial statements and supporting documentation (i.e. labour contracts, collective labour agreements, applicable national law on taxes, labour and social security contributions, payslips, bank statements showing salary payments , etc.
 - Costs must be detailed for each person carrying out work for the action

GRANT Management

- Keeping records (3):
 - For other direct costs:
 - Breakdown of costs declared by cost type
 - For equipment - details per individual equipment used for the action – date of acquisition, price of acquisition, relevant depreciation methods according to national legislation and/or beneficiary's usual accounting practice, accounting records on date of writing-off in case of disposal, etc.
 - .general ledger transactions, annual financial statements and supporting documentation
 - purchase orders, delivery notes, invoices, contracts, bank statements, asset usage logbook, depreciation policy
 - Linked third parties
 - The Original financial statements and supporting documents, related to the costs declared are the be kept by the Beneficiary , (so not only timesheets, but also CFS, annual reports, etc.)
 - Non-compliance
 - Non-eligible (Art.6), Rejected Costs (Art. 42)
 - Grant amount may be reduced (Art. 43)

Grant management

- Keeping records (4)
 - Costs declared as unit costs set by the Commission:
 - prove the number of units declared !
 - Costs declared as unit costs as usual accounting practices (average personnel costs and costs for internally developed goods and services, art.5.2 MGA)
 - show that the costs used to calculate the unit cost match the actual costs as recorded in the statutory accounts
 - verify that the unit cost is free of ineligible cost components
 - assess the acceptability of budgeted and estimated elements
 - for personnel costs H2020: verify the number of productive hours used to calculate the unit cost (hourly rate)

GRANTS Management

- COMUC - Certificate on Methodology for Unit Cost Accounting for Personal Costs (Art. 18.1.2. (b))
 - Certifies that the Beneficiary's cost accounting practices conform with Art.6.2 of GA
 - Drawn-up by an Independent Auditor/Public Officer, using the template in Annex 6 of GA
 - Approved by the Commission/Agency
 - Valid for FP7 ≠ Valid for H2020 ≠ Horizon Europe
 - Request for approval – before or during the Grant duration
 - The Certificates allows approval of personnel costs declared according to the unit costs method for all H2020 projects of the Beneficiary, even for those before the Commission/Agency approval

 Keep detailed records and other supporting documents to prove that the methodology complies with the rules in case of audit. 

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GRANTS Management

- Amendments to the GA (Art. 55 of the GA)

45 days

- By the Project Consortium, via the Coordinator
- By the Commission
- Before the End date of the project duration (but exception for bank account change, Coordinator change)
- For inclusion/termination of a Beneficiary & linked third parties. Beneficiary's partial takeover
- For changes involving the Coordinator
- For changes on the technical implementation of the project (Annex 1 of the GA), acronym, start date, duration
- For financial aspects of the Grant:
 - Maximum Grant Amount (pre-financing, PGF contribution)
 - Reimbursement Rate(s),
 - Estimated eligible costs
 - Specific unit costs



Case question

- How may Beneficiaries address potential delays in finalising the action tasks at the last reporting period in order for the consortium to be able to submit the Final Report and to be paid?

- If the previous payments have NOT reached the 90% of the grant amount, the Coordinator may introduce an amendment request for adjusting the reporting schedule with the **introduction of an additional interim period** to allow the consortium to receive up to 90% of the grant amount. The amendment should be combined with a request for **extending the action duration** to allow the consortium to have sufficient time to finalise the action tasks and declare all corresponding costs in their final report.
- If the payments have already reached the 90% of the grant amount, it will not be possible to pay the 10% retention (see Article 21.3.2 H2020 MGA), therefore the request for amendment should be only for **extending the action duration**.



Budget (Art. 4 and Annex 2 GA)

- The action budget is an estimation.
 - It will be a reference in case of grant reductions.
- Budget transfers are possible:
 - Between beneficiaries
 - Between budget categories in a beneficiary's accounts
- Budget transfer is NOT possible:
 - to a **form of costs** that is not set out in the estimated budget in Annex 2
- But
 - Beneficiaries may transfer amounts between forms of costs within the **direct personnel costs** budget category without an amendment to the grant agreement even if they did not foresee that form of cost in Annex 2



Consult the Commission before budget transferring.

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REPORTING

- Reporting by “periods” as defined by the GA, Art. 20
 - Periodic Reports – within 60 days after each Period
 - Technical (on deliveries)
 - Financial (Art. 20.3. (b), and Annex 4 of the GA)
 - All beneficiaries - including the Coordinator - must fill in their own financial statement, electronically sign it and submit it to the Coordinator.
 - Users who can fill in the statement: Participant Contacts, Project Financial Signatories, Task Managers
 - Users who can **electronically review, sign & submit** the statement: *Project Financial Signatory (PFSIGN)* only
 - Make sure you have assigned an PFSIGN user role to your project in your organisation.

Payments in H2020 (Art.21 of the GA)

- Pre-financing
 - Paid to the Coordinator within 30 days of the entry into force of the GA
 - 5% of the Grant Amount is transferred to the Guarantee Fund
- Interim payments
 - Subject to the approval of the periodic report.
 - 90% of the maximum Grant amount as per the GA
 - The Reimbursement rate as in the GA (art. 5)
 - Paid to the Coordinator within 90 days from receiving the periodic report (except in case of suspension)
 - 30 days to submit observations on the EU decision on the payment amount
- Payment of the Balance
 - Grant Amount -Pre-financing - Interim payments + Amount retained for the Guarantee Fund
 - Paid to the Coordinator within 90 days of approval of the final report
 - Contradictory Procedure (Art. 43 and 44 of the GA)



 The Beneficiary bears the cost of transfers charged by its bank for the Grant Payments from the Commission.

Payments in Horizon Europe

- **Pre-financing**
 - Paid to the Coordinator within 30 days of the entry into force of the GA
 - 5% 0 8% of the Grant Amount is transferred to MIM (could be less than 5% exceptionally)
- **Interim payments**
 - Subject to the approval of the periodic report. The approval of the periodic reports does not imply recognition of compliance, authenticity, completeness or correctness of its content.
 - Ceilings are set in the Data Sheet (normally 90% of the total Grant amount)
 - The Reimbursement rate as in the GA (art. 5)
 - Paid to the Coordinator in accordance with the schedule and modalities set out in the Data Sheet (normally 90 days)
 - 30 days to submit observations on the EU decision on the payment amount
- **Payment of the Balance**
 - Grant Amount -Pre-financing - Interim payments + Amount retained for the Guarantee Fund
 - Paid to the Coordinator in accordance with the schedule and modalities set out in the Data Sheet
 - Contradictory Procedure (Art. 43 and 44 of the GA)

 The Beneficiary bears the cost of transfers charged by its bank for the Grant Payments from the Commission.

Pre-financing



When

Within 30 days from the signature of the grant or 10 days before the starting date, whichever is latest



How much

Usually = maximum grant amount / number of periods
Retention 5-8 % of maximum grant for Guarantee Fund



Why

It remains the property of the EU until the payment of the balance

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SUSPENSIONS

- Suspensions - Art. 47 and 48 of GA
 - Payment request does not comply with the provisions of the GA
 - Payment request is incomplete or requires clarification
 - Doubts on the eligibility of costs
 - Substantial errors, irregularities or fraud OR serious breach of obligations (in this or other grant)
 - Late payment without suspension of the payment deadline gives rise to late-payment interest for the beneficiaries (Art. 21.11)
 - Late-payment interest is NOT due if all beneficiaries are EU Member States
 - the Commission may also terminate the Agreement or the participation of the Beneficiary (Art. 50.3.1(I)) if:
 - non-compliance of the technical or financial reports (see Article 20) and
 - the revised report or statement is not submitted or was submitted but is also rejected



CERTIFICATE ON FINANCIAL STATEMENT

P. 190 AMGA, art.20.4 and Annex 5 of GA

- EU contribution (at the end of the action) reaches the threshold **325 000** euro (Art.20.4.(b)(ii) of the GA)
- Excludes flat-rate and lump-sum costs
- Beneficiaries/linked 3rd parties may submit **either one** certificate per reporting period **or a single** CFS for the whole action (scope)
- May **ONLY** be submitted with the **FINAL** financial report within 60 days of the last reporting period (submission time) (attached as a PDF with the Final Report)
- Costs for partial certificates (i.e. one certificate per reporting period) will be accepted **ONLY** in the **last** reporting period and **ONLY** if:
 - a CFS is mandatory (i.e. the threshold is reached at the end of the action) and
 - the total costs of the partial certificates is similar to the cost that would have been incurred for a single certificate.
- **Public bodies** — the certificate **MAY** be issued by an Independent Public Officer with formal competence to audit the Beneficiary/linked 3rd party (instead of by an external auditor).
- **Linked 3rd parties** must submit a certificate if their costs reach the threshold

CERTIFICATE ON FINANCIAL STATEMENT

Horizon Europe

- EU contribution requested reaches the threshold **325 000** euro or as per the Data Sheet
- The **coordinator** must submit them as part of the periodic report
- CFS must be drawn up using the **template** published on the Portal
- Covers the costs declared on the basis of *actual costs* and *costs according to usual cost accounting practices*
- Public bodies — the certificate may be issued by an Independent Public Officer with formal competence to audit the Beneficiary/linked 3rd party (instead of by an external auditor).
- **Linked 3rd parties** must submit a certificate if their costs reach the threshold

CURRENCY

- Currency for Financial Reporting: always EURO (Art. 20.6)
- Beneficiaries/linked 3rd parties **with accounting records in a currency other than the euro**: conversion of costs recorded in their accounts by one of the following:
 - Daily euro exchange rate is published in the C series of the *Official Journal of the European Union* for the currency in question: using the average of the daily exchange rates published over the corresponding reporting period
 - For cost adjustments to previous periods ('adjustment financial statements'), the exchange rate to be used is the one for the reporting period in which the costs adjusted were incurred.
 - For eligible cost related to drafting and submitting the final reports incurred after the action duration, the exchange rate to be used is the one for the last reporting period.
- Beneficiaries/*linked third parties* with accounting established in euro must convert costs incurred in another currency into euro according to their usual accounting practices.

CHECKS, REVIEWS, AUDITS and INVESTIGATIONS

- Checks, reviews, audits and investigations (Art. 22 of GA)
 - During and After the end of the Action and/or Payment of the Balance
 - (audit may be started up to 2 years after end date, but may prolong beyond the 2 years))
 - No approval by the Beneficiary
 - Internal Commission Staff or External Experts
 - Deadline for presenting the information requested
 - Meetings, on-the-spot reviews, access to premises, contractors, subcontractors, linked third parties readily available information

REVIEWS

Art. 22 of the GA

- Assessment of:
 - proper implementation of the action (including assessment of deliverables and reports)
 - compliance with the obligations under the Agreement and
 - continued scientific or technological relevance of the action
- Review Reports
- The review report together with the Commission comments will be notified to the Coordinator (or, exceptionally, the Beneficiary concerned) for comments within 30 days (contradictory review procedure)

AUDITS

Art. 22 of the GA

- Audits (EC and/or ECA)

- During the Implementation of the Action and/or up to two years after the payment of the balance
- Draft Audit Report (DAR)
- Contradictory Audit Procedure (observations from the Beneficiary within 30 days from sending the DAR, Art. 22.1.3)
- Final Audit Report
- Letter of Audit Closure (referring to eventual cost rejections, extrapolation rate)

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Audits Sampling

- Materiality Level:
 - 5% of total costs claimed
- Samples (for personnel costs or for other direct cost per cost sub-category)
 - When the value is below 5% - the tests are performed on the item with highest value in the cost population
 - When the value is above 5%, then:
 - If less or equal to 5 items - all items are tested
 - If more than 5 items:
 - Randomly selected items higher or equal to 10% of the total value of the cost sub-category
 - 50% in value based on the total cost sub-category
 - Up to 15 items

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Results of the reviews, audits and investigations

- Cost rejection, suspension of the payment deadline, termination, grant reduction and recovery (Art. 42-44, 47-50), or exclusion and/or financial penalties (Art. 45), amendment (Art.22.5.1)
- In some audit cases, findings may result in the acceptance of additional costs (if the Beneficiary declared them)
- Criminal prosecution before the national authorities

Extension of findings

- Extension of findings to non-audited grants and/or periods (be it on-going or closed)
 - Recurrent error - an infringement found in several grants of the Beneficiary
 - Systemic - an infringement that is inherently related to the Beneficiary's methodologies, accounting, management or internal control practices
 - Letter of Audit Conclusions:
 - for cost rejection:
 - a request to submit revised financial statements for the grants/reporting periods on the list (via a specific form annexed to the letter of audit conclusions)
 - the proposed correction rate for extrapolation (if the Beneficiary does not submit revised financial statements)
 - the conditions for external counter-audits to propose an alternative correction method
 - for grant reduction: the proposed flat-rate for the correction

FIN RG Art. 202, 4

- Where it is not possible or practicable to quantify precisely the amount of ineligible costs for each grant concerned, the amounts to be reduced or recovered may be determined by extrapolating the reduction or recovery rate applied to the grants for which the systemic or recurrent irregularities, fraud or breach of obligations have been demonstrated, or, where ineligible costs cannot serve as a basis for determining the amounts to be reduced or recovered, by applying a flat rate, having regard to the principle of proportionality. The beneficiary shall be given the opportunity to propose a duly substantiated alternative method or rate before the reduction or recovery is made.
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Extension of findings (2)

- The Extension rate will be used if:
 - The Beneficiary explicitly requests it
 - Example: if the Beneficiary considers that the administrative workload related to submitting revised financial statements for all the grants affected would be disproportionate or impossible and so it decides to accept the correction rate.
 - The Beneficiary does not submit revised financial statements or refuses to cooperate (in time)
 - The Commission cannot approve the revised financial statements (because they do not properly reflect the audit/review findings)
 - The Commission cannot accept the alternative correction method proposed by the Beneficiary
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Extension of findings (3)

- The correction rate for cost rejection will normally correspond to the average correction rate calculated in the sample of audited grants (for the flawed cost category(ies) or even for the total costs claimed).
 - The flat-rate for grant reductions will normally be based on the relative importance of the tasks improperly implemented or the seriousness of the breach of obligations — compared to the action (i.e. calculated according to the principle of proportionality).
 - The findings may be extended both to *on-going* grants (i.e. grants for which the payment of the balance has not yet been carried out) and to *closed* grants — up to 2 years after the payment of the balance.
 - Findings may be extended to all other EU or Euratom grants awarded under similar conditions.
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Extension of findings (4)

- Contradictory procedure 90 days (Art. 22.5.3.1) – the Beneficiary may:
 - submit comments on the list of grants, or
 - submit revised financial statements (free of the errors or irregularities raised)
 - if the Beneficiary does not intend to submit revised financial statement, but disagrees with the proposed correction rate, the Beneficiary may:
 - for cost rejection: present an alternative correction method (alternative correction rate), substantiated by an audit performed by an independent external auditor ONLY to determine a more precise error rate for the audit/review findings of the Commission (NOT to contest those findings themselves)
 - for grant reduction: present an alternative correction method (alternative flat rate), substantiated by a note explaining why the alternative rate is more appropriate than the rate proposed by the Commission
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Investigations

If the Commission suspects that a Beneficiary or 3rd party involved in an action committed fraud or other illegal acts, it will inform OLAF, who may decide to investigate



Role of the coordinator

- Art. 19 and 20 of the GA
 - The Coordinator must submit the deliverables identified in Annex 1, in accordance with the timing and conditions set out in that Annex.
 - The Coordinator must submit the technical and financial reports
 - requests for payment
 - using the forms and templates provided in the electronic exchange system
 - The Coordinator must distribute the payments between the beneficiaries without unjustified delay (Art. 21.7)
 - If the coordinator breaches any of its obligations under this Article, the grant may be reduced and the Agreement or the participation of the coordinator may be terminated, or the Beneficiaries may be subject to other consequences as described in Art. 6.
 - Pre-financing, interim and final payments
 - The Coordinator must not delegate its administrative tasks, except for those listed in Art. 41.2
 - Except for public bodies of secondary or higher education.
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Role of the coordinator

- How and when the payments are distributed is in principle an internal matter for the consortium.
- It is *only* if the Coordinator is terminated that the Commission (and especially the Guarantee Fund) will intervene; *see Article 50*).
- Inform the Commission on the distribution of the payments:
 - if it specifically requests this
 - in the event of recovery at the payment of the balance (*see Article 44*)
 - if the participation of one or more beneficiary is terminated (*see Article 50*)

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Background agreement

- Art. 24 GA
- The beneficiaries must identify and agree (in writing) on the background for the action, committing to share:
 - any data, know-how or information — whatever its form or nature (tangible or intangible), including any rights such as intellectual property rights — that:
 - is held by the beneficiaries before they acceded to the Agreement, and
 - is needed to implement the action or exploit the results.
- If a Beneficiary breaches its obligations to the Background Agreement
 - The grant may be reduced
 - Art. 6 measures

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Other Grant Management issues

- CHAPTER 4, Sector 3

- Dissemination and exploitation of results Art. 28 and 29 of the GA
- Visibility of the action Art. 38
- Intellectual Property Management, Access Rights, Ownership and Protection of Results

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Communication

- Art. 38 of the GA

- 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
- Apply obligations on dissemination (Art. 29), confidentiality (Art. 36) and/or on security obligations (Art. 37)
- Before engaging in a communication activity expected to have a major media impact, the beneficiaries must inform the *Commission/Agency/EU funding body*.

- VISIBILITY OF THE ACTION

- EU emblem AND a specific text
- Art. 27, 29 and 38

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Eligibility of costs

19/04/22

European Academy

Eligibility of costs

- Art.6 of the GA (based on Art. 186 of the FR)
- Eligibility of costs: general criteria
 - Incurred during the implementation of the action
 - Necessary for the action
 - Indicated in the budget, Annex 2
 - Identifiable and Verifiable
 - Compliant with national legislation on taxes and social security
 - Reasonable, justified, based on the principle of Sound Financial Management (economy and efficiency)
- Costs incurred by the Affiliated Entities – identified in the GA, abide by the same rules applicable to the Beneficiary
- Non-recoverable VAT
- Reference to Art. 4.2 on estimated budget categories - possible for transfer

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Eligibility of covid19 - related force majeure costs

- Force majeure (Art. 51 GA):
 - was unforeseeable, exceptional situation and beyond the parties' control
 - proves to be inevitable in spite of exercising all due diligence
 - must be formally notified to the other party without delay, stating the nature, likely duration and foreseeable effect
 - Travel tickets/hotel bookings/meetings cancelled
- Costs are eligible if they fulfil:
 - the general eligibility conditions of Article 6 MGA AND
 - Beneficiaries must immediately take all the necessary steps to limit any damage due to force majeure

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Direct and Indirect costs

- **Direct costs** – costs that are directly linked to the action implementation and can therefore be attributed to it directly. They must not include any indirect costs
 - Staff related
 - Travel, accommodation and subsistence allowances
 - Services under Subcontracts and Implementation Contract
- **Indirect costs** - costs that are not directly linked to the action implementation and therefore cannot be attributed directly to it

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Forms of costs

- Actual costs
 - Real, not budgeted or estimated numbers
- Unit costs
 - Personnel costs for SME owners/Natural persons not receiving a salary
 - Usual costs accounting practice of the Beneficiary for average personnel costs
 - Internally invoiced goods and services
- Specific unit costs
 - costs for energy efficiency measures in buildings
 - access costs for providing trans-national access to research infrastructure
 - access costs for providing virtual access to research infrastructure
 - costs for clinical studies
- Flat rate for indirect costs
 - 25% of direct eligible costs
- Lump sum

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Forms of costs

- The forms of cost are included in the Grant Agreement per cost category. (Art. 5.1 and Annex 2a GA)
- The reimbursement rates apply to all forms of costs (actual, unit, lump sums and flat-rates costs) and all budget categories.
- Within a grant, *different forms* of costs CAN be used.

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Costs declared on the basis of the usual accounting practices

- For two budget categories (A. personnel costs and D.5 costs of internally invoiced goods and services), costs may be declared not as a fixed unit cost, but on the basis of the beneficiary's usual cost accounting practices. In this case, the beneficiary:
 - must calculate the costs according to its usual accounting practices
 - must budget and declare a total amount (not the units used)
 - the amount per unit is not fixed in Annex 2a.
 - Other costs may NOT be declared according to the usual cost accounting practices. For them, the amounts per unit will be fixed by the Commission/Agency and set out in Annex 2a of the GA (*see Article 5.2*).
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Personnel costs – MSCA action grants (Research Funds)

- The unit cost for SME owners and other natural persons not receiving a salary shall be updated in accordance with the method specified in Commission Decision C(2013)8194.
 - The eligible direct personnel costs declared by beneficiaries that are SMEs for their owners not receiving a salary and by beneficiaries that are natural persons not receiving a salary shall be based on a unit cost per hour worked on the action to be calculated as follows:
 - {Monthly living allowance for experienced researchers under the IF actions calculated according to Commission Decision C(2013)8194 (including the country-specific correction coefficient) / 143 hours}
 - The standard number of annual productive hours per SME owner and natural person is equal to 1 720 hours.
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Personnel costs – Categories

(H2020 MGA Art. 6.2.A, Chapter 3)

- A.1. Personnel working under an employment contract (or equivalent appointing act) and assigned to the action (actual costs OR unit costs)
- A.2. Natural persons working under a contract with the Beneficiary, other than an employment contract, (actual OR unit costs)
- A.3. Seconded by a 3rd party against payment (actual costs)
- A.4. SME owners not receiving a salary (unit costs) and A.5. Beneficiaries that are natural persons without salary (unit costs)
- A.6. Personnel costs for providing trans-national/virtual access to research infrastructure (actual OR unit costs)

 When are external experts NOT Staff but Services Costs?

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Personnel costs - Hourly rate

- Annual hourly rate
 - using the personnel costs and the number of productive hours for each full financial year covered by the reporting period concerned; If a financial year is not closed at the end of the reporting period, the beneficiaries must use the hourly rate of the last closed financial year available
 - 3 Options for calculating the annual productive hours
- Monthly hourly rate
 - using the personnel costs for each month and (one twelfth of) the annual productive hours calculated:
 - Either Option 1 "Fixed annual productive hours 1720", or
 - Option 3 "Standard annual productive hours", where there is an applicable reference to what a standard workable hours is



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Personnel Costs – annual hourly rate

- One hourly rate for each person for each full financial year - p. 53, AMGA
 - The hourly rate must be calculated by **full financial year** (i.e. the 12-month period covered by the annual accounts of the entity).
 - most recent *full* financial year for which all information necessary to calculate the hourly rates in accordance with the GA is available at the end of the reporting period
 - **Financial year different from fiscal year**
 - If the financial year is different from the fiscal year (i.e. the 12-month period used to calculate the income taxes), the entity may use the **fiscal year** instead of the financial year for calculating the hourly rate. The method must however be consistently applied and can NOT be changed within the same grant.
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Annual Personnel costs

- **Basic Remuneration = Annual Salaries + Social Security Contributions + Statutory Costs**
 - up to what is the beneficiary's usual remuneration practice for national or other non-EU-funded projects
 - Bonuses (p.49 AMGA) (the same is valid for Horizon EUROPE)
- **Additional Remuneration (for non-profit organisations only) p.44 AMGA**
 - Paid above the beneficiary's usual remuneration practice for national projects
 - **8000 EUR ceiling**
 - Consistently applied whenever the same kind of work or expertise is required and regardless of the source of funding used



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Bonus payments

- They are part of the Basic Remuneration (page 49, AMGA)
 - Additional Eligibility Conditions:
 - part of the usual remuneration practices for national projects
 - not based on commercial targets or fund raising
 - be paid in accordance with national law, the collective labour agreement and the employment contract/equivalent appointing act
 - **exclude arbitrary bonuses** (i.e. bonuses which are not part of the beneficiary's usual remuneration practices and/or which are not based on objective conditions)
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Personnel Costs

- Double ceiling rule:
 - The total N hours worked and declared for a person for a year in all EU/Euratom grants, is NOT higher than the number of annual PH used for the calculation of his/her Hourly Rate
 - The total amount of personnel costs declared for a person for a year is NOT higher than the total personnel costs recorded in the accounts for that person for that year.
 - Parental Leave:
 - Can be deducted from the annual productive hours for all options, when using the ANNUAL hourly rate
 - Can be considered when calculating the annual personnel cost in proportion to the actual hours worked when using the MONTHLY hourly rate
 - Similar is in H_E, page 38 AGA
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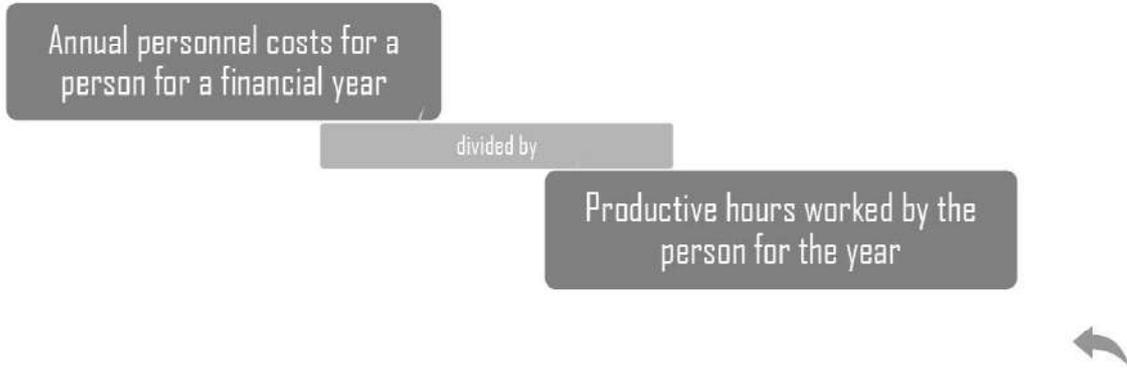
Personnel working under employment contract (actual costs)

(Art.6.2.A.1)

Personnel Costs (H2020)



Hourly rate (H2020)



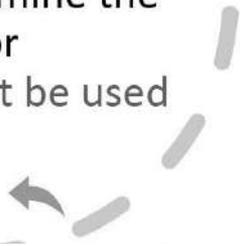
Annual Productive Hours (H2020)

- 3 options:
 - 1720 fixed
 - For full-time working personnel
 - Pro-rata for non full-time working personnel
 - Individual annual PH – based on workable hours for the year
 - Workable hours +overtime-absences
 - Standard number of annual PH
 - Usual Beneficiary’s accounting practices
 - At least 90% of standard workable PH



Workable hours

- Article 6.2.A.1 of the GA
 - the 'annual workable hours' are established according to one of the following:
 - employment contract of the person concerned
 - applicable collective labour agreement
 - national law on working time
 - If the contract (or applicable collective labour agreement or national working time legislation) does not allow to determine the annual workable hours, Option 2 for productive hours calculation cannot be used



Compare the calculation in Horizon Europe:



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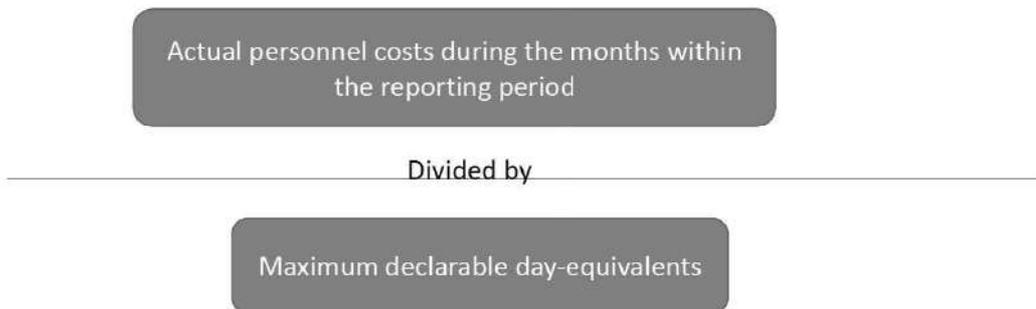
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Day Equivalents (Horizon Europe)



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Daily Rate (Horizon Europe)



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Additional remuneration in Horizon Europe:

- 13th salary, Christmas pay, retroactive salary increase
 - When recorded in the statutory accounts
- Supplementary payments included in the personnel costs nominator:
 - If – beneficiary usual remuneration practice, and paid consistently for same kind of work or expertise, AND
 - Based on objective and generally applied criteria, regardless of the source of funding

Reference: p.25- 26 of the Annotated Corporate Grant Agreement (10-15 min reading time).

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Natural Persons working under a DIRECT contract

- Art. 6.2.A.2 The **costs for natural persons working under a direct contract** with the beneficiary other than an employment contract are eligible personnel costs, if:
 - (a) the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed);
 - (b) the result of the work carried out belongs to the beneficiary (unless exceptionally agreed otherwise), and
 - (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.



Calculation principles to Category A.1 apply also to A.2.

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Natural Persons working under a DIRECT contract – Category A.2

- Usually "in-house" consultants, free-lancers
- Actual OR unit costs (average personnel costs)
- Eligibility:
 - General criteria
 - Direct contract
 - Output/product owned by the beneficiary
 - Similar working conditions
 - Costs not significantly different (50% higher, p.33 IAP)
- The remuneration must be based on the working time (not on output)

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Seconded personnel Art.6.2.A.3

Costs of persons that work on the action and that are **seconded** by a third party as an in-kind contribution ***against payment***

Seconded personnel is NOT:

- Staff provided by a temporary work agency
- Secondment of staff between beneficiaries (or linked third parties)
- Persons seconded by a third party free of charge

Calculation principles to Category A.1 apply also to A.3.

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Seconded personnel (A.3)

GA Art. 6.2.A.3, p.75 AMGA

- General eligibility conditions should be observed
 - The 3rd party must be in Annex 1 GA
 - Secondment assignment **Best Practice:**
 - The **secondment agreement** has to detail the conditions of secondment (tasks, payment (or not) from one entity to the other, duration of the secondment, location, etc.).
 - The costs must be reimbursed (if not for free)
 - Additional eligibility conditions as per Art. 11.1 on in-kind contributions against payment.
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Seconded personnel (A.3)

GA Art. 6.2.A.3, p.75 AMGA

- **Art.11.1 special conditions:**
 - Only up to the actually incurred costs by the third party can be declared
 - If the beneficiary paid less than that – declare the rest as receipts
 - Exceptional unit costs may be used for:
 - Personnel costs A.2 and A.4
 - Other direct cost D.5
 - Clinical studies, F
 - **Indirect costs of the third party:**
 - Can be claimed only if the staff worked NOT in the beneficiary's premises (and in that case: 3rd party's costs estimation in Annex 2)
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Seconded personnel (A.3)

GA Art. 6.2.A.3, p.75 AMGA

- Additional eligibility criteria:

- The beneficiaries must ensure that the Commission/Agency, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) have the right to carry out checks, reviews, audits, and investigations on the third parties (see Article 22), and in particular audit their underlying costs.
- They must also ensure that the Commission/Agency has the right to make an evaluation of the impact

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SMEs owners & Natural Persons not receiving a salary

(Art.6.2.A.4 & A.5)

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SME owners/Natural persons not receiving a salary – Category A.4/A.5

- Working time remuneration/compensation is composed of:
 - *dividends,*
 - *service contracts*
 - *other non-employment contracts between the company and the owner*
- Declared as unit costs (hourly rate) fixed by Commission and set out in Annex 2 and 2a of the GA
 - (4650/143)* (Country Specific Correction Coefficient) – p.76 AMGA and p.37 IAP
 - EUR 4 650 for calls under Work Programmes 2014-2015 and 2016-2017
 - EUR 4 880 for calls under Work Programme 2018-2020
 - EUR (5080/18)*(Country Specific Correction Coefficient) for Horizon Europe
- The **total number of hours** declared **for an SME owner for a year** (i.e. a financial year) can NOT be higher than 1 720
- The unit costs is fixed by the Commission in the Annex 2a budget table

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Personnel costs

Let's have an examples on hourly rates and personnel cost categories:

Please, refer to the Practice Case 1.

Feel free to alert me by hand raised when you are done.



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Personnel costs

Let's have an example with the calculation of the personnel costs and the definition of the annual hourly rates.

Please, refer to the Practice Case 2.

Feel free to alert me by hand raised when you are done.



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Personnel Costs

- **Project-based accounting (for non-profit legal entities only)**
 - The beneficiary usual accounting practice in project management is to complement the personnel working on international projects with additional payment
 - GA, Art. 6.2.A.1: 'Additional remuneration' means any part of the remuneration which exceeds what the person would be paid for time worked in projects funded by national schemes.
 - Only for non-profit legal entities
 - Regardless of the source of funding
 - This "usual accounting practice" should be evidenced in the internal rules
 - There should have been at least one paid additional remuneration before the submission of the action proposal!
 - Pages 58-61 AMGA

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”National Schemes”

- **National projects**

- all types of projects funded under any type of national (public or private) funding scheme (including projects co-financed by EU funds that are managed by the Member States, *e.g. regional funds, agricultural and fisheries funds*).
 - Projects from EU programmes directly managed by the Commission/Agencies or their funding bodies (*e.g. LIFE, ERASMUS, Health, etc.*) do not, however, qualify as national projects (but as EU/international projects).
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Personnel Costs

- **Project-based accounting (H2020)**

- Annually, the additional remuneration should be capped to 8000 euro per person.
 - The ceiling is *fixed* at EUR 8 000 per year for each full time equivalent (FTE), i.e. EUR 8 000 for a **full-time employee working exclusively for the action during the entire year**.
 - This ceiling covers not only the additional payment (bonus) but also the additional taxes, costs and social security contributions triggered by the additional payment.
 - For an **employee working exclusively for the action but not hired full time during the entire year**, the ceiling is reduced pro-rata
 - For an **employee not working exclusively for the action**, the ceiling is *calculated pro-rata*, based on the hours worked for the action.
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Project-based accounting in Horizon 2020/HE

- Calculation of the Additional Remuneration:
 - **"Action Reference" (AR)** - reference rate for the work on the H2020 action
 - **"National Projects Reference" (NPR)** - reference rate for the usual remuneration practice for national projects
 - Compare both rates:
 - If $AR > NPR$, there is additional remuneration
 - If $AR \leq NPR$, there is NO additional remuneration, all remuneration is basic
 - Calculation of the additional remuneration cost
 - $(AR - NPR) \times (\text{actual working hours on H2020 for a person for a year})$
 - Application of the 8000 ceiling rule

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Project-based accounting in Horizon Europe

- The daily rate to be used for the EU grant financial statement will be the lower of the two.
- In practice, the HE framework does not allow additional remuneration in the context of what it means under H2020.
- Page 25 in the AGA-HE-3 (Art.6.2.A.1)



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Personnel costs

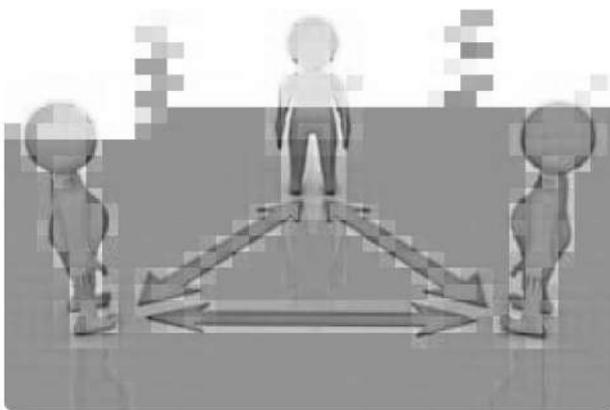
Let's have an example with the calculation of the personnel costs and the definition of the additional remuneration.

Please, refer to the Practice Case 1.3.
Solution in 11.50h CET

Feel free to alert me by hand raised when you are done.



Costs of Third Parties



- Any party not signing the Financial Contribution Agreement with the EC is a third party
 - Subcontractors
 - In-kind contributions
 - for free
 - against payment
 - Linked third parties
 - International organisations
 - Contractors

Subcontracting (Art. 13 of GA)

- Beneficiaries may award subcontracts covering the implementation of certain action tasks described in Annex 1.
 - Subcontracting may cover only a limited part of the action.
 - Beneficiaries/linked third parties may NOT subcontract tasks to other beneficiaries/linked third parties
 - The tasks to be implemented and the estimated cost for each subcontract must be set out in Annex 1 and the total estimated costs of subcontracting per beneficiary must be set out in Annex 2.
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Subcontracting (Art. 13 of GA)

- Example of subcontracting costs:
 - Translation, Interpretation, specific Evaluation, external Expertise, Information, Dissemination, Reproduction, Publication
- Beware of additional eligibility rules:
 - Best value for money - price-quality ratio OR lowest possible price
 - No core activities, no Coordinator's tasks
 - Included in the Grant Agreement (Annex 1 and Annex 2)
 - OR agreed with the Commission (amendment/simplified procedure)
 - Procurement rules - when beneficiaries are 'contracting authorities' or 'contracting entities' (within the meaning of the EU public procurement Directives 2014/24/EU and 2014/25/EU37)

The Subcontractor should abide with the same obligations and provide the same rights to the Commission as those of the Beneficiary

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Subcontracting

Obligations that must be extended to subcontractors:

- Avoiding conflicts of interest (*see Article 35*)
- Maintaining confidentiality (*see Article 36*)
- Promoting the action and give visibility to the EU funding (*see Article 38*)
- Liability for damages (*see Article 46*).

Failing to abide with these obligations, the grant may be reduced and/or other penalty consequences may occur, according to Art. 13.2 , Art. 43 and Art. 6

Subcontracting

• Conflict of interests (Art. 35, GA)

The beneficiaries must take all measures to prevent any situation where the impartial and objective implementation of the action is compromised for reasons involving:

- economic interest,
- political or national affinity,
- family or emotional ties or
- any other shared interest



In-kind contributions

by third parties (art. 11 and 12. GA)

- In-kind contributions must be set out in Annex I of GA
 - May also be approved by the Simplified Approval Procedure
- Against payment
 - Direct costs – ACTUALLY incurred or UNIT cost based (Art. 6.2 GA)
 - Indirect costs – 25% on the actually incurred eligible direct costs of the 3rd party when NOT in the beneficiary's premises
- Free of charge
 - The beneficiary does not pay to the 3rd party but it may claim the actually incurred costs of the 3rd party
 - The beneficiary may NOT include the indirect costs a second time to calculate its own indirect costs
 - Free of charge in-kind contributions may also have to be declared as receipts — capped by the amount declared as third party costs for the contribution. (Article 5.3.3(c))
- The accounting records of the third-party prevail over the beneficiary's paid balances

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In-kind contributions for free

Art. 12, p.142 AMGA

- The 3rd party makes available some of its resources to a beneficiary, for free
 - i.e. without any repayment
 - the beneficiary itself makes no payment and there is therefore NO cost incurred by the beneficiary.
 - However, the GA provides that beneficiaries may charge the costs incurred by the third party for its in-kind contribution:
 - as eligible direct costs in the corresponding cost category: personnel costs, other direct costs (equipment, infrastructure, assets)
- The same eligibility conditions as for in-kind contributions against payment.

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In-Kind Contributions

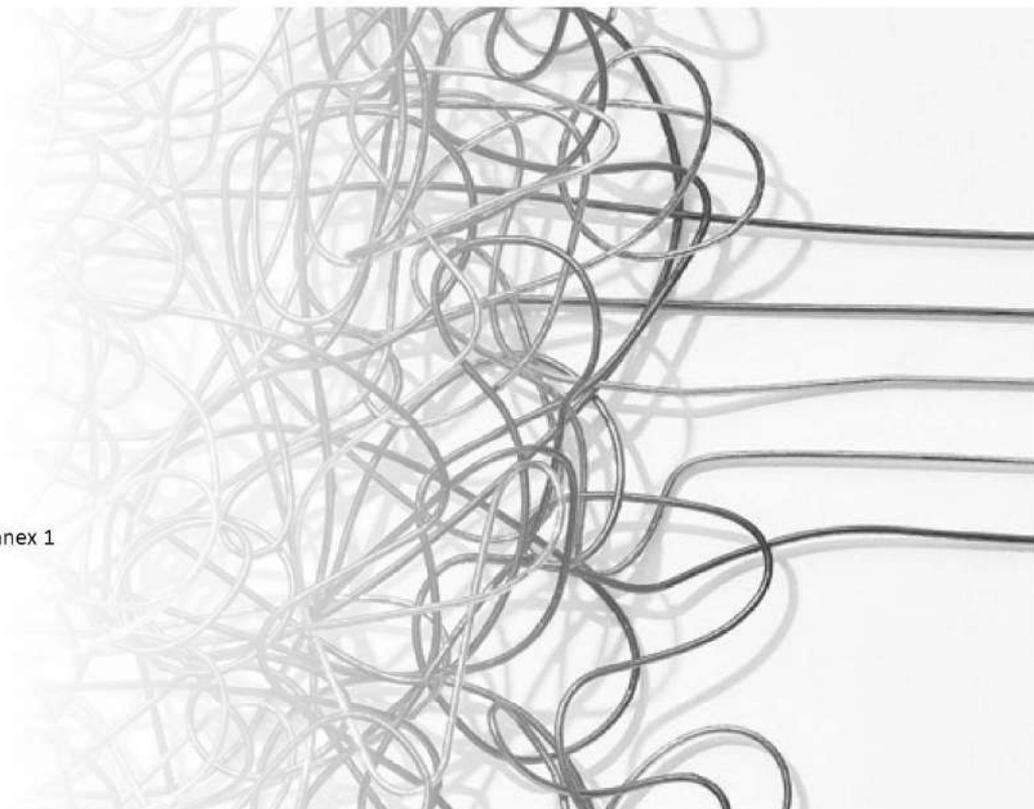
Indicative Audit Programme Ref. Section A 20-21; D 70,-72, 81- 84

- For ODC in-kind contributions :
 - The costs claimed do not exceed the actually incurred direct costs
 - Cost do not exceed depreciation costs of similar equipment, infrastructure or assets
 - "Arms' length" principle (No profit transferring)
 - No profit/financial fees are included in the in-kind costs
 - No estimations
 - Indication for the costs in Annex I / or approved in writing by EC
 - For in-kind contr. NOT used in the beneficiary's premises: indication in Annex 2

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In-Kind Contributions - HORIZON EUROPE

- FREE of Charge
 - Ref: Art. 9.2 GA
 - The rules from H2020 remain the same!
- Against Payment
 - only for HE, not for other EU Programmes
- In-kind contributions and the third parties contributing them **must** be mentioned in Annex 1
 - simplified approval procedure allowed



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Linked third parties

Art. 14 Ga

- The linked 3rd parties implement part of the action
- Their **action tasks** are indicated in the GA, Annex 1
- They must be named in Article 14 and their action tasks and estimated costs must be set out in Annexes 1 and 2 already at the moment of the GA signature (or if the linked third party is added later, through an amendment).
- The beneficiaries must make special arrangements regarding results produced by the linked third parties (in order to be able to fully comply with their obligations under the GA; see Article 26.3).
- The Commission/Agency may (during the selection procedure) require joint and several liability of a linked third party, if:
 - the financial capacity of a beneficiary is 'weak' and
 - the beneficiary mainly coordinates the work of its linked third party.

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Linked third parties

Art. 14 Ga

- Linked third party does not charge a price, but declares its own costs for implementing the action tasks.
 - Linked third party itself performs certain action tasks directly and is responsible for them towards the beneficiary. Linked third parties do NOT sign the GA (and are therefore not beneficiaries).
 - The beneficiary remains responsible towards the Commission/Agency for the work carried out by the linked third party. Moreover, the beneficiaries are financially responsible for any undue amount paid by the Commission/Agency as reimbursement of costs for their linked third parties — unless the GA foresees joint and several liability (see Article 44.1).
 - Work is attributed to the linked third party (in Annex 1) and is usually carried out on its premises.
 - Work is under the full and direct control, instructions and management of the linked third party, who carries out this part of the action (with its employees).
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Linked third parties

Art. 14 Ga

- There is NO simplified approval procedure for the inclusion of a linked 3rd party in the implementation of the action.



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Linked third parties

Art. 14 Ga

affiliated entities

- under the direct or indirect control of the beneficiary
- under the same direct or indirect control as the beneficiary
- directly or indirectly controlling the beneficiary

entities with a legal link to a beneficiary

- established legal relationship
- broad and not specifically created for the work in the GA that goes beyond the action duration and usually pre-dates and outlasts the GA

Affiliated entity – Rules for Participation

Art. 2, (paragraph 1, (2))

- 'affiliated entity' - any legal entity that is under the direct or indirect control of a participant, or under the same direct or indirect control as the participant, or that is directly or indirectly controlling a participant.
- Control may take any of the forms set out in Article 8(2)

Art. 8, par. 2

What does the GA say? Art. 14

³⁰ For the definition see Article 2.1(2) Rules for Participation Regulation No 1290/2013: '**affiliated entity**' means any legal entity that is:

- under the direct or indirect control of a participant, or
- under the same direct or indirect control as the participant, or
- directly or indirectly controlling a participant.

'Control' may take any of the following forms:

- (a) the direct or indirect holding of more than 50% of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity;
- (b) the direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

However, the following relationships between legal entities shall not in themselves constitute controlling relationships:

- (a) the same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50% of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates;
- (b) the legal entities concerned are owned or supervised by the same public body.

³¹ '**Third party with a legal link to a beneficiary**' is any legal entity which has a legal link to the beneficiary implying collaboration that is not limited to the action.

p.150 AMGA

What is not an affiliated entity?

Rules for Participation, Art. 8, par. 3

- the same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50 % of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates;
- or
- the legal entities concerned are owned or supervised by the same public body.

Comparison -3rd Parties HORIZON EUROPE

- **Affiliated entities partners**
 - Named in GA, action tasks indicated Annex 1 and 2
 - Costs and contributions
 - Ref: Art. 8 GA
- **Associated partners**
 - Named in GA, section tasks set in Annex 1
 - Ref: Art. 9.1 GA
 - Not eligible for funding
- **Third parties giving in-kind contributions**
 - Free of charge/ against payment
 - Set in Annex 1
 - Art. 6.1 and Art. 9.2 GA
- **Subcontractors**
 - Costs and related action tasks should be set in Annex 1 and 2
 - Value for money



Subcontracting/ Third/ Linked parties

TYPE	CHARACTERISTICS						
	Works on action tasks?	Provides resources or services for action?	What is eligible?	Must be indicated in Annex 1?	Indirect costs?	Selecting the third party	GA articles
Linked third party	YES	NO	Costs	YES	YES	Must be affiliated or have a legal link and be eligible for funding	Article 14
International partners	YES	NO	N/A	YES	N/A	Must not be eligible for funding	Article 14a
Subcontractor	YES	NO	Price	YES	NO	Must be best value for money, avoid conflict of interest	Article 13
Third party providing in-kind contribution	NO	YES	Costs	YES	YES	May not be used to circumvent the rules	Articles 11 and 12
Contractor (selling, equipment, good or service)	NO	YES	Price	NO	YES	Must be best value for money, avoid conflict of interest	Article 10
Third parties receiving financial support ³³	The third parties participate in the action as recipients.		Amount of support given	YES	NO	According to the conditions in Annex 1	Article 15

Third parties' costs

Please, refer to the Practice Case 3.



Other direct costs

- If necessary to implement the action, the beneficiaries may purchase **goods, works or services**.
 - The beneficiaries must make such purchases ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests (see Article 35).
 - Internally invoiced goods and services (Art. 6.2. and D.5 of the GA)
 - Calculated as unit costs only
- **Equipment**
 - Depreciation of purchased equipment or the corresponding amounts if rented or leased equipment
 - No financial fees (e.g. for credits on the purchase, or for the leasing, etc.)
- **Report on Explanations on the use of resources (n.a. MSCA & LS)**
 - If actual costs declared under "other direct costs" are equal or less than 15% of claimed personnel costs for the beneficiary in each reporting period, no need to give any detail.

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Other direct costs

- Rental of meeting rooms/interpretation booths
- Costs for certificates on the financial statements
- Financial costs, e.g. related to the bank guarantee
- Other office supplies

Ensure competitive selection procedure for purchase of goods, works, and services, based on pre-announced award criteria, value for money and no conflict of interest.

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Other direct costs

- **Travel and subsistence allowances (actual cost only)**
 - Costs are necessary for the implementation of the action, reasonable, verifiable and not reckless
 - Keep tickets, bills, receipts, proof of payment
 - declared in euro according to the rules in the GA
 - According to the Beneficiary's usual travel policy
 - Only costs related to the time for travel related to the work on the action
 - Per diem/Fixed fees reconcile with the Beneficiary's usual travel policy, procedures or practice
 - **COVID19 : equipment for holding online meetings may be eligible.**
-
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-

COVID19 lockdown related problems

- If the equipment is not being used by researchers, are corresponding depreciation costs eligible?
- For newly purchased equipment, which has not been used due to delayed/impossible tasks, depreciation costs are incurred more than budgeted, are they all eligible?



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Indirect costs

- **One flat rate 25% of total eligible direct costs minus:**
 - Subcontracting costs
 - In-kind contributions related costs incurred by 3rd parties outside of the Beneficiary's premises
 - Costs of providing financial support to 3rd parties
 - Costs from specific costs categories (unit or lump-sum costs) that include indirect costs
- **BEWARE:**
 - Indirect costs cannot be reimbursed and thus should not be declared if the Beneficiary also receives an Operating grant (for the operation and running costs of an entity, Art. 180.2.(b) of the FR), unless the Beneficiary applies separate accounting and shows no double funding doubts

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Ineligible costs

- In principle – if costs **do not meet the general and specific eligibility conditions** set out in Articles 6.1 to 6.4 of the GA
- Costs **listed in Article 6.5** of the GA
 - Return on capital or return generated by an investment (dividends)
 - Debt and debt service charges (on loans)
 - Interest owned
 - Provisions for bad debts and losses
 - Bank costs
 - Currency exchange losses
 - Deductible VAT
 - Incurred during the suspension of the implementation of the action
 - Declared under another EU or Euratom grant
 - In-kind contributions from 3rd parties (voluntary work, equipment available for free, etc.)

Receipts from the action

NO PROFIT RULE (HE, H2020)

- **Receipts from the action (Art. 5.3.3 of the H2020 MGA)**
 - (a) Income generated by the action; if the income is generated from selling equipment or other assets purchased under the Agreement, the receipt is up to the amount declared as eligible under the Agreement;
 - (b) financial contributions given by third parties to the Beneficiary/linked 3rd party specifically to be used for the action, and
 - (c) in-kind contributions provided by 3rd parties free of charge and specifically to be used for the action, if they have been declared as eligible costs
 - Example: p. 204 AMGA

If Grant Amount + Receipts > Total Eligible Costs → Deduction of profit

Final grant amount

- Calculated by the Commission when the Payment of the Balance is made
- Corrected with 4 Steps (Art. 5.3 of the GA)
 - Step 1 — Application of the reimbursement rates to the eligible costs
 - Step 2 — Limit to the maximum grant amount
 - Step 3 — Reduction due to the no-profit rule
 - Step 4 — Reduction due to substantial errors, irregularities or fraud or serious breach of obligations
- The final grant amount will be the lower of the following two:
 - the amount obtained following Steps 1 to 3 or
 - the reduced grant amount following Step 4, and
- Deducting the total amount of pre-financing and interim payments already made
- See also Art. 44.1.2. for recovery of undue amounts by the beneficiary

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THANK YOU
FOR PARTICIPATING
IN THIS COURSE

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PARTICIPATION IN HORIZON EUROPE: KEEPING IT SIMPLE

competitive, fair and transparent, easy to access

Horizon Europe is the new EU programme for research and innovation, running from 2021 to 2027. To achieve its ambitious scientific, societal and economic objectives, and to maximize the impact of the financial investment, the programme must attract the best researchers and the most innovative companies. In a highly competitive environment, this needs easy access, fair and transparent selection processes, and smooth grant management. To this end the Commission has cut unnecessary red tape, building on simplifications in the current programme, so that taking part in EU research and innovation will become easier than ever before.

Tens of thousands of applicants from individual scientists and SMEs to big companies and international organisations have received funding for their projects under the past and current Framework Programmes. Fully electronic paperless administration of the grants was a novelty introduced with the launch of Horizon 2020 in 2014, considerably simplifying and speeding up the participation and implementation process. The new Horizon Europe will continue in this direction, offering:



A stable legal framework with simplified rules and procedures



Digital administration



A fair, transparent and objective evaluation of proposals



Data reporting, dissemination and exploitation for value creation



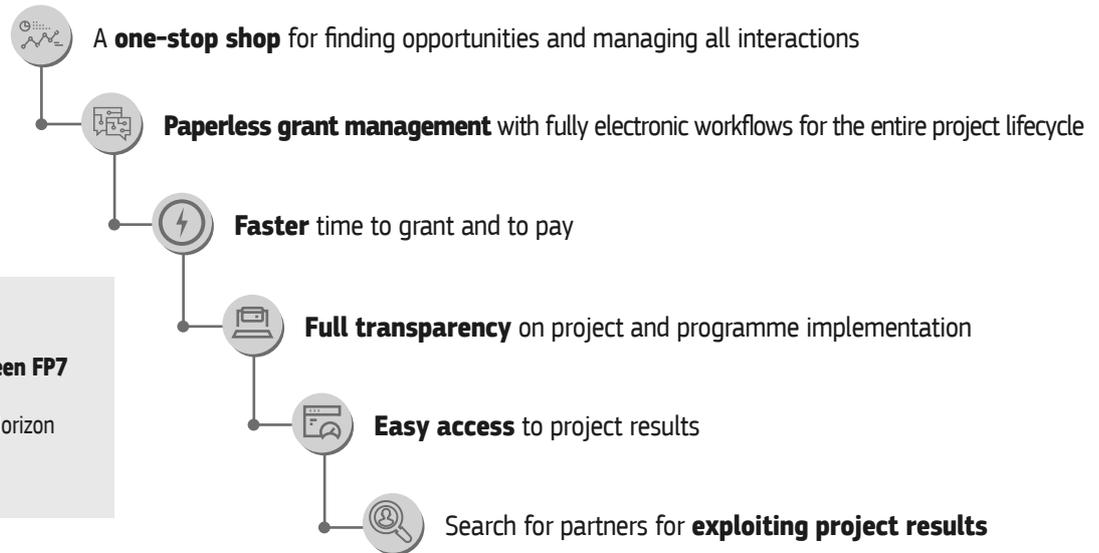
Outreach, guidance and support to participants

A stable legal framework with simplified rules and procedures

The implementation strategy of Horizon Europe is organised around:

- ✓ **Rules for Participation** aligned with the EU Financial Regulation. For all aspects not requiring specific rules, related to the nature of R&I, the rules of the general EU Financial Regulation apply – providing simpler opportunities for synergies between programmes.
- ✓ A **corporate model grant agreement**, used across all EU funding programmes, with further simplification of the rules, facilitating synergies at project level and further reducing error rates.
- ✓ **Simplified forms of funding** (flat rates, unit costs, lump sums, prizes), based on the experience in Horizon 2020, including the ongoing pilots on lump sum project funding.
- ✓ **Simpler rules for personnel costs**. The complex and error-prone rules of Horizon 2020 will be replaced by a simple rule, based on daily rates. This approach will be applied to all (centrally managed) EU grants.
- ✓ A **control strategy** aiming at better control rather than more control. Further simplification in project implementation reduces the level of error while allowing for risk-based controls, including enhanced fraud prevention and detection.

Digital transformation of administrative processes in the Commission's interaction with stakeholders offers great opportunities:



In numbers...

Evolution in participation between FP7 and Horizon 2020:

More than **68%** of participants in Horizon 2020 are "newcomers".

*Source: Horizon Dashboard - September 2020

The Funding & Tenders Portal

The Funding & Tenders Portal is the Commission's tool for achieving this digital transformation. Initially served as a portal for R&I funding with H2020, it now evolves to become the one-stop shop for all managed EU programmes.

Are you looking to finance a project or do business with the EU?

Here's how to participate in 5 simple steps

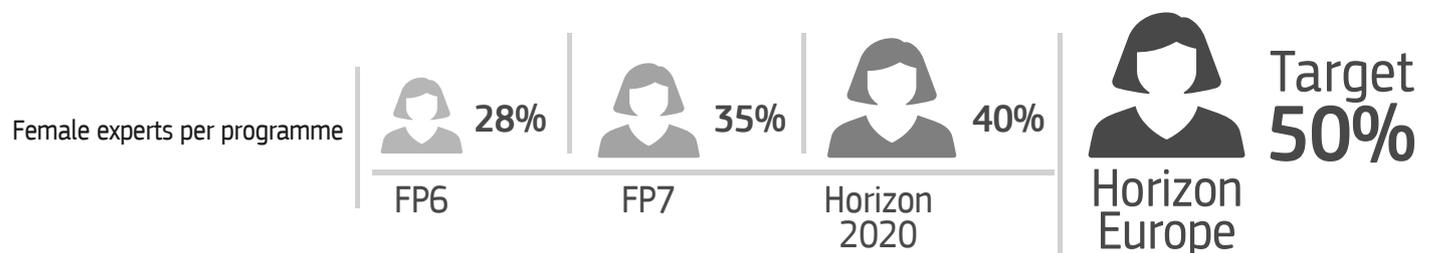


Evaluation Process in Horizon Europe - fair, transparent and objective

Applying for EU R&I funding is highly competitive. Selecting the best projects to be funded, with the highest potential for creating the intended impact, is decisive for the success of the programme. The European Commission has developed a system for proposal evaluation over successive framework programmes. It is a solid and recognised process based on an evaluation made by external experts with a final decision taken by the Commission, fully and transparently justified. It aims to ensure that the process is as fair, trusted and as transparent as possible.

- Three evaluation criteria:** Excellence, Impact and Quality of Implementation.
- Careful choice of expert evaluators:** Experts are selected based on their expertise, but also on geographical and gender considerations. In addition, we apply rotation rules to incentivize the participation of new experts and to encourage participation of experts from all Member States in particular from widening countries, and to avoid closed clubs in our evaluation process.
- Adapted to new features:** for missions and EIC (e.g. portfolio considerations when making the ranking).

Experts for evaluation - expertise first but also geographical, gender and industry academia diversity



What are the novelties in the evaluation process in Horizon Europe?



Adjusted evaluation criteria:

Easier to understand, clearer definitions and consistent use of the terminology. In particular the impact criterion has been revised following a clearer logic linking the project results to the expected outcomes over the medium term, and to the wider long term impacts, as specified in the work programme. Applicants must describe a plausible pathway to impact over time, including beyond the lifetime of a project.



A pilot for anonymous evaluations:

Experts will evaluate an outline of the proposed work without knowing who is behind. This pilot addresses concerns about a possible unconscious partiality that evaluation experts may have in favour of proposals from well-known organisations in countries with better performing R&I systems.



A 'Right to react' (rebuttal) evaluation:

Applicants will be actively involved in the evaluation process by reacting to experts' individual comments. The experts will take applicants' reaction into account before finalising their final assessment. This new feature addresses concerns on the quality of the feedback to applicants and has the potential to increase the transparency of the evaluation system. A pilot will run at the early phase of Horizon Europe to fine tune the implementation modalities.



A portfolio approach:

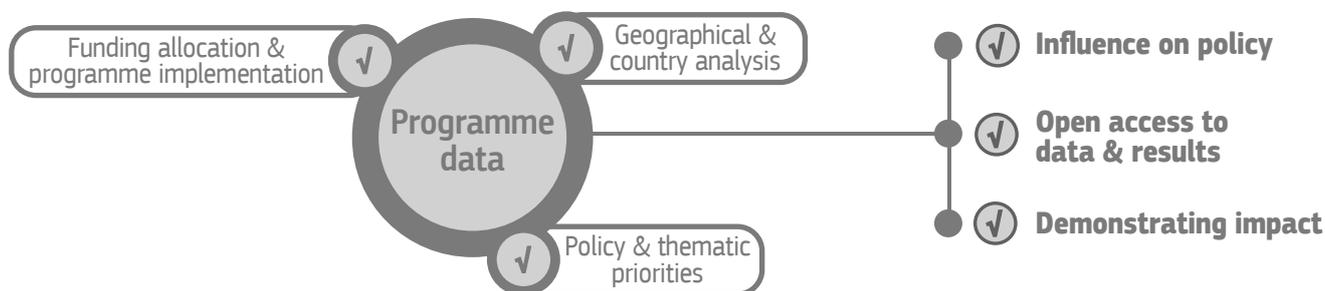
For calls with a portfolio approach, aiming to fund a group of actions that are intended to achieve all together a measurable common goal, the evaluation will be done in a two-phase approach. Firstly, each proposal is evaluated independently on its own merits based on the standard criteria. Secondly, the best proposals would be assessed with a view to considerations relevant to the creation of a portfolio, as announced in the Work Programme.

Transparency on Programme implementation and promoting research results uptake

To promote transparency on the allocation of Horizon 2020 funding, as well as to create value of the research results, dedicated instruments have been developed under and will be further enhanced in Horizon Europe.

Horizon Dashboard

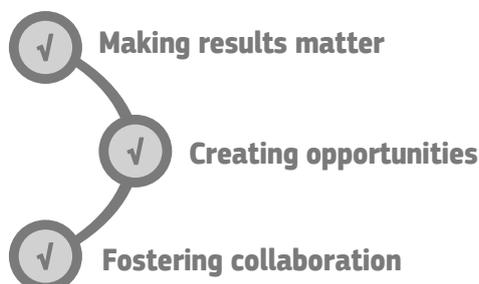
The one-stop-shop for data and statistics on EU Research and Innovation. This intuitive and interactive knowledge platform allows you to explore and visualise data on various research topics, to prepare statistics on funding implementation and research results, whether it is for reporting, analysis, monitoring or decision-making purposes. You can sort by topics, countries, organisations, sectors, as well as individual projects and beneficiaries! The Horizon Dashboard covers FP7 and Horizon 2020 programme data.



Horizon Europe will also foster maximum openness by providing tools and means for the dissemination and exploitation of the results of projects. Beneficiaries are able to showcase their most promising results and attract potential partners (companies, investors, policy makers) and maximize value creation.

Horizon Results Platform

An online platform and matchmaking tool that allows beneficiaries to advertise their research results to targeted audiences such as policy makers, investors, entrepreneurs, national and regional authorities, research and technology organisations, industry or academia; and express their specific needs in terms of bringing their results to the next level. Visitors to the platform can enjoy the rich presentations of each 'result profile', often including videos, and find out the most up-to-date information on the results' maturity, their unique value proposition, policy influence and collaboration opportunities.



Horizon Results Booster

Free consulting services –portfolio strategy, business plan development, go-to-market support- steering research towards strong societal impact and concretising the value of R&I activity for societal challenges. The expert services are available to ongoing or completed FP7/H2020 projects who can apply either as an individual project or as a part of a project group, depending on the services. The aim of these services is to support the beneficiaries and to help bringing a continual stream of innovation to the market and beyond. The services are available from July 2020 to June 2024.



Portfolio Dissemination & Exploitation Strategy



Business Plan Development

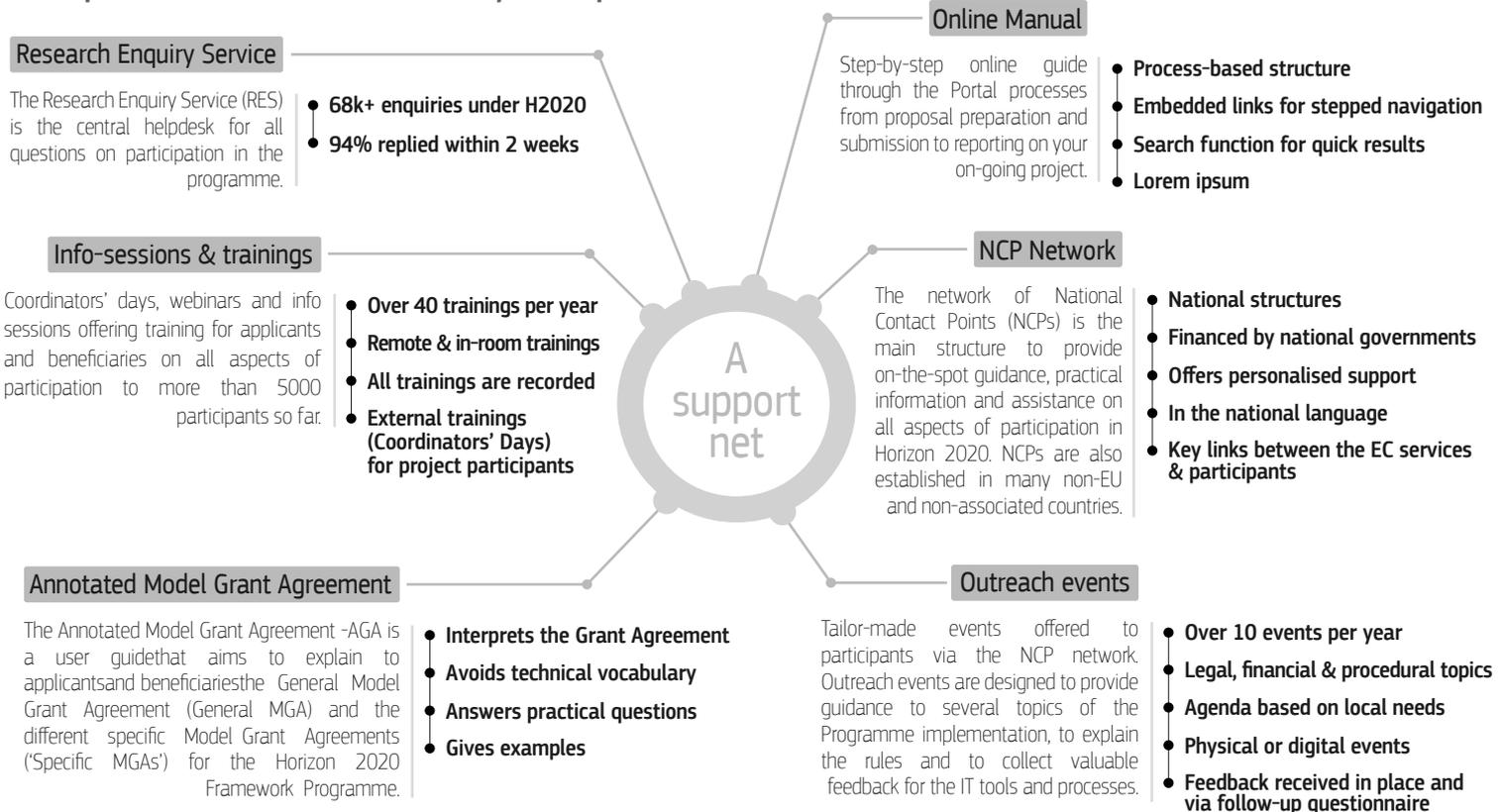


Go-to-market support

Effective help through a wide set of tools and services

Outreach to applicants and beneficiaries is a key part of the implementation of the new Horizon Europe. The outreach strategy in Horizon Europe aims at providing clear and timely guidance and support, adapted to the needs and circumstances of all types of stakeholders, while at the same time gathering feedback for further simplification and improvements. It will offer a wide set of activities in order to inform, involve and interact with the programme stakeholders.

A complete set of tools & services at your disposal



Discover more at:

Funding & Tenders Portal
Horizon Results Platform
Horizon Dashboard
Horizon Results Booster



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EU GRANTS DECLARATION ON EXCLUSIVE WORK FOR THE ACTION	
Reporting period number:	[insert RP number (from DD/MM/YYYY to DD/MM/YYYY)]

Project name (acronym):	Project number:
Participant name:	
Name of the person:	Type of personnel (see Art 6.2.A MGA):

We hereby declare that ...[insert name of person]..... has worked exclusively for the above-mentioned project during (chose one below):

- the whole reporting period
- from/...../..... until/...../..... (This period must cover at least one full calendar month)

 Please don't forget that you must keep time-sheets for any time worked on the project outside this declaration.

DESCRIPTION OF ACTIVITIES CARRIED OUT FOR PROJECT DURING THE COVERED PERIOD	
Work package number	Activities

SIGNATURES

For the participant (supervisor):

Name:.....

Date:/...../.....

Signature:

Person:

Date:/...../.....

Signature:

HISTORY OF CHANGES		
VERSION	PUBLICATION DATE	CHANGE
1.0	01.12.2014	Initial version
1.1	17.12.2014	Formatting changes and validation by Legal Service
1.2	25.11.2016	File format changed from PDF to an open format (ODT)
2.0	15.05.2018	Initial corporate version

EU GRANTS DECLARATION OF DAYS WORKED ON A PROJECT		YEAR:	
Project acronym:		Project number:	
Participant name:			
Name of the person:		Type of personnel: (employee/ natural person under direct contract/ seconded/ other)	

Month	Days worked in the action (e.g.15, 7,5, 0,5)	Work Packages worked on (e.g. WP2; WP5)	Date and signature of the person	Name, date and signature of the supervisor
January			Signature: / /20XX	Name: Signature: / /20XX
February			Signature: / /20XX	Name: Signature: / /20XX
March			Signature: / /20XX	Name: Signature: / /20XX
April			Signature: / /20XX	Name: Signature: / /20XX
May			Signature: / /20XX	Name: Signature: / /20XX
June			Signature: / /20XX	Name: Signature: / /20XX
July			Signature: / /20XX	Name: Signature: / /20XX
August			Signature: / /20XX	Name: Signature: / /20XX
September			Signature: / /20XX	Name: Signature: / /20XX
October			Signature: / /20XX	Name: Signature: / /20XX
November			Signature: / /20XX	Name: Signature: / /20XX
December			Signature: / /20XX	Name: Sign. / /20XX
TOTAL				



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR RESEARCH AND INNOVATION

Directorate J – Common Support Centre
J.2 – Common Audit Service

Annex I to the Letter of Announcement

REQUIRED SUPPORTING DOCUMENTS BEFORE AND DURING THE AUDIT

As referred to in our letter of announcement, the Common Audit Service for Horizon 2020 Framework Programme for Research and Innovation expenditure at the European Commission (CAS) has decided to carry out an audit on specific financial statements presented by your organisation.

The primary objective of an audit is to verify that the costs declared to the Commission services are in compliance with the Grant Agreement(s) and, more specifically, are in line with the eligibility requirements set out in Article 6 of the H2020 Grant Agreements. The Indicative Audit Program¹ detailing the checks to be performed is available on the Participant Portal H2020 Online Manual².

According to Article 22 of the H2020 Grant Agreements, it is the beneficiary's responsibility to make available all detailed information, records and documentation that may be requested with a view to verifying that the action is properly implemented and that the costs are charged in compliance with the grant agreement provisions. As such, beneficiaries are requested to ensure that all documentation requested is readily available in the appropriate format at the time of the audit. **Failure to do so may imply that the audit concludes with a limitation in the assurance of the audit team on the regularity of the management of the Grant Agreements.**

You are therefore requested to prepare copies of the relevant supporting documents listed below prior to the start of the audit field-work in your premises. As regards the specific budget categories, the request should be adapted to the particular categories used by you in line with the contractual requirements.

Documents marked in the column "**To be sent to the auditor prior to the mission on-the-spot**" should be sent in a digital format to the auditor before the field-work in order to enable the auditor to prepare the audit in the most efficient manner.

Documents marked in the column "**Readily available at the time of the audit**" should be ready at the beginning of the mission on-the-spot. **Copies are necessary only for the sample** to be communicated to you by electronic means after the receipt of the breakdown of costs cf. Annex III. **Please note that the auditor in charge reserves the right to request for the sample, prior the mission, scanned copies of supporting documents.**

The list below is indicative. Thank you for taking the time to complete this activity.

1 http://ec.europa.eu/research/participants/data/ref/h2020/other/gm/audit/h2020-iap_en.pdf

2 http://ec.europa.eu/research/participants/docs/h2020-funding-guide/grants/grant-management/checks-audits-reviews-investigations_en.htm

Supporting documentation	To be sent to the auditor prior to the mission on-the-spot	Readily available at the time of the audit
I. General Information about the Beneficiary		
1. Beneficiary's legal registration (such as trade register abstract).		Yes
2. Beneficiary's supporting evidences of the non-'deductible VAT' status.		Yes
3. Beneficiary's supporting evidences that it is a 'contracting authority' or 'contracting entity' (if applicable).		Yes
4. Organisation chart with list of key officers.		Yes
5. List of all other EU/EURATOM funding received and all grant agreements (both closed and in progress) signed with the Commission/Agency/Joint Undertaking in the past 5 years.		Yes
6. List of the other EU actions/projects running during the audited period.	Yes	
7. Certified accounts of the last three financial years together with the statutory auditors' report (if applicable).	Yes	
8. Beneficiary's usual accounting practices, usual cost accounting practices and usual remuneration practices (manuals, procedures, internal regulations, etc.).	Yes	
9. Beneficiary' procurement procedures.	Yes	
10. Beneficiary's internal procedures as regards valuation methods for stocks' consumption (LIFO, FIFO, etc.).	Yes	
11. Beneficiary's internal procedures for depreciation.	Yes	
12. Beneficiary's internal procedures as regards internal invoicing for shared resources.	Yes	
13. Beneficiary' formalized policy or internal guideline for reimbursement of travel expenses.	Yes	
14. Accounting records for actions transactions, including reconciliation with general accounting (up to 6 months after recording the accounting documents in the Beneficiary's statutory books):		

	<ul style="list-style-type: none"> accounts fiches, journals, trial balances; 	Yes	
	<ul style="list-style-type: none"> general ledgers / analytical accounting books. 		Yes
	15. Beneficiary's guidelines/procedures for the financial / scientific management of Research grant agreements (if available).		Yes
	16. List of authorised signatures.		Yes
	17. Internal procedures to avoid conflict of interest.		Yes
	18. Procedure for maintaining digital or digitalised accounting records (if applicable) according to national legislation.		Yes
II. Receipt and distribution of EU/EURATOM financial contribution			
	19. Bank statements showing amount and date of advance and/or interim and/or final payments received (from Commission/Agency/JU or coordinator)		Yes
	20. <i>Only for coordinator:</i> Table or report on the distribution of the EU/EURATOM financial contribution.	See Annex III	
	21. <i>Only for coordinator:</i> Beneficiary's bank statement showing amount and date of advance and/or interim and/or final payments forwarded to other members of the consortium.		Yes
III. Supporting documents for personnel costs			
	22. Beneficiary's internal guidelines/procedures for time recording follow-up (if available).	Yes	
	23. Employment contracts or equivalent appointment acts for action personnel (permanent or temporary); direct contract with the beneficiary (for natural persons working under other than an employment contract); telework agreement; the secondment contracts; SME owner contract.	Yes (one example for each contract category)	Yes
	24. Collective labour agreements and job descriptions.		Yes
	25. Beneficiary's timesheets for personnel involved in the action or declaration for exclusive work for the actions.	Yes (one example for each)	Yes

26. Breakdown of personnel costs claimed in the financial statements per reporting period, by individual, indicating the number of hours charged as well as the hourly rate, with reference to the financial/fiscal year used in computations. (*)	See Annex III	
27. Payroll/Salary slips for all personnel involved in the action (all audited periods of action duration), in detail, structured as following: the basic remuneration, mandatory complements, variable complements, additional remuneration included in the computations, as the case arise.		Yes
28. Proof of payment (bank statements) of personnel costs.		Yes
29. Please provide all the necessary supporting elements to substantiate the claimed personnel costs (components of personnel costs taken into consideration in the unit costs for personnel, calculation method, justification of productive hours taken into consideration to calculate the unit costs for personnel, evidence that the applied methodology corresponds to your usual accounting and management practice. This list is non-exhaustive and may vary according to the applied methodology).		Yes
30. The supporting documents that demonstrate the actual cost borne by the Third Party (e.g.: timesheets, payslips, accounting entries, etc.).		Yes
31. The list of persons declared under personnel costs <u>for 5 other actions/projects to be communicated to you at a later stage.</u>		Yes
IV. Supporting documents for subcontracting		
32. Signed original copies of the agreement (contract, framework contract) established between the beneficiary and the subcontractor prior to its contribution to the action.	Yes	
33. Description of services provided by subcontractors in the context of the funded action. (*)	See Annex III	
34. Tendering documentation (for non-contracting authorities, only if required by the internal rules of procedures). In case no procurement procedure is in place, documents and justifications supporting the selection of subcontractors (price comparisons with open sources, comparative offers received, catalogue of prices, internal procedures followed in other occasions for EU and non-EU activities, etc.).		Yes

	35. The underlying documentation (original invoices, debit notes, credit notes, etc.).		Yes
	36. Evidence of delivery of services provided.		Yes
	37. Proof of payment (bank statements) of subcontracting costs.		Yes
V. Financial support to third parties			
	38. A clear and exhaustive list of the types of activities that qualify for financial support for third parties (e.g. financial support for third parties allowed for technology-testing activities).	See Annex III	
	39. Proof of payment (bank statements) of the financial support.		Yes
VI. Supporting documents for equipment, infrastructure			
	40. Beneficiary's valuation rules for accounting treatment of equipment.	Yes	
	41. List of all acquisitions and retirements of equipment per period. (*)	See Annex III	
	42. Contracts and agreements between the Beneficiary and its suppliers of other direct costs.		Yes
	43. Purchase orders and delivery notes for equipment.		Yes
	44. The underlying documentation (original invoices, debit notes, credit notes, transport documents, etc.) justifying the equipment purchased.		Yes
	45. Inventory register or fixed asset register/ledger for the equipment related to the action.		Yes
	46. Depreciation table showing the gross book value of the equipment, the additions and retirements, the depreciation rate and the depreciation charge per period.		Yes
	47. In case of rented equipment: rental contract, inventory list of rented equipment, and calculation of leasing and/or rental charges.		Yes
	48. Equipment's usage diary/register (for equipment used by different actions).		Yes
	49. Records, calculations and documentation (e.g. logbooks, laboratory registers, diaries, etc.) demonstrating that the actual use of the asset in the action was directly measured.		Yes

	<p>50. Proof that the costs charged to the action for rented or leased assets do not exceed by more than 25% the depreciation costs of:</p> <ul style="list-style-type: none"> • either a similar asset as it was priced at the time of the start of the rent of the lease; • or the same asset as it was priced within a period of 6 months before and 6 months after the start of the rent or the lease. 		Yes
	<p>51. Justifications regarding the full acquisition costs' allocation on the action (nature of the action, context of use, etc.) for assets that are charged at full acquisition cost and not at depreciation cost.</p>		Yes
	<p>52. Calculation of declared during the audited period costs of clinical trials, energy efficiency measures or LRI (on the same or other EU-funded grants).</p>		Yes
VII. Contributions in-kind			
	<p>53. Copies of the underlying documents obtained from the third party concerning their costs incurred for the contributions in-kind.</p>		Yes
VIII. Supporting documents for travel and subsistence			
	<p>54. List and dates of events/trips/conferences by action personnel. (*)</p>	See Annex III	
	<p>55. Authorised travel request forms, if applicable</p>		Yes
	<p>56. The underlying documentation (original invoices, debit notes, credit notes, minutes of meetings, attendance lists, facilities reservations, etc.) justifying the travel expenses.</p> <p>Proof of connection to the action and proof for the necessity of the action's implementation (mission orders, relevant internal documents, etc.).</p>		Yes
IX. Supporting documents for other goods and services			
	<p>57. Break-down of goods and services by action. (*)</p>	See Annex III	
	<p>58. Contracts and agreements between the Beneficiary and its suppliers of other direct costs.</p>		Yes
	<p>59. Purchase orders and delivery notes for other goods and services .</p>		Yes
	<p>60. The underlying documentation (original invoices, debit notes, credit notes, transport documents, stock registers etc.) justifying the other goods and services.</p>		Yes

	61. Inventory register/ledger (where applicable).		Yes
X. State aid			
	62. List of transactions concerning assets, goods and services made available by the State for free for the audited actions.		Yes
XI. Access costs for transnational or virtual access to research infrastructure			
	63. The calculation of the unit costs, actual costs or – under certain conditions – as a combination of the two used to declare access costs for the periods under audit in all cost categories.		Yes
XII. Information about the consortium			
	64. Signed consortium agreement.	Yes	

(* **Note:** this breakdown should include the relevant accounting codes/reference numbers to allow for reconciliation between the financial statements sent to the Commission/Agency/JU and the beneficiary's financial records as extracted from the accounting system. Should the beneficiary identify an **eventual discrepancy between the amounts declared and supported, the breakdown to be provided should identify the elements motivating the difference.**



Annex II to the Letter of Announcement

INTERNAL CONTROL QUESTIONNAIRE

GENERAL INFORMATION			
1.	Organisation (legal name):		
2.	Address (street, postal code, city, country):		
3.	Website:		
4.	Key contact	Name:	
		Function:	
		Telephone:	
		E-mail:	
5.	Organisation legal form (type of company and juridical status):		
6.	Date of foundation:		
7.	National registration number:		
8.	VAT registration number:		
9.	Organisation size (small, medium, large):		
10.	Description of the organisational structure:		
11.	Description of the core activities of the organisation:		
12.	Has your entity participated during the audited periods in other EU programmes (including Structural Funds)?		
13.	Is your entity a linked third party?	<i>Yes / No</i>	
14.	Did you receive assets as in-kind contribution from third parties for the projects included in the audit scope?	<i>Yes / No</i>	
15.	Did you receive assets, goods or services from the State for free specifically in relation	<i>Yes / No</i>	

	to the audited action?	
16.	VAT status:	<i>deductible / non-deductible</i>
17.	Is your entity a "Contracting Authority" within the meaning of Directive 2004/18/EC or a "Contracting entity" within the meaning of Directive 2004/17/EC?	<i>Yes / No</i>

MAIN LEGISLATION – *Please complete with legal references (e.g., Type, Number, Year)*

18.	Governing legal and financial regulation:	
19.	National tax law:	
20.	National accounting legislation:	
21.	Legal basis for public procurement:	
22.	Legal framework for basic salary and mandatory components (i.e. taxes, social securities):	
23.	Legal basis for recognising durable assets:	
24.	National standards for the requirements for invoices, debit notes, credit notes, etc.:	
25.	Other relevant legal basis:	

KEY FIGURES – *Financial Information ('000' EUR) – taken from certified annual accounts*

Revenue / Income	201N	201N+1	201N+2
Total revenue / income			
EU/EURATOM grants			
EU/EURATOM grants (in % of total revenues)			

Financial information audited by *(insert name of certifying auditor)*.

DESCRIPTION OF THE TIME RECORDING SYSTEM

26.	Time recording system frequency:	<i>monthly / daily / other</i>
27.	Is the time-recording system computer-based?	<i>Yes / No</i>
28.	Time recording system name:	<i>product name</i>
29.	Date of implementation:	<i>year</i>

30.	Integrated with accounting system:	<i>Yes / No</i>
31.	Full time recording system (i.e., it records all productive time and absences):	<i>Yes / No</i>
32.	Filled in by each concerned employee:	<i>Yes / No</i>
33.	Time records approved by designated officer:	<i>Yes / No (if yes: name and function)</i>

DESCRIPTION OF THE ACCOUNTING SYSTEM

34.	Accounting system:	<i>name of the accounting system</i>
35.	Date of implementation:	<i>year</i>
36.	Accounting basis:	<i>accrual / cash</i>
37.	Reporting currency:	<i>EUR / other</i>
38.	Action/project accounting:	<i>Yes / No</i>

ACCOUNTING PROCEDURES

39.	The accountancy outsourced to a third party:	<i>Yes (please specify) / No</i>
40.	Who is in charge of the accountancy of the organisation?	<i>Name and function/department of authorised person(s)</i>
41.	Frequency for recording transactions:	<i>daily, weekly, monthly, etc.</i>
42.	If the accounting software is not equipped with analytical tools / functions, does the organisation use Excel (or equivalent tools) to track the income and expenditure associated with a specific action? Does the organisation regularly reconcile the Excel spreadsheets or equivalent with the general ledger accounts? How frequently?	<i>N/A (if the accounting software is not equipped with analytical tools / functions) otherwise please answer the questions</i>
43.	Usual accounting practices for recording of costs incurred in other (than local) currency:	<i>N/A (if all transactions are in local currency), otherwise specify</i>

FINANCIAL STATEMENTS

44.	Who prepares the financial statements for each action?	<i>Name and function of authorised person(s)</i>
45.	Are the financial statements of each action approved by a responsible action manager?	<i>Yes / No Name and function/department of authorised person(s)</i>
46.	Are all financial statements countersigned by	<i>Yes / No Name and function/department of</i>

	an authorised financial officer?	<i>authorised person(s)</i>
47.	Who in your organisation is responsible for: a) initiating the purchases; b) launching the payments; c) recording the transactions?	a) b) c)
48.	If accounting established in other currency than the euro, what is the exchange rate used to convert into euro?	<i>Yes (please specify) / No / N/A</i>

CONFLICT OF INTEREST

49.	Do you have internal written procedures for avoidance of conflict of interest (e.g. by defining specific criteria that need to be met)?	<i>Yes / No</i>
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PRODUCTIVE HOURS AND HOURLY RATE CALCULATION

50.	Employees costs were declared on the basis of:	<i>actual costs, unit costs</i>
51.	Calculation of productive hours:	<i>1720 hours, individual actual, standard productive hours</i>
52.	Annual or monthly:	<i>annual, monthly</i>

In case of standard/individual annual productive hours, please complete the table below and give a short description on how the hourly rate is calculated (give details of calculation with one practical example of one employee which costs have been charged to one of the audited actions).

Productive hours calculation	Year 201X
Total days in a year	365
Less: Weekends	104
Less: Annual Holidays	-
Less: Statutory Holidays	-
Workable days per year (a)	XXX
Plus: Overtime	-
Less: Illness	-
Less: Special leave	-
Productive days per year (b)	XXX
Hours per day (c)	X
Workable hours per year = (a)*(c)	XXXX
Productive hours per year = (b)*(c)	XXXX

Description with example(s):

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Explain with example(s) the different remuneration components for all types of staff employed for the actions under audit:
(permanent employee, temporary employee, natural persons with direct contract, seconded staff, SME owner)

PERSONNEL COSTS		
53.	Is there a certified methodology for claiming personnel costs?	<i>Yes / No</i>
54.	Do you have formal (written) policies or guidelines for employment matters like salaries, other compensation and benefits, leave, etc.?	<i>Yes / No</i>
55.	Please detail the procedures for calculation of each applicable remuneration component according to the legal basis (contracts, collective agreements or national legislation): <ul style="list-style-type: none"> • Basic remuneration 	<i>Please describe</i>
56.	<ul style="list-style-type: none"> • Bonuses 	<i>Please describe</i>
57.	<ul style="list-style-type: none"> • Additional remuneration 	<i>Please describe</i>
58.	Are the bonuses directly linked to the participation in the EU action?	<i>Yes / No</i>
59.	Are the bonuses determined on the basis of criteria which are established and documented in the internal regulations?	<i>Yes / No</i>
60.	Are the bonuses paid based on the overall financial performance of the organisation?	<i>Yes / No</i>
61.	Are the bonuses based on commercial targets or fund raising targets?	<i>Yes / No</i>
62.	Have you included in the personnel costs calculation end-of-contract indemnities?	<i>Yes / No</i>
63.	Have you included in the personnel costs calculation dividends (profit distribution)?	<i>Yes (please explain) / No</i>

64.	Procedure for overtime policy:	<i>If applicable, please explain shortly</i>
65.	Were the following situations applicable for the audited action(s): <ul style="list-style-type: none"> • Teleworking: 	<i>Yes / No</i> <i>If yes, detail the procedure</i>
66.	<ul style="list-style-type: none"> • Benefits in kind (company car, lunch vouchers, other coupons with purchasing power, subscriptions for sport centres, etc.): 	<i>Yes (please specify) / No</i>
67.	<ul style="list-style-type: none"> • Recruitment costs (job analysis, announcement, evaluation, selection, etc.): 	<i>Yes (please specify) / No</i>
68.	<ul style="list-style-type: none"> • Remuneration of students including PhD (scholarship, internship or other similar agreement): 	<i>Yes (please specify) / No</i>
69.	<ul style="list-style-type: none"> • Academic fees exempted for students: 	<i>Yes / No</i>
70.	<ul style="list-style-type: none"> • Parental leave: 	<i>Yes / No</i> <i>Explain the legal basis (national law, collective labour agreement, employment contract, etc.)</i>
71.	<ul style="list-style-type: none"> • Costs related to public officials: 	<i>Yes / No</i>
72.	<ul style="list-style-type: none"> • Supplementary contracts: 	<i>Yes / No</i>
73.	Have you claimed personnel costs for natural persons working under a direct contract? If so did you use the hourly rates specified in the contract, or the global amount specified in the contract divided by the number of hours to be worked under that contract?	<i>Yes (please specify) / No</i>
74.	Have you claimed personnel costs for seconded staff by third party? If so, have you reimbursed the costs to the third party (i.e., not for free)?	<i>Yes (please specify) / No</i>
75.	Have you claimed personnel costs for providing trans-national or virtual access to research infrastructure?	<i>Yes / No</i>

TIME RECORDS

76.	Were timesheets completed for the action(s) under audit?	<i>Yes / No</i>
77.	Were declarations for exclusive work	<i>Yes / No</i>

	completed for the action(s) under audit?	
78.	Are there internal guidelines/procedures for time recording follow-up?	<i>Yes / No</i> <i>Please describe shortly the process</i>

CERTIFICATES ON FINANCIAL STATEMENTS

79.	The accounts of the organisation audited by a chartered accountant or a public authority:	<i>Yes / No (if yes, please provide the name or company of the auditor)</i>
80.	The auditor issuing the certificates on the financial statements is the same auditor certifying the annual accounts:	<i>Yes / No (if no, please provide the name or company of the auditor)</i>

PROCUREMENT

81.	Is there a formal procurement policy? Since when is it in force?	<i>Yes (date) / No</i>
82.	If there is no formal procurement policy, do you have a specific approach when selecting the (sub-) contractor(s)/ suppliers?	<i>Yes (please detail) / No / N/A</i>
83.	If there is no formal procurement policy, provide any justifications which can ensure that the costs are compliant with the principle of best value for money or selection on lowest price:	<i>Please detail</i>
84.	What are the thresholds used? (e.g., the procedure foresees a minimum of three quotes for awarding bids above 10 000)	<i>Please specify</i>
85.	Confirm that the tendering conditions or the minimum requirements for the offers were not modified after the publication of the tender or if it was the case the modifications have been published in the same manner as the initial tender and notified to all bidders which already submitted its offer and these bidders were given the possibility to re-submit the offer:	<i>Yes / No</i>
86.	Confirm that the evaluation of the offers was carried out based on the criteria published in the tender (e.g. no new criteria and conditions are added at the evaluation stage):	<i>Yes / No</i>
87.	Confirm that price is one of the criteria based on which the evaluation was carried out:	<i>Yes / No</i>
88.	Confirm that the entity offering lowest price has been awarded the highest score for the	<i>Yes / No</i>

	price criteria:	
89.	Confirm that the award decision contains a justification about the criteria which explain the choice of another bidder than the one offering lowest price (if applicable):	<i>Yes / No</i>
90.	Confirm that the (sub-)contract is awarded to the entity ranked first in the selection process:	<i>Yes / No</i>
91.	Confirm that the applied procurement procedure does not discriminate purchases for EU-funded and non-EU funded activities of the Beneficiary:	<i>Yes / No</i>
92.	Is the (sub-)contract concluded with an affiliated entity? If so, confirm if a framework contract exists or the affiliate is your usual provider:	<i>Yes (please detail) / No</i>

TRAVEL COSTS

93.	Is there a formalised policy or internal guideline for reimbursement of travel expenses (prior authorisation, cost claims, daily allowances, etc.)? Since when?	<i>Yes / No</i> <i>Describe the process shortly</i>
94.	If there are no formalised rules, confirm that you applied identical approach for all travel arrangements claimed on the action during the controlled period – same class for flights and train journeys, same classification of hotels, same per diems applied (if this option is used) for the same category of staff involved in the project:	<i>Yes / No / N/A</i>
95.	Were any travel costs and related subsistence allowances claimed based on per diems or other fixed fees?	<i>Yes (please specify) / No</i>
96.	Are the travel agency's fees explicitly defined in the internal procedures?	<i>Yes (please detail) / No / N/A</i>
97.	Do the internal procedures for travel and subsistence define the thresholds for hotel and daily allowances?	<i>Yes (please specify) / No</i>

CONTRIBUTIONS IN KIND

98.	Do you have assets contributed in-kind (against payment or for free)?	<i>Yes / No</i> <i>If yes, explain why they were necessary to implement the action(s)</i>
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DURABLE EQUIPMENT, INFRASTRUCTURE		
99.	Has the organisation designed a method to allocate expenses to the project based on the degree of use of the equipment?	<i>Yes / No</i> <i>Please explain the method</i>
100.	Valuation rules for accounting treatment of equipment:	<i>Please specify</i>
101.	What is your usual depreciation policy and method?	<i>Please specify</i>

OTHER GOODS AND SERVICES		
102.	Are all purchases supported by authorised purchase orders, original invoices and proofs of payment?	<i>Yes / No</i>
103.	Have you charged self-produced consumables with an accounting value in your inventory (i.e. not internally invoiced costs for goods and services)?	<i>Yes / No / N/A</i>
104.	What is your valuation method for the consumption of stocks (LIFO, FIFO, etc.)?	<i>Please specify</i>
105.	Were goods or services charged to the action through any apportionment method (approximation, distribution keys, etc.)?	<i>Yes / No</i>

INTERNAL INVOICING		
106.	Do you have internal invoicing for shared resources?	<i>Yes / No</i>
107.	Have you declared costs for internally invoiced goods and services for: a) self-produced consumables;	<i>Yes / No</i>
108.	b) use of specific research devices or research facilities;	<i>Yes / No</i>
109.	c) specialised premises for hosting the research specimens used for the action;	<i>Yes / No</i>
110.	d) standardised testing or research processes;	<i>Yes / No</i>
111.	e) hosting services for visiting researchers participating in the action;	<i>Yes / No</i>
112.	f) other?	<i>Please, describe</i>

113.	Are the unit costs of goods or services internally invoiced calculated according to the usual cost accounting practices?	<i>Yes / No</i> <i>Please describe the usual cost accounting practices for calculating unit costs</i>
114.	Have you used budgeted or estimated amounts for calculating the unit costs?	<i>Yes / No</i>
115.	Have the unit amounts been calculated by excluding any ineligible costs or costs already included in other budget categories (i.e., indirect costs)?	<i>Yes / No</i>

INDIRECT COSTS

116.	Do you perform an overheads calculation (for internal reporting purposes, for reporting on projects not funded by the EU budget, etc.)? If so, please provide the figures relevant for the audited period(s).	<i>Yes (please specify) / No</i>
117.	Have you received EU operating grant to finance the operation and running costs?	<i>Yes / No</i>

RECEIPTS

118.	Has any other income been generated by the action(s)?	<i>Yes / No</i>
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FINANCIAL SUPPORT TO THIRD PARTIES

119.	Did you provide financial support in accordance with the conditions set out in Annex 1 of the Grant Agreement(s)?	<i>Yes / No</i>
120.	If so, what form did the financial support take: a) financial donation to natural persons (e.g. allowance, scholarship, fellowship); b) financial donation to legal persons (e.g. non-repayable financial assistance to local NGOs); c) seed money to start-ups or microcredit; d) or other forms?	<i>Yes (please specify) / No</i>

LARGE INFRASTRUCTURE AND ACCESS COSTS

121.	Do you have an approved methodology by EC	<i>Yes / No</i>
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	for charging costs for Large Research Infrastructures or costs of clinical trials or energy efficiency measures based on unit costs?	
122.	Do you declare access costs on actual or unit costs basis?	<i>Yes (please specify) / No</i>



EUROPEAN COMMISSION
Directorate-General for Research & Innovation

H2020 Programme

Guidance on List of issues applicable to particular countries

Version 2.1
26 May 2020



HISTORY OF CHANGES		
Version	Publication Date	Change
1.0	30.10.2015	▪ Initial version
1.1	01.07.2016	▪ Update of the explanations for France and Slovenia
1.2	25.11.2016	▪ Update of the explanations for The Netherlands
1.3	21.04.2017	▪ Update of the explanation for France, Italy and Slovenia
1.4	26.10.2017	▪ Update of the explanations for France and UK
1.5	28.06.2018	▪ Update of the explanations for France
1.6	26.06.2019	▪ Update of the explanations for France and Spain
2.0	07.01.2020	▪ Update to VM4.0
2.1	26.05.2020	▪ Update of the explanations for Hungary

List of issues applicable to particular countries

Category	Issue	Reply
Belgium		
Taxes	Exonération partielle du précompte professionnel des chercheurs Gedeeltelijke vrijstelling van bedrijfsvoorheffing voor onderzoekers	This is an eligible cost provided that: <ul style="list-style-type: none"> – it is reinvested in research; and – it is not used to reduce the costs of the project.
Czech Republic		
Bonuses	Bonuses included in the salary statement	Bonuses whose amount is set up in the salary statement, and thereby become an unconditional salary entitlement for the employee, can be considered as mandatory complements to the basic salary and qualify as basic remuneration under H2020.
France		
Bonuses	Prime de recherche	Qualifies as part of the <i>basic remuneration</i> if the bonus is paid to the employee regardless if he/she is involved or not in specific projects.
Bonuses	Indemnité spécifique pour fonctions d'intérêt collectif	
Bonuses	Prime de participation à la recherche scientifique	
Bonuses	Prime d'encadrement doctoral et de recherche	
Bonuses	Prime de recherche et d'enseignement supérieur	
Bonuses	Prime d'enseignement supérieur	
Bonuses	Prime informatique	
Bonuses	Indemnité de résidence	
Bonuses	Supplément familial de traitement	
Bonuses	Prime de charges administratives	

Bonuses	Prime de responsabilités pédagogiques	
Bonuses	Indemnité d'administration et de technicité	
Bonuses	Indemnités forfaitaires pour travaux supplémentaires	
Bonuses	Prime de fonctions et de résultats	
Bonuses	Intéressement des salariés	
Salaries	Participation des salariés aux résultats de l'entreprise	It is an eligible cost
Salaries	Allocation d'assurance pour les travailleurs involontairement privés d'emploi (also known as Provision Perte Emploi, Allocation Retour à l'Emploi or Allocation Perte d'Emploi).	When employers have entrusted the management of the insurance benefit to an external entity (i.e. pole emploi), eligibility is limited to the proportion of payments actually made to this entity during a given year. When employers manage themselves the insurance benefit, eligibility is limited to the proportion of payments actually made during a given year.
Salaries	Indemnité de départ à la retraite	Eligible within the limits set by law or mandatory collective agreement
Contributions	Contribution au fonds national d'aide au logement (Fnal)	It is an eligible cost
Taxes	Taxe d'apprentissage	It is an eligible cost
Taxes	Participation à la formation professionnelle continue	It is an eligible cost
Taxes	Taxe sur les salaires	It is an eligible cost
Taxes	Versement transport	It is an eligible cost
Taxes	Participation des employeurs à l'effort de construction	It is an ineligible cost
Taxes	Crédit Impôt Recherche (CIR)	It is not a receipt of the action

Taxes	Contribution à l'Agefiph due à l'obligation d'emploi des travailleurs handicapés	It is an ineligible cost
Hungary		
Taxes	Act CLV/2011 concerning contributions to vocational training and training support	Costs up to the amount foreseen in the national legislation are eligible cost
Italy		
Workforce contracts	<p>Contratto a progetto (co.co.pro.)</p> <p>Contratto di collaborazione coordinata e continuativa (co.co.co.)</p> <p>Assegni di Ricerca</p>	<p>May be declared as personnel costs if they fulfil the conditions of article 6.2.A.2, in particular that the person factually works under conditions similar to those of an employee.</p> <p>If the costs are eligible as personnel costs, the time worked for the H2020 action must be supported by relevant supporting documents (see Article 18.1.2).</p> <p>If they do not fulfil the conditions, the costs may still be eligible as:</p> <ul style="list-style-type: none"> – Subcontracting: if the activities covered by the contract are part of the tasks of the action detailed in Annex 1 (e.g.: the contract is to produce deliverable X, to work on work package Z, to carry out research work for the H2020 action) – Purchase of services: if the activities covered by the contract are not part of the tasks of the action. <p>In both cases the award of the contract must fulfil the specific eligibility conditions (Article 10 or Article 13), including that the contract must be awarded ensuring best value for money and no conflict of interests.</p>
Taxes	Imposta regionale sulle attività produttive (IRAP)	IRAP is an ineligible cost
Netherlands		
Taxes	WBSO: fiscale regeling voor research en development	<p>The tax credit has no impact on the eligibility of the personnel costs triggering it.</p> <p>The rebate on wage tax and social security contributions under this scheme does not have</p>

		to be deducted from the eligible costs claimed by the beneficiary.
Portugal		
Taxes	Tributação autónoma (TA)	This is an eligible cost, provided that: <ul style="list-style-type: none"> – the cost to which the TA is applied is eligible, – the tax is non-deductible for the beneficiary.
Slovakia		
Bonuses	The personal complement whose amount is set up in the functional salary or the personal salary	Qualifies as basic remuneration under H2020 provided that they are unconditional salary entitlements for the employee.
Slovenia		
Bonuses	Work performance resulting from increased workload due to special projects	Qualifies as basic remuneration if it is paid in accordance with the Public Sector Salary System Act and the level of remuneration is not higher than the level of remuneration paid in projects funded by national schemes. If it is higher, the excess qualifies as additional remuneration .
Spain		
Contributions	Bonificación Seguridad Social del personal investigador (Real Decreto 475/2015)	The <i>bonificación</i> is an ineligible cost
United Kingdom		
Productive hours	Transparent Approach to Costing (TRAC)	The annual productive hours established by TRAC (e.g. 1650) may be used as the standard productive hours for the purpose of calculating the hourly rates (option 3 'standard annual productive hours') if: <ul style="list-style-type: none"> – this is the usual cost accounting practice of the beneficiary; and – the TRAC number is at least 90 % of the standard annual workable hours of the beneficiary (based on the national working time legislation, the applicable collective labour agreement or the employment contracts).
Taxes	Apprenticeship Levy	It is an eligible cost

List of Participating Countries in Horizon Europe

Third countries associated to Horizon Europe

Association to Horizon Europe is governed by the Horizon Europe Regulation 2021/695¹. Legal entities from associated countries can participate under equivalent conditions as legal entities from the EU Member States, unless specific limitations or conditions are laid down in the work programme and/or call/topic text. Such measures could include the limitation of participation in certain actions to legal entities established in the EU alone, or in the EU and specified non-EU countries, in order to safeguard the EU's strategic assets, interests, autonomy or security. Limitations or conditions may also be attached to the participation of legal entities established in an eligible country but which are controlled directly or indirectly by an ineligible country². The eligibility will be clearly defined in the work programme. There could also be criteria on the place of establishment of the legal entity to take into account specific policy requirements or the nature and objectives of the action³.

All sixteen non-EU countries associated to the previous programme, Horizon 2020, have also expressed interest to become associated to Horizon Europe. Other third countries have also expressed an interest in association.

The association agreements with the following countries have now started to produce legal effects (either through provisional application or their entry into force) (*listed in alphabetical order*):

1. Albania
2. Armenia
3. Bosnia and Herzegovina
4. Faroe Islands
5. Georgia
6. Iceland
7. Israel
8. Kosovo⁴
9. Moldova
10. Montenegro
11. North Macedonia
12. Norway
13. Serbia
14. Tunisia
15. Turkey

¹ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ 12.5.2021 L 170/1).

² Based on Horizon Europe Regulation article 22(5).

³ Based on Horizon Europe Regulation article 22(6).

⁴ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

16. Ukraine

Until association agreements start producing legal effects either through provisional application or their entry into force, the transitional arrangement set out in the General Annexes to the Horizon Europe Work Programme 2021-2022 is applicable (for the entire Programme, including ERC, EIC, EIT and the institutionalised European partnerships⁵) with regard to the following countries and legal entities established in these countries, with which association negotiations are being processed or where association is imminent (*listed in the alphabetical order*):

1. Morocco
2. United Kingdom⁶

Legal entities established in Switzerland are currently not covered by the transitional arrangement.

Liechtenstein does not intend to associate to Horizon Europe.

This list will be updated to reflect the status of the negotiations for association.

Third countries associated to Euratom Research and Training Programme

For the Euratom Research and Training Programme (Council Regulation (Euratom) 2021/765), the association agreement with Ukraine has now started to produce legal effects.

The United Kingdom is expected to become associated. The transitional arrangement described above applies to legal entities established in this country.

Other third countries

Most Horizon Europe calls are also open to participants from non-associated countries and international organisations, unless specific limitations or conditions are laid down in the work programme and/or the call/topic text, such as those highlighted for associated countries above.

Moreover, some Horizon Europe calls are particularly relevant for international cooperation, encouraging or even requiring the participation of legal entities from non-associated non-EU countries in the funded actions.

Participants from non-associated non-EU countries can take part in Horizon Europe actions – but not always with funding.

Participants from the following low- to middle-income countries are **automatically eligible** for funding:

- Afghanistan, Algeria, Angola, Argentina, Azerbaijan
- Bangladesh, Belarus, Belize, Benin, Bhutan, Bolivia, Botswana, Burkina Faso, Burundi
- Cabo Verde, Cambodia, Cameroon, Central African Republic, Chad, Colombia, Comoros, Congo (Democratic Republic), Congo (Republic), Costa Rica, Côte d'Ivoire, Cuba
- Djibouti, Dominica, Dominican Republic

⁵ Subject to the adoption of the basic acts.

⁶ The UK will participate in all parts of the Horizon Europe programme with the only exception of the EIC Fund (which is part of the EIC Accelerator of Horizon Europe that provides investment through equity or other repayable form).

- Ecuador, Egypt (Arab Republic), El Salvador, Equatorial Guinea, Eritrea, Eswatini, Ethiopia
- Fiji
- Gabon, Gambia, Ghana, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana
- Haiti, Honduras
- Indonesia, Iran (Islamic Republic), Iraq
- Jamaica, Jordan
- Kazakhstan, Kenya, Kiribati, Korea (Democratic People's Republic), Kyrgyz Republic
- Lao (People's Democratic Republic), Lebanon, Lesotho, Liberia, Libya
- Madagascar, Malawi, Malaysia, Maldives, Mali, Marshall Islands, Mauritania, Mauritius, Micronesia (Federated States), Mongolia, Morocco, Mozambique, Myanmar
- Namibia, Nepal, Nicaragua, Niger, Nigeria
- Pakistan, Palestine⁷, Papua New Guinea, Paraguay, Peru, Philippines
- Rwanda
- Samoa, São Tomé and Príncipe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Africa, South Sudan, Sri Lanka, St. Lucia, St. Vincent and the Grenadines, Sudan, Suriname, Syrian Arab Republic
- Tajikistan, Tanzania, Thailand, Timor-Leste, Togo, Tonga, Tunisia, Turkmenistan, Tuvalu
- Uganda, Ukraine, Uzbekistan
- Vanuatu, Venezuela (Bolivarian Republic), Vietnam
- Yemen Republic
- Zambia, Zimbabwe.

Participants from other countries (i.e. countries that are neither EU Member States nor countries associated to Horizon Europe, nor countries listed above) are not automatically eligible for funding and therefore usually have to participate at their own cost. They can however receive **exceptional funding**, if:

- their country is explicitly identified in the work programme and call for proposals as being eligible for funding
- the granting authority considers that their participation as a beneficiary is essential for implementing the project, for example in view of their:
 - outstanding competence/expertise
 - access to particular research infrastructures
 - access to particular geographical environments
 - access to particular data).

In addition, a number of non-EU/non-associated countries that are not automatically eligible for funding have made specific provisions for national co-financing mechanisms for their participants in Horizon Europe projects. For more information, see *Horizon Europe Complementary funding mechanisms in third countries*.

⁷ This designation is not to be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue

 Please note that entities subject to [EU restrictive measures](#) under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU)⁸ and entities covered by Commission Guidelines No [2013/C 205/05](#)⁹ are NOT eligible to participate in any capacity (including as beneficiaries, affiliated entities, associated partners, third parties giving in-kind contributions, subcontractors or recipients of financial support to third parties, if any).

HISTORY OF CHANGES		
VERSION	PUBLICATION DATE	CHANGE
1.0	17.06.2021	Initial version (new MFF).
1.1	19.07.2021	Updated section 'Other third countries': Added of Mauritius and Panama to list of low to middle income countries.
1.2	04.10.2021	Updated section 'Third countries associated to Horizon Europe': Moved Iceland and Norway to list of countries with which association agreements have started to produce legal effects.
1.3	22.11.2021	Updated section 'Third countries associated to Horizon Europe': Moved Moldova and Turkey to list of countries with which association agreements have started to produce legal effects. Specified that list of countries with which association agreements have started to produce legal effects is in alphabetical order.
1.4	17.12.2021	Updated section 'Third countries associated to Horizon Europe': Moved Georgia, Israel, Montenegro, North Macedonia and Serbia to list of countries with which association agreements have started to produce legal effects.
1.5	01.02.2022	Updated section 'Third countries associated to Horizon Europe': Moved Bosnia and Herzegovina to list of countries with which association agreements have started to produce legal effects. Updated section 'Other third countries': Added Morocco, Tunisia and Ukraine to list of low to middle income countries.
2.0	15.04.2022	Updated section 'Third countries associated to Horizon Europe': Moved Armenia and Kosovo to list of countries with which association agreements have started to produce legal effects. Added reference to Guidance document Complementary funding mechanisms in third countries. Created section 'Third countries associated to Euratom Research and Training Programme'
2.1	01.06.2022	Updated section 'Third countries associated to Horizon Europe': Moved Faroe Islands to list of countries with which association agreements have started to produce legal effects.

⁸ Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the EU Sanctions Map.

⁹ Commission guidelines No 2013/C 205/05 on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJEU C 205 of 19.07.2013, pp. 9-11).

2.2	01.07.2022	Updated section 'Third countries associated to Horizon Europe': Moved Albania, Tunisia and Ukraine to list of countries with which association agreements have started to produce legal effects. Updated section 'Third countries associated to Euratom Research and Training Programme': Specified that association agreement with Ukraine has started to produce legal effects.
2.3	15.09.2022	Updated section ' Other third countries': Removed Panama from list of low- to middle-income countries



Brussels, 1.3.2021
C(2021) 1271 final

COMMISSION IMPLEMENTING DECISION

of 1.3.2021

adopting a financing decision for 2021-2022 as regards the horizontal support expenditure in the framework of the Specific Programme implementing Horizon Europe – the Framework Programme for Research and Innovation (2021-2027) and the Research and Training Programme of the European Atomic Energy Community for the period 2021-2025 complementing Horizon Europe

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Treaty establishing the European Atomic Energy Community,

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EC, Euratom) No 966/2012¹, and in particular Article 110 thereof,

Having regard to [Regulation (EU) [XXXX] of the European Parliament and of the Council establishing Horizon Europe – The Framework Programme for Research and Innovation, laying down its rules for participation and dissemination², and in particular Article 9(4) thereof],

Having regard to [Council Decision No [XXXX], establishing the Specific Programme implementing Horizon Europe - The Framework Programme for Research and Innovation, and in particular Article 4 thereof],

Having regard to [Council Regulation [XXX] establishing the Research and Training Programme of the European Atomic Energy Community for the period 2021-2025 complementing Horizon Europe – The Framework Programme for Research and Innovation³, in particular Article 4(3)],

Whereas:

- (1) In order to support the implementation of the actions and horizontal expenditure under the specific programme implementing Horizon Europe - the Framework Programme for Research and Innovation and under the Research and Training Programme of the European Atomic Energy Community it is necessary to adopt a multiannual financing decision for 2021-2022. Article 110 of Regulation (EU, Euratom) 2018/1046 ('the Financial Regulation') establishes detailed rules on financing decisions.

¹ OJ L 193, 30.7.2018, p. 1

² OJ [...].

³ OJ [...].

- (2) The envisaged assistance is to comply with the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU.
- (3) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of the Financial Regulation, subject to the availability of the appropriations provided for in the draft budget for 2022, following the adoption of that budget for 2022 by the budgetary authority.
- (4) In order to allow for flexibility in the implementation of the financing decision, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of the Financial Regulation.
- (5) It is appropriate to authorise the award of grants without a call for proposals and to provide for the conditions for awarding those grants.
- (6) Pursuant to Article 6(4) of Regulation (EU) No 1291/2013 of the European Parliament and of the Council⁴, where necessary and duly justified, appropriations may be entered in the Horizon 2020 budget beyond 2020 to cover technical and administrative assistance expenses, in order to enable the management of actions not yet completed by 31 December 2020. Certain activities included in the Horizon 2020 Framework Programme work programmes, including the evaluation of the Green Deal calls, the monitoring of ongoing projects, and the business coaches, are planned to be implemented in 2021. In order to support the implementation of those additional activities, it is necessary to provide the corresponding budget to cover the expenses related to those additional activities,

HAS DECIDED AS FOLLOWS:

Article 1

The financing decision

The Decision, constituting the multiannual financing decision for the implementation of the 'Horizontal support expenditure for Horizon Europe and Euratom' to support the implementation of the actions and horizontal expenditure under the Horizon Europe specific programme and under the Euratom Research and Training Programme ('the 2021-2022 Horizontal support expenditures for Horizon Europe and Euratom') for the years 2021-2022, as set out in Annex, is adopted.

Article 2

Union contribution

The maximum Union contribution for the implementation of the horizontal support expenditure linked to the general and common management, and implementation of the Specific Programme implementing Horizon Europe - the Framework Programme for Research and Innovation and of the Euratom Research and Training Programme, is set at

⁴ Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC (OJ L 347, 20.12.2013, p. 104).

EUR 304 640 326⁵ and shall be financed from the appropriations entered in the following lines of the general budget of the Union for 2021-2022:

- (a) budget line 01.020500: EUR 298 832 834;
- (b) budget line 01.030100: EUR 557 080;
- (c) budget line 01.030200: EUR 250 412;
- (d) budget line 01.029901: EUR 5 000 000.

The appropriations provided for in the first paragraph may also cover interest due for late payment.

The implementation of this Decision is subject to:

- a) the final adoption of the [Council] Decision establishing the Specific Programme implementing Horizon Europe – The Framework Programme for Research and Innovation and the Regulation establishing Horizon Europe - The Framework Programme for Research and Innovation, laying down the rules for the participation and dissemination, and of the [Council] Regulation (Euratom) establishing the Research and Training Programme of the European Atomic Energy Community for the period 2021-2025 complementing Horizon Europe – The Framework Programme for Research and Innovation, by the legislative authority without significant modifications of the [basic act],
- b) the availability of the appropriations provided for in the draft general budget of the Union for 2022, following the adoption of that budget by the budgetary authority or if the budget is not adopted as provided for in the system of provisional twelfths.

Article 3

Methods of implementation and entrusted entities or persons

The implementation of the actions carried out by way of indirect management, as set out in the Annex, may be entrusted to the entities or persons referred to or selected in accordance with the criteria laid down in that Annex.

Article 4

Flexibility clause

Cumulated changes to the allocations to specific actions not exceeding 20% of the maximum Union contribution set in the first paragraph of Article 2 of this Decision shall not be considered to be substantial for the purposes of Article 110(5) of the Financial Regulation, where those changes do not significantly affect the nature of the actions and the objective of the ad hoc financing decision.

The authorising officer responsible may apply the changes referred to in the first paragraph. Those changes shall be applied in accordance with the principles of sound financial management and proportionality.

⁵ This amount includes the EFTA contribution of 2,7 % of the appropriations.

Article 5
Grants

Grants may be awarded without a call for proposals in accordance with the conditions set out in the Annex. Grants may be awarded to the bodies referred to in the Annex.

Done at Brussels, 1.3.2021

For the Commission
Mariya GABRIEL
Member of the Commission

EN

Annex

Horizon Europe

2021-2022

*Horizontal support expenditure for Horizon Europe and Euratom
Programmes*

DISCLAIMER

This draft has not been adopted or endorsed by the European Commission. Any views expressed are the preliminary views of the Commission services and may not in any circumstances be regarded as stating an official position of the Commission.

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Introduction

1. Scope

The draft REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing Horizon Europe Framework Programme for Research and Innovation¹ ('Horizon Europe Framework Programme'), foresees that the financial envelope for the implementation of the Framework Programme for the period 2021 – 2027 may also cover expenses necessary for managing and implementing actions through the Horizon Europe specific programme.

This ad-hoc financing decision is also covering similar expenses for the Research and Training Programme of the European Atomic Energy Community for the period 2021-2025 complementing Horizon Europe – the Framework Programme for Research and Innovation ('Euratom Research and Training Programme').

The ad-hoc financing decision supports the actions related to the preparation, monitoring, control, audit, and evaluation and other activities and expenditures necessary for managing, implementing and evaluating the achievement of the objectives of the Horizon Europe Framework Programme and the Euratom Research and Training Programme.

It may also cover expenses relating to studies, information and communication actions, in so far as they are related to the objectives of the Programmes, as well as expenses linked to information technology networks focusing on information processing and exchange, including corporate information technology tools and other technical and administrative assistance needed in connection with the management of the Programmes.

2. Flexibility Clause

The budgets set out in this ad-hoc financing decision are indicative. The final figures may change by up to 20% compared to the total budget allocated of this ad-hoc decision.

It should be noted that this flexibility cannot be used for changes that significantly affect the nature of the actions proposed or altering the objective of the ad-hoc financing decision.

The estimated budget for Horizontal support expenditure for Horizon Europe is composed of a contribution from all the components and clusters of the Horizon Europe Framework Programme (by default in a pro rata manner according to the budget weight, except for component/cluster not benefitting from the expenditure). The various Horizon Europe Parts will contribute accordingly.

The Euratom Research and Training Programme budget breakdown for 2021-2025 between Fusion and Fission is still in the process of adoption by Council decision. An indicative share of the budget of 69% for Fusion and 31% for Fission here applied but could be subject to further update at a later stage.

¹ COM(2018)435, Article 9.4.

Other actions not subject to calls for proposals

Grants to identified beneficiaries

1. Analysing the R&I productivity-inequality nexus

Expected outcome: Reduction of cost and enhancement of the quality and comparability of the data on firm and productivity dynamics. Better understanding of firm and industry dynamics for explaining aggregate productivity growth in European countries, as well as comparison with important non-European countries. Better understanding of the role of market conditions and policy frameworks on firm dynamics and productivity patterns leading to better measurement of their impact and an identification of the channels through which research and innovation policies could contribute on issues such as patterns of technology adoption and diffusion, social inclusion and job quality and contributions to broader environmental objectives. Reinforcement of the scientific community focused on the role of research and innovation in the EU economy based on macro-economic models and increased interactions between this community and policy makers in charge of R&I policy in Europe.

Expected impact: Better understanding about the firm dynamics in European countries could lead to different levels of policy intervention (EU, national, regional), and reinforced alignment between the analysis of data and policy use, for example in the context of assessing policy options. Novel evidence on technology adoption and diffusion, job quality and resource efficiency will give policy makers options for synergies in addressing policy issues. Reduction of cost and reinforcement of the scientific community around these topics could encourage countries to further improve access and coordinate data infrastructure to allow for more cross-country analysis approaches.

Scope: Analysis of reasons behind productivity paradox to better understand the differences in productivity and employment growth and how these further link to business dynamism, technology diffusion, quality of jobs and sustainability. The project should deepen the understanding of widely discussed phenomena such as increase in concentration and mark-ups as well as use the collected data to examine new trends in employment and linkages between productivity and sustainable production.

Funding rate: 100%

Legal entities:

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, Rue
André-Pascal 2, PARIS CEDEX 16, 75775, France

Form of Funding: Grants not subject to calls for proposals

Type of Action: Grant to identified beneficiary according to Financial Regulation Article 195(e) - Coordination and support action

Indicative timetable: Third quarter 2021

Indicative budget: EUR 1.00 million from the 2021 budget

2. Implementation of the OECD - European Commission collaboration

Expected outcome: Novel methods to identify innovative start-ups working on green and digital sectors. Revamped analysis of how the COVID-19 and economic crisis has affected the business dynamics of innovative start-ups. Improved and expanded cross-country evidence on R&D tax credits and other forms of public support to business R&D.

Expected impact: Increased knowledge-sharing on the European innovative start-ups ecosystem in the context of the New Industrial Strategy and the Green Deal. Greater understanding of the whole life cycle of innovative start-ups, from entry based on academic research to exit through mergers and acquisitions. Greater understanding of how the policy environment affects the resilience of innovative ecosystems across countries. More solid understanding of the impact and effectiveness of public support for innovation.

Scope: The Commission and the OECD will exploit synergies between their respective strands of work on monitoring and analysing R&I funding, policies and their impact. The collaboration includes a number of priority areas. The first part of the grant will broaden the evidence and understanding of the lifecycle of start-ups (including the role of public research) and analyse the innovative start-ups landscape in the context of COVID-19.

The second part will support further analytical work on public support for innovation. This will produce key evidence to underpin further EU policies in these areas.

Funding rate: 100%

Legal entities:

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, Rue André-Pascal 2, PARIS CEDEX 16, 75775, France

Form of Funding: Grants not subject to calls for proposals

Type of Action: Grant to identified beneficiary according to Financial Regulation Article 195(e) - Coordination and support action

Indicative timetable: First quarter 2021, First quarter 2022

Indicative budget: EUR 0.50 million from the 2021 budget and EUR 0.90 million from the 2022 budget

3. Implementation and analysis of the joint Commission - OECD international survey on STI policies

Expected outcome: An up to date and easy to access inventory of R&I policy developments and priorities in Europe and the OECD.

Expected impact: Better defined R&I policies throughout Europe and a stronger impact of R&I feeding into other policies, notably in the six priority areas for the European Commission.

Scope: Since 2015, the Commission and the OECD conduct a joint international survey on Science, Technology and Innovation policies (STIP) that has reduced substantially the reporting burden on EU Member States. The STIP survey and Compass intend to become the international reference for collecting and displaying STIP. This action will continue to support the roll-out of the joint STIP survey, make refinements to the infrastructure underpinning the survey and boost the analysis of the information gathered through the survey, in order to underpin further policy development related to the priorities of the von der Leyen Commission.

Funding rate: 100%

Legal entities:

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT, Rue André-Pascal 2, PARIS CEDEX 16, 75775, France

Form of Funding: Grants not subject to calls for proposals

Type of Action: Grant to identified beneficiary according to Financial Regulation Article 195(e) - Coordination and support action

Indicative timetable: 2022

Indicative budget: EUR 0.80 million from the 2022 budget

4. Development of indicators & econometric analysis on R&I performance

Expected outcome: Methods and evidence to better understand the state of research and innovation performance of the European Union. Improvement of tools available for monitoring and measuring key elements of the research and innovation system. Provide research and innovation policy experts and practitioners with evidence and tools to better understand and analyse the role and impact of R&I in the implementation of the SDGs

Expected impact: Address innovation policy challenges in a comprehensive way, through scientific output that combines micro and macro perspectives.

Strengthen the evidence base on the digital and environmental transformations with focus on the role of R&I.

Scope: Regular production and update of composite indicators on R&I and 3P Dashboard, including methodological revisions to address technical issues and adapt to the new policy priorities. Econometric and economic analysis to address innovation policy challenges using among others, company level data and linking information from various sources.

Funding rate: 100%

Legal entities:

Joint Research Center (JRC), Giacomo DAMIOLI, Via E. Fermi 2749, Ispra (VA), Italy

Form of Funding: Grants not subject to calls for proposals

Type of Action: Grant to identified beneficiary according to Financial Regulation Article 195(e) - Coordination and support action

Indicative timetable: First quarter 2021

Indicative budget: EUR 0.50 million from the 2021 budget

5. Horizontal support to European Partnerships (ERA-LEARN)

Expected Outcome: Project results are expected to contribute to all of the following expected outcomes:

- Support to the Strategic Coordinating Process for partnerships, including the community building and mutual learning across partnerships;
- Supports the community of actors involved in partnerships;
- Provide knowledge to the European Partnership community by publishing via their website reports and data, organizing webinars, workshops.

Expected Impact:

- Improved knowledge and access to information and know how in the Member States and other stakeholders active in European Partnerships;
- Participation of new actors in European Partnerships.

Scope: Continuation of the ERA-LEARN platform for the period 2023 to 2027. ERA-LEARN provides a web-based information, learning and support platform European Partnerships and other R&I partnerships of European relevance. It supports the Strategic Coordinating Process for partnerships, including the community building and mutual learning across partnerships, raising visibility and strengthen stakeholder communication and consultation. It supports the community of actors involved in partnerships, such as research funders but also others, to develop common tools and approaches to implement partnerships in a way that they generate economies of scales, contribute to the policy priorities and ERA. It also provides insights on the impacts of partnerships in the context of ERA – both at the level of EU and its Member States – and supports a feedback loops to Member States and Partnerships.

Funding rate: 100%

Legal entities:

FFG - Austrian Research Promotion Agency, 1090 Wien, Sensengasse 1, Austria

Form of Funding: Grants not subject to calls for proposals

Type of Action: Grant to identified beneficiary according to Financial Regulation Article 195(e) - Coordination and support action

Indicative timetable: Second quarter of 2022

Indicative budget: EUR 4.00 million from the 2022 budget

Public procurement

1. Corporate Communication

As provided in the “corporate/institutional communication clauses” included in the legal bases of the Horizon Europe Framework Programme and the Euratom Programme, the financial resources allocated to the Programmes shall also contribute to the corporate communication of the political priorities of the UE, as far as they are related to the objectives of the Programmes.

In the period 2021-23, enhanced and strengthened corporate communication campaigns will be launched. Corporate communication informs and engages with citizens about EU values and actions and how the EU impacts daily lives. As indicated in the budget circular, all programmes of the new MFF are called upon to financially support the corporate communication, ensuring the pooling of sufficient resources to fund communication actions on priorities based on the general objectives of the European Union.

DG Communication will implement these actions.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: First and second semester of 2021; first and second semester of 2022

Indicative budget: EUR 3.68 million from the 2021 budget and EUR 3.75 million from the 2022 budget

2. Common Communication for Horizon Europe

As provided in the Annexes to the Specific Programme implementing Horizon Europe, the Commission will implement information and communication activities relating to Horizon Europe, to promote the fact that results were obtained with the support of EU funding. They will also seek to raise public awareness on the importance of research and innovation and the broader impact and relevance of EU funded research and innovation, by means of e.g. publications, media relations, events, knowledge repositories, databases, multichannel platforms, websites or a targeted use of social media. Horizon Europe will also provide support to the beneficiaries to communicate their work and its impact to society at large.

2.1. DG R&I flagship event: European Research and Innovation days

The European Research & Innovation days is an annual policy event of the Commission bringing together research and innovation stakeholders to debate and shape the future of research and innovation landscape. At the same time, the event aims to mobilise EU citizens and increase awareness of how important research and innovation are in addressing the challenges that face society.

All related activities around, the European Research & Innovation days will raise awareness of European research and innovation policy by mobilising and engaging different stakeholders for Horizon Europe that will better reflect views and needs of citizens. It will allow the creation of a more defined and corporate image of the research and innovation message at European and worldwide level.

Taking stock of the previous editions, the future European Research & Innovation days would evolve and adapt in terms of policy, format, and tools to be available for DG R&I family events.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: Third and fourth quarter 2021, third and fourth quarter 2022

Indicative budget: EUR 6.00 million from the 2021 budget and EUR 6.00 million from the 2022 budget

2.2. DG R&I communication activities including events, media relations, media analysis and media buying & promotional material related to those activities and audience mapping

The objective is to support the new programme priorities around events. The work will include organising events or participating to events, the format of events will be either virtual or physical. Activities around events will demonstrate the active support of the EU in communicating R&I policies, using different means available in the media landscape, raising awareness on main concerns of citizens and priorities of the EU, mirroring the R&I priorities, disseminating communication material to large public, assessing the impact of those actions and supporting organisers, stakeholders and citizens in engaging & adhering to the European actions. A follow up of DG R&I target audience segmentation study will include analyses of additional Member States and the possibility to gain detailed insights on target audiences' attitudes and behavior with regards to specific DG R&I policy priorities through focus groups.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: 2021, 2022

Indicative budget: EUR 1.03 million from the 2021 budget and EUR 1.09 million from the 2022 budget

2.3. Publications (print, dissemination, storage, translations) & Horizon magazine

Publications activities will continue illustrating and facilitating the dissemination of R&I policies developments.

Internal services:

The Publication Office remains the main provider for publications, translation tasks, proofreading of texts, normal print services and digiprint, and storage of electronic and paper publications. It will also continue disseminating publications on request.

The DG Translations services continue supporting DG R&I requests for translations of non-legislative documents such as brochures, leaflets, infographics, websites, country fiches, etc.

External services:

Some publications, mainly brochures, leaflets and reports will be outsourced as appropriate for more specific services such as editorial tasks, graphic design and production. In order to convey DG R&I messages, infographics will be produced on different supports and contexts: e-publications, printed publications, stand-alone infographics, infographics for social media, events and conference, press releases, etc.

Horizon Magazine is the flagship online magazine, which features priorities and achievements of EU-funded research, its impact on citizens' lives and its contribution to the EU goals. The insight is evolving from a text magazine concept to multimedia. This includes articles, interviews, videos and tailor-made videos for social media to attract higher audience to people with a general interest in popular science stories, people with an interest in specific topics, stakeholders and policy audiences interested in engaging and journalistic content. Services needed relate to editorial production, web maintenance, social media and stakeholders' activities. Services also consist of measuring the impact of the magazine through key performance indicators. The main indicators will be the level of readership, video views, social media engagement, but also the number of re-publications/translations on external platforms in EU Member States.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: Second and third quarter 2021, second and third quarter 2022

Indicative budget: EUR 1.47 million from the 2021 budget and EUR 1.30 million from the 2022 budget

2.4. Audio-visual production

Audio-visual material is an attractive and successful means to explain the aim, budget and goals of Horizon Europe, using and buying social media to promote our policies and multiply our targeted messaging. Other forms of videos and formats such as podcasts will help promote our programmes. Videos shall be available in all EU languages to reach out all stakeholders and citizens and will be part of a toolkit for multipliers amongst other communication material.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: Second quarter 2021, second quarter 2022

Indicative budget: EUR 1.10 million from the 2021 budget and EUR 1.00 million from the 2022 budget

3. Corporate Information Technology

As mentioned in the Communication to the Commission “Guidelines on Financing of Information Technology and Cybersecurity (IT)²” that establishes guidelines to implement the co-financing of corporate IT for the new MFF 2021-2027 operational programmes, all programmes that benefit from the corporate communication and information systems, whether from infrastructure, developments, hosting or security, should contribute to the financing of these corporate systems.

The corporate communication and information systems (CIS) means any system enabling the handling of information in electronic form, including all assets required for its operation, as well as infrastructure, organisation, personnel and information resources. This definition includes business applications, shared IT services, outsourced systems, and end-user devices governed under the Commission’s administrative autonomy and institutional prerogatives. This includes notably Sysper, ABAC, ARES, AGM, E-procurement, Opsys etc.

DG Informatics (DIGIT) will implement the actions.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: First and second semester of 2021; first and second semester of 2022

Indicative budget: EUR 18.68 million from the 2021 budget and EUR 19.05 million from the 2022 budget

² C(2020)6126 and Ares(2020)1174062 - 25/02/2020

4. Common Information Technology for Horizon Europe

4.1. IT services related to the development and support of the eGrants information systems

The mission of the Common IT service is to implement reliable, modern and high-quality information systems in order to support the full cycle of the grant management of Directorates-General of the Research family for Horizon Europe, Horizon 2020, common FP7 applications and for the other Programmes and entities supported in the Commission in the context of eGrants.

The scope of these IT applications used both by internal and external user communities covers the complete grant cycle, from call definition, publication, participants' data management, creation and submission of proposals, experts selection, evaluation of proposals by experts, notifications of the results as well as the invitation to the preparation and signature of grant agreements, grants management, the reporting on the progress of financed projects, the prefinancing, cost submission and reimbursement, the monitoring by external experts, the ex-post auditing, recoveries, and closure of projects reporting and programme evaluation. A single entry point for applicants, experts, external administrative staff and beneficiaries is provided via the Funding and Tenders Portal.

The external users and Commission's staff are using the modules that support the abovementioned activities. Several IT Systems support such a dual mode. These systems encompass SyGMa, PPGMS, ECS, SEP, Eris and TGS which are the Grants, Experts and back-office modules allowing the exchange of information between beneficiaries, experts and Commission staff. Beyond the analysis, development and infrastructure expenditures, the budget also covers external and internal user support and training activities provided by the Common IT Service.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: 2021, 2022

Indicative budget: EUR 13.20 million from the 2021 budget and EUR 12.80 million from the 2022 budget

4.2. Web /visual activities and maintenance, Intranet and social media activities

Activities concern maintaining DG R&I's web presence on Europa³, digital developments and the revamp or launch of new websites such as Horizon Europe, website & platforms for specific physical and virtual events, revamp & development of Horizon magazine website,

³

Those activities will be carried out in full compliance with the web governance of the Commission as per the Europa Web Guide. The procurement procedures associated to those activities will be aligned with the compliance requirements.”

maintaining and updating the dedicated website for staff, adapting other communication material such as publications, infographics, and videos to social media and other means of communication. Those activities need the support of external professional resources and are essential communication channels.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: Second quarter 2021, second quarter 2022

Indicative budget: EUR 1.50 million from the 2021 budget and EUR 1.40 million from the 2022 budget

4.3. SINAPSE e-communities

The action will cover the evolutive maintenance of SINAPSE (**Scientific INformation for Policy Support in Europe**), enhancement of its functionalities, ergonomic and infrastructure.

SINAPSE is a Web communication platform promoting a better use and exchange of expertise in EU policy making and governance. SINAPSE® is accessible via EUROPA (<http://europa.eu/sinapse>) and hosted by the EC data centre on a dedicated infrastructure.

SINAPSE e-communities are supporting the following type of activities:

- Information and networking of large group of stakeholders and policy beneficiaries
- Evaluation and monitoring of proposals by external experts
- Support to advisory committees, bodies and expert groups
- Ad hoc public consultations
- Offer a dedicated communication platform for projects supported by the Union
- Information of the public on policy related events and activities
- Support policy oriented activities (interactions with and between experts)

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: 2021, 2022

Indicative budget: EUR 0.50 million from the 2021 budget and EUR 0.50 million from the 2022 budget

5. Implementation of Financial Audit Strategy

The Common Audit Service (CAS) is in charge of the audits conducted on behalf of the Directorates-General of the Research family. It may also join the audits performed by the Court of Auditors.

The objective of the CAS is to ensure that the compliance audits required by the research grant agreements are performed to the highest professional standards and to support the management of R&I activities. It is also to provide high quality services in the area of ex-post audit to the Directorates-General of the Research family, the Executive Agencies and Joint Undertakings implementing Horizon 2020, Horizon Europe and Euratom. The action covers also ex-ante assessments.

The audit cycle is as follows: audit selection, planning, application of rules, relations with beneficiaries and management information on the audit process. The IT tools used for the audit process management are "COMPASS and "AUDEX".

5.1. Implementation of Horizon 2020 and Horizon Europe financial audit strategy: outsourced and in-house audits and implementation of ex-ante assessments

The budget planning is based on the audit strategy. The planning for Horizon Europe defining the audit targets and thus determining the required budget is expected to be available at the end of 2021.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: 2021, 2022

Indicative budget: EUR 4.64 million from the 2021 budget and EUR 4.64 million from the 2022 budget

5.2. Implementation of Euratom financial audit strategy

The Council Regulation on the Research and Training Programme of the European Atomic Energy Community (Euratom) adopted in 2013 covers the programming period 2014-2018 and complements the Horizon 2020 Framework Programme for Research and Innovation. The Euratom Research and Training programme has been extended with two years (2019-2020) in order to align with Horizon 2020. The duration of the Euratom ex-post Audit Strategy (2016-2025) is also aligned accordingly.

The Euratom Audit Strategy envisages, on average, 12 annual audits for 16 participations. However, in order to avoid over-auditing, these numbers are only indicative.

In December 2020, the intention is to select up to 12 new Euratom audits to be performed in 2021 if the situation with pandemic allows it.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: 2021, 2022

Indicative budget: EUR 0.12 million from the 2021 budget and EUR 0.12 million from the 2022 budget

6. Support for a stronger quantitative evidence to EU policy in the field of research and innovation

The action will provide indicators to supplement official statistics in monitoring research and innovation activities and their outputs across all Member States, Associated Countries and other selected countries. The action is the follow up of an ongoing study and it will ensure the continuation of indicators currently used for analysis and monitoring of R&I systems. It will also encompass new indicators to reflect the role of R&I in the achievement of the Sustainable Development Goals. Economic analysis and will allow better understanding of the trends relating to R&I performance of the EU and its main competitors.

Expected results: New evidence on the scientific production and excellence of the EU MSs and the overall positioning of the EU worldwide. Development of new indicators that place the scientific research and innovation outputs in the perspective of the Sustainable Development Goals. Quantitative and qualitative analysis of bibliometric and IP data in support to methodological, technical and analytical reports allowing for the reproducibility of the results, synergies with other data and better understanding of various aspects of the research output and their role in the innovation performance of the EU. The evidence and research acquired in the project will feed into the annual comparative assessment of the research and innovation performance of the EU Member States and selected third countries through the European Innovation Scoreboard and other similar tools. Strengthened evidence base on publications, innovation outputs, research excellence, knowledge transfer, public-private co-operation, multidisciplinary of research and other R&I related key areas.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: Second quarter 2021

Indicative budget: EUR 0.85 million from the 2021 budget

7. Policy experimentation

This action will address the need for more experimentation in the design and implementation of R&I policies in Europe to accelerate the recovery and sustainability transitions. The activity will build upon ESIR 2 group reflections and SRIP evidence to attest and suggest novel approaches in order to build a transformative R&I policy across all levels of government in Europe (local, regional, national and European). It will support the

identification of concrete areas for experimentation within Horizon Europe and provide evidence and suggestions for potential plans for implementation.

Expected results: The action will deliver a body of practical experiences and knowledge on R&I policy experimentation. This will include key recommendations, practice-led reflections as well as concrete pathways for strengthening the experimentation angle of EU R&I policy and Horizon Europe. The action will contribute to embedding innovation and experimentation in the design of truly transformative R&I policies. From a European perspective it will provide the possibility to scale up innovative practices based on experimentation, particularly testing and engaging in co-creation bringing new policy opportunities to light. It will facilitate the emergence of policy-relevant solutions to drive and accelerate the green and digital transitions, support the recovery and strengthen Europe's competitive edge. It will help move beyond traditional research and innovation policies that often exclude the end-user perspective and the co-creation with citizens and thereby contribute to sustainable growth.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: Second quarter 2021

Indicative budget: EUR 0.50 million from the 2021 budget

8. Foresight activities

Foresight activities will support the future orientations of EU policy, to anticipate trends and developments and analyse their implications in coordination, engagement and cooperation with the national agencies, experts, stakeholders and citizens.

Future orientations of EU R&I policy will be supported through horizon scanning, strategic intelligence, sense-making, and scenario building bringing together and building upon existing forward looking activities in the EU with regard to R&I priority setting.

Further analyses of foresight knowledge and anticipatory intelligence will be carried out to strengthen the use of R&I evidence in EU and national policies across the board.

Expected results: Forward looking strategic choices and robust setting of objectives, impact pathways and expected impacts in EU R&I policy in general and for Horizon Europe in particular. Library of trends, scenarios, wildcards, future visions, and stories. Better, future-proven policy; stronger and wider public engagement with EU policies, Stronger foresight capacity as well as improved foresight competences and policy orientation across the EU.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: Third quarter 2021, Second quarter 2022

Indicative budget: EUR 2.00 million from the 2021 budget and EUR 2.00 million from the 2022 budget

9. Multidisciplinary open repository for research objects from Horizon Europe projects

Horizon Europe lays down a set of provisions for mandatory open science practices such as open access to scientific publications, open access to research data and responsible management of research data, through the mainstreaming of data management plans and in line with the FAIR principles⁴. The notion of ‘FAIRness’ can also be extended to other research outputs such as models, workflows, algorithms, etc.

Horizon Europe beneficiaries will notably have to:

- establish and regularly update a Data Management Plan (DMP);
- deposit the data in a trusted repository⁵ as soon as possible and within the deadlines set out in the DMP.
- ensure open access – via the repository – to the deposited data, under a Creative Commons Attribution 4.0 International Public License (CC BY 4.0) or a Creative Commons Public Domain Dedication (CC0 1.0) or a licence with rights equivalent to the above, under the principle 'as open as possible as closed as necessary'.
- provide information via the repository about any research output or any other tools and instruments needed to re-use or validate the deposited data.

Considering:

- the size of the programme, its multidisciplinary and international nature;
- the implementation cost of the open access provisions encumbering on the budget of grants;
- the principles of simplification and of reducing the burden to researchers;
- and the previous implementation of centralised services, such as the Open Research Europe publishing platform;

the Commission intends to provide a centrally-managed, cloud-based repository platform to offer services at no cost to its beneficiaries during and after the end of their grants. This will contribute to ensure the implementation of the open science provisions, foster a harmonised approach among other repositories and to facilitate the necessary oversight by the responsible EU services

⁴ Final Report and Action Plan from the European Commission Expert Group on FAIR Data, “TURNING FAIR INTO REALITY”
https://ec.europa.eu/info/sites/info/files/turning_fair_into_reality_0.pdf

⁵ If indicated in the relevant Work Programme, beneficiaries must deposit the data in a trusted repository federated in the European Open Science Cloud (EOSC) in compliance with EOSC requirements.

This action will be implemented through an open public procurement process. As outcome of this procedure, the European Commission expects a four years framework contract (maximum amount of 4,3M€) to acquire centralised repository services that will:

- accept research outputs from all scientific disciplines;
- implement a reach research data management cycle in line with the open access provisions, including a framework for data curation;
- ensure the implementation of the FAIR principles in line with the specificity of the different communities;
- be open and flexible to accept different research outputs and to adapt to new provisions and practices;
- be included among the service providers of the EOSC federation.
- be pay per use on the base of a unit cost.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: First quarter 2022

Indicative budget: EUR 1.30 million from the 2022 budget

10. European Open Research Publishing Platform

Based on the Horizon 2020 Work Programme 2018-2020 “18. Dissemination, Exploitation and Evaluation”⁶, the European Commission has signed the Framework Contract “Open Research Publishing Platform”. This Framework Contract is valid until March 2024 and represents a total amount of EUR 5.8 million out of which, EUR 4.5 million are allocated to support the publication of approximately 5.600 peer-reviewed articles.

In its period of peak 2018-2019, Horizon 2020 had a yearly average of about 27 000 peer-reviewed publications that can be considered the maximum expected volume per year. Currently the Open Research publishing platform has the yearly capacity of covering less than 7% of the maximum expected volume. Taking into consideration an increased expression of interest at the outset of the platform, the European Commission proposes to increase the publishing capacity up to 10% for the benefit of Horizon 2020 and Horizon Europe beneficiaries. Therefore, it proposes to increase the total amount of the Framework Contract by EUR 2.2 million, in accordance with Regulation 2018/1046 on the financial rules

⁶ https://ec.europa.eu/research/participants/data/ref/h2020/wp/2018-2020/main/h2020-wp1820-comm-diss_en.pdf

applicable to the general budget of the Union⁷. The increase of the threshold of the Framework Contract will result in the signature of subsequent specific contracts for an amount equivalent to this increase.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: 4th quarter 2021

Indicative budget: EUR 2.20 million from the 2021 budget

11. Evaluation and monitoring of the Research and Innovation Programmes

11.1. Evaluation study on Excellent Science in the Research and Innovation Framework Programmes

This study will evaluate 'Excellent Science' activities of the European Framework Programme for Research and Innovation in two phases:

- 1) the ex-post evaluation of relevant activities under Horizon 2020;
- 2) the interim evaluation of relevant activities under Horizon Europe.

The study will be composed of

- 1) a horizontal Work Package for coordination, data collection and provision, methodological support, meta-analysis of excellent science aspects and scientific impact across the whole programme and
- 2) four thematic Work Packages to evaluate the European Research Council, the Marie-Sklodowska Curie Actions, the Research Infrastructures, and the Future and Emerging Technologies programme parts.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: Second quarter 2021

Indicative budget: EUR 1.00 million from the 2021 budget

11.2. Evaluation study of the Research and Innovation Framework Programmes for addressing Global Challenges and Industrial Competitiveness - Focus on activities for a more Resilient Europe

This study will evaluate activities of the Research and Innovation Framework Programme that supports a more resilient Europe in two phases:

⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R1046&from=EN>

- 1) the ex-post evaluation of relevant activities under Horizon 2020;
- 2) the interim evaluation of relevant activities under Horizon Europe.

The study will be composed of

- 1) a horizontal Work Package for coordination, data collection and provision, methodological support, meta-analysis of resilience aspects and impact across the whole programme and
- 2) three thematic Work Packages to evaluate the followings:

- Under Horizon 2020: Societal Challenges 1, 6 and 7
- Under Horizon Europe: Cluster 1 - Health, Cluster 2 – Culture, Creative industries and Inclusive society and Cluster 3 – Civil Security for Society and Cluster 6 - Food, Bioeconomy Natural Resources, Agriculture and Environment.

Including relevant partnerships and one mission (Cancer).

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: Second quarter 2021

Indicative budget: EUR 1.20 million from the 2021 budget

11.3. Evaluation study of the Research and Innovation Framework Programmes for addressing Global Challenges and Industrial Competitiveness - Focus on activities for the Digital Transition

This study will evaluate activities of the Research and Innovation Framework Programme that supports the digital transition in two phases:

- 1) the ex-post evaluation of relevant activities under Horizon 2020;
- 2) the interim evaluation of relevant activities under Horizon Europe.

The study will be composed of

- 1) a horizontal Work Package for coordination, data collection and provision, methodological support, meta-analysis of digital transition aspects and impact across the whole programme and
- 2) three thematic Work Packages to evaluate:

- Under Horizon 2020: the LEIT- ICT, LEIT-NMBP, LEIT-SPACE programme parts
- Under Horizon Europe: Cluster 4 – Digital, Industry and Space.

Including relevant partnerships.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: Second quarter 2021

Indicative budget: EUR 1.50 million from the 2021 budget

11.4. Evaluation study of the Research and Innovation Framework Programmes for addressing Global Challenges and Industrial Competitiveness - Focus on activities related to the Green transition

This study will be performed in collaboration with the respective responsible units of DG RTD and DG MOVE and will evaluate activities of the Research and Innovation Framework Programme that supports the green transition in two phases:

- 1) the ex-post evaluation of relevant activities under Horizon 2020;
- 2) the interim evaluation of relevant activities under Horizon Europe.

The study will benefit from specific evaluations that are planned to be performed under the respective Clusters of Pillar II of Horizon Europe and will be composed of:

- 1) a horizontal Work Package for coordination, data collection and provision, methodological support, meta-analysis of green transition aspects and impact across the whole programme;
- 2) four thematic Work Packages to evaluate:
 - Under Horizon 2020: the Societal Challenges 2, 3, 4 and 5
 - Under Horizon Europe: Cluster 5 – Climate, Energy and Mobility and Cluster 6 – Food, Bioeconomy, Natural Resources, Agriculture and Environment.

Including relevant partnerships and relevant Missions.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: Second quarter 2021

Indicative budget: EUR 2.00 million from the 2021 budget

11.5. Evaluation study of the Research and Innovation Framework Programmes for an Innovative Europe

This study will evaluate activities of the Research and Innovation Framework Programme for an Innovative Europe in two phases:

- 1) the ex-post evaluation of relevant activities under Horizon 2020;

2) the interim evaluation of relevant activities under Horizon Europe.

The study will be composed of

1) a horizontal Work Package for coordination, data collection and provision, methodological support and meta-analysis, incl. inputs from EIT/KICs, and incl. innovation/economic aspects and impact across all pillars and

2) three Work Packages for Access to Risk Finance, Support to innovative SMEs (incl EIC pilot) and Innovative Europe programme parts under Horizon Europe, including relevant partnerships.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: Second quarter 2021

Indicative budget: EUR 1.00 million from the 2021 budget

11.6. Evaluation study of the Research and Innovation Framework Programmes for Widening participation and Strengthening the European Research Area

This study will evaluate 'Excellent Science' activities of the Research and Innovation Framework Programme for widening participation and strengthening the European Research Area (ERA) in two phases:

1) the ex-post evaluation of relevant activities under Horizon 2020;

2) the interim evaluation of relevant activities under Horizon Europe.

The study will be composed of

1) a horizontal Work Package for coordination, data collection and provision, methodological support, meta-analysis incl. horizontal widening and ERA aspects and impacts across all pillars and

2) four Work Packages for 1) Spreading Excellence and Widening Participation; 2) Science with and for society actions, incl. gender equality and responsible R&I; 3) Social Sciences and Humanities; 4) International cooperation.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: Second quarter 2021

Indicative budget: EUR 1.00 million from the 2021 budget

11.7. Coordinated in-depth case studies on the scientific, economic/technological and societal impacts of Horizon 2020 and FP7 projects

This procurement will cover the provision of coordinated in-depth case studies on the scientific, economic/technological and societal impacts of the projects funded under Horizon 2020 and FP7 - towards addressing Societal Challenges and contributing to Sustainable Development Goals.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: Second quarter 2021

Indicative budget: EUR 0.50 million from the 2021 budget

11.8. Interim review of Missions approach under Horizon Europe

This procurement will support the interim review of Missions approach under Horizon Europe, as per Horizon Europe regulatory requirements.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: First quarter 2022

Indicative budget: EUR 0.30 million from the 2022 budget

11.9. Interim evaluation of the approach to European Partnerships in Horizon Europe (covering co-funded, co-programmed and institutionalised)

This procurement will support the interim review of the approach to European Partnerships under Horizon Europe (covering co-funded, co-programmed and institutionalised).

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: First quarter 2022

Indicative budget: EUR 0.30 million from the 2022 budget

11.10. Ex-post meta-evaluation of Horizon 2020

This procurement will support the ex-post meta-evaluation of Horizon 2020, including the assessment of the impact and EU added value of Horizon 2020 and past Framework Programmes in terms of scientific impact, economic impact (including economic modelling), societal impact (according to the sustainable development goals (SDGs) and with climate modelling), including social network analysis of collaborations.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: First quarter 2022

Indicative budget: EUR 0.40 million from the 2022 budget

12. Dissemination and Exploitation Activities

Maximising the impacts of the research that EU funds requires better dissemination and exploitation of the results. Improving knowledge flows and spillovers is fundamental to ensure that researchers build on the latest available knowledge and thus build “on the shoulders of giants”. Moreover, the exploitation of research results and the creation of value for our economy and society, often depend on the skills and abilities of the beneficiaries to present and connect to those stakeholders that can help them take the results into the next level. Many times, the beneficiaries lack sufficient information, skills or connections to the right stakeholders and these gaps can jeopardise their ability to maximise the potential value of their results.

Against this backdrop, we want to create an ecosystem supporting our beneficiaries towards the maximum dissemination and exploitation of their results. This includes innovations that can translate into and contribute to new products and services that create economic or social value, more efficient production or distribution processes; results that can feed into policymaking and help public authorities; and results that can contribute to building and evolving standards.

This is a crosscutting activity. Most of Horizon Europe is in its scope. The Dissemination and Exploitation (D&E) integrated support ecosystem supports up to 40,000 Research and Innovation projects simultaneously.

The dissemination of research results will include an array of editorial services to better target the content to different audiences as well as outreach activities through a variety of channels, e.g. websites, magazines or targeted dissemination events, including those organised by National Contact Points. They will support the creation, curation and actual dissemination of information about the projects and their results- either presented individually or clustered to maximise the joint impact, in multiple languages, including previous Framework Programmes.

Expected outcome: The general outcome of the activities implemented in the context of the D&E Strategy is a set of coherent and integrated actions supporting our beneficiaries to better valorise their research results.

More specifically, the expected outcomes are:

(1) Guidelines and educational/inspirational material to incite our beneficiaries to achieve higher impact, including outreach events.

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(2) Supporting services to help the beneficiaries disseminate their results in a targeted way exploit them or find third parties to exploit them, and increase, where appropriate, their market readiness (e.g. boosters, tailored support, coaching, training, etc.).

(3) Services to help the beneficiaries connect to the right stakeholders, including presentation and networking events (e.g. marketplace activities, link with investors platforms, local, national, European policymakers, etc.)

(4) Services to the Commission's services to help clustering and analysing research results and integrate them, when and if needed, with other material to reach out targeted audiences and contribute to feedback to policy.

(5) The Horizon Result Platform and its associated services, offering all beneficiaries the opportunity to describe their results, needs, etc. The Horizon Result Platform is also the base for analysing the results, their objectives, needs and maturity, and propose their owners the most appropriate support action. It will also feature opening to VC/BA/Investors networks.

The Publications Office (OP) will implement some of the actions through CORDIS and related services, using a large part of the indicative budget.

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: 2021, 2022

Indicative budget: EUR 3.50 million from the 2021 budget and EUR 7.40 million from the 2022 budget

13. Horizon Data Management and Data Integration for Horizon Europe Monitoring

We need to be able to properly gather, control and ensure availability and usability the Horizon Europe (and previous R&I Programmes) Data. This mostly refers to (1) Horizon Europe Data Quality Framework; (2) Integrating external data to complement Horizon Europe data and contribute to its monitoring (KIPs); (3) Develop and make tools to give access and visualise Horizon Europe related data, both internally (data for policy) and externally (data transparency and contribution to data for Policy).

Some of the actions will be implemented by DG Informatics (DIGIT), and by the Publications Office (OP) using a significant part of the indicative budget for web presence, data transparency and linked open data.

The use of a new Framework Contract for data integration is envisaged for a duration of 4 years with a maximum amount of 8m€ (start in 2022).

Form of Funding: Procurement

Type of Action: Public procurement

Indicative timetable: 2021, 2022

Indicative budget: EUR 3.70 million from the 2021 budget and EUR 3.60 million from the 2022 budget

Other budget implementation instruments

1. External expertise

The use of high quality independent expertise in the evaluation process underpins the engagement of the programme across all stakeholders, communities and interests, and is a prerequisite for maintaining the excellence and relevance of the funded activities.

This action will support the use of appointed external independent experts for the evaluation of project proposals (including the implementation of the ethics appraisal scheme) and prize applications throughout the entire Horizon Europe work programmes for the calls and prize contests.

The action will cover also the evaluations of Horizon 2020 calls with late call deadlines in 2021.

The European Research Executive Agency will implement the above actions.

The action will support also the use of appointed external independent experts for the monitoring, ethics checks and coaching of ongoing Horizon 2020 projects.

Form of Funding: Other budget implementation instruments

Type of Action: Expert contract action

Indicative budget: EUR 76.84 million from the 2021 budget and EUR 77.92 million from the 2022 budget

2. Commission expert group on the Economic and Societal Impact of Research and innovation (ESIR2)

The Expert group on the Economic and Societal Impact of Research and innovation (ESIR2) will support the Commission with strategic advice on how to develop an evidence-based, transformative research and innovation policy that drives the sustainability transitions in Europe. The experts will cover sustainability subjects from various angles such as social and ecologic transitions, citizens' engagement, sustainable development measurement, higher education, youth, digitalisation, circular economy and governance issues. The group will engage and co-create with relevant stakeholders to establish an 'ESIR Community'. The group will produce policy briefs, organise outreach activities, foster policy experimentation and propose solution-oriented policy initiatives based on a demand-driven approach.

A special allowance of EUR 450 per day will be paid to the experts appointed in their personal capacity who act independently and in the public interest. This amount is considered

to be proportionate to the specific tasks to be assigned to the experts, including the number of meetings to be attended and possible preparatory work.

Form of Funding: Other budget implementation instruments

Type of Action: Expert contract action

Indicative timetable: Fourth quarter 2021

Indicative budget: EUR 0.30 million from the 2021 budget

3. Use of individual experts in support for a transformative research and innovation policy (reports)

Experts will provide intelligence on how R&I policy can support the recovery and enable and drive the economic, ecological, and societal transitions towards sustainable development. Among others, and drawing on future policy discussions, they will contribute to the analysis supporting the Science, Research and Innovation Performance of the EU Report, as well as to its overall quality assurance.

A special allowance of EUR 450/day will be paid to the individual experts appointed in their personal capacity who act independently and in the public interest.

Form of Funding: Other budget implementation instruments

Type of Action: Expert contract action

Indicative timetable: First quarter 2021, Fourth quarter 2022

Indicative budget: EUR 0.10 million from the 2021 budget and EUR 0.10 million from the 2022 budget

4. High Level Expert Group on the future of Horizon Europe

The High Level Expert Group is intended to provide recommendations for the future of Horizon in 2023-2024 based on the conclusions of the ex-post meta-evaluation of Horizon 2020 and of the interim evaluation of Horizon Europe to feed into the design of FP10. Proper timing is needed to feed with the right information at the right time. The Expert Contract is to be launched in 2022 for an expected duration of 16 months, from June 2023 to September 2024.

A special allowance of EUR 450/day will be paid to the experts appointed in their personal capacity who act independently and in the public interest.

Form of Funding: Other budget implementation instruments

Type of Action: Expert contract action

Indicative timetable: First quarter 2022

Indicative budget: EUR 0.10 million from the 2022 budget

5. Use of individual experts

This action will support the provision of independent experts working individually (and therefore not in the context of an expert group) for advising and assisting the Commission services with the implementation, evaluation and design of EU research and innovation policies. Individual experts can be called to perform e.g. (including but not limited to) the following tasks:

- Analysis, design, and evaluation of policies and actions,
- Analysis of the state-of-the-art, impact assessment of policies and actions,
- Analysis of the contribution of the funded research to the EU policy objectives
- Assistance to the elaboration of research and development strategies,
- Contribution to and elaboration of reports, policy papers, and guidance notes,
- Moderation, facilitation, reporting and follow-up for events, conferences, seminars and forums.

Individual experts will be called on ad-hoc basis and will be selected based on their knowledge and experience of the work to be performed. Their tasks might include attending bilateral meetings with Commission services, preparatory work, remote drafting and further development of findings. They will be appointed in a personal capacity, will work independently and in the public interest, and will be paid a special allowance of EUR 450/day.

Form of Funding: Other budget implementation instruments

Type of Action: Expert contract action

Indicative budget: EUR 0.05 million from the 2021 budget and EUR 0.05 million from the 2022 budget

6. Use of individual experts for dissemination of science advice and increase of public understanding of the function, role and method of scientific advice in policymaking

The importance is growing as regards science advice in the policy and decision-making process within the Commission and in Member States. In particular in the context of the Better Regulation Agenda, but also at national and international level (just to name a few like the European Science Advisors Forum, the International Network of Governmental Science Advisors).

Therefore, it is key to rely on the support of external independent individual experts with extensive and demonstrated experience in providing science advice to the Commission and

who espouse practical experience in providing science advice with a reputation as independent scientists of the broadest repute.

The contributions of these independent individual experts should revolve around multiplying the (impact of) outreach activities and supporting the delivery and communication of the scientific advice such as opinions of the Group of Chief Scientific Advisors.

These individual experts would be asked as well to support the digital transformation of the working modalities and endeavours to implement the Green Deal Agenda, by connecting the advice to society in general and stakeholder communities in particular.

A special allowance of EUR 450/day for each full working day spent assisting the Commission or a special allowance of EUR 225 for each half working day spent assisting the Commission will be paid to the experts appointed in their personal capacity. The latter will act independently and in the public interest.

Form of Funding: Other budget implementation instruments

Type of Action: Expert contract action

Indicative timetable: First quarter 2021

Indicative budget: EUR 0.03 million from the 2021 budget

7. Commission expert group on regulatory advice for innovation - the Regulatory Advice Mechanism

The Regulatory Advice Mechanism (RAM) will be set up as a high-level expert group. It will provide upstream policy advice on the link between regulation and innovation, with a focus on new technologies and business models. The group would identify anticipated impacts of innovations on EU rules, explore how regulation can pave the way for innovation, and provide policy recommendations. An important part of the mandate will be outreach to stakeholders and wider public in order to communicate in an accessible way about the stakes behind regulating new technologies and emerging business models. A balanced composition, including geographical origin, gender and type of expertise would be ensured in the selection process, conducted through an open call. This would be done according to the horizontal rules on expert groups of the Commission.

A special allowance of EUR 450/day will be paid to the experts appointed in their personal capacity who act independently and in the public interest. This amount is considered to be proportionate to the specific tasks to be assigned to the experts, including the number of meetings to be attended and possible preparatory work.

Form of Funding: Other budget implementation instruments

Type of Action: Expert contract action

Indicative timetable: Third and Fourth quarter 2021, First and second quarter 2022

Indicative budget: EUR 0.10 million from the 2021 budget and EUR 0.03 million from the 2022 budget

8. External expertise for ethics reviews and checks

This action will support the use of appointed independent experts for ethics reviews and checks (monitoring) of serious and complex cases.

Form of Funding: Other budget implementation instruments

Type of Action: Expert contract action

Indicative timetable: 2021, 2022

Indicative budget: EUR 0.60 million from the 2021 budget and EUR 0.90 million from the 2022 budget

Horizon Europe - 2021-2022
Horizontal support expenditure for Horizon Europe and Euratom Programmes

Budget⁸

	Budget line(s)	2021 Budget (EUR million)	2022 Budget (EUR million)
Calls			
Other actions			
Grant to identified beneficiary according to Financial Regulation Article 195(e)		2.00	5.70
	<i>from</i> <i>01.020500</i>	2.00	5.70
Public procurement		72.86	66.96
	<i>from</i> <i>01.030200</i>	0.12	0.13
	<i>from</i> <i>01.030100</i>	0.28	0.28
	<i>from</i> <i>01.020500</i>	72.46	66.55
Expert contract action		78.02	79.10
	<i>from</i> <i>01.020500</i>	73.02	79.10
	<i>from</i> <i>01.029901</i>	5.00	
Estimated total budget		152.89	151.75

⁸

The budget figures given in this table are rounded to two decimal places.
The budget amounts are subject to the availability of the appropriations provided for in the general budget of the Union for years 2021 and 2022.



EN

Horizon Europe
Work Programme 2021-2022

13. General Annexes

(European Commission Decision C(2021)1940 of 31 March 2021)

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INTRODUCTION

These General Annexes set out the general conditions applicable to calls and topics for grants and other forms of funding under the Horizon Europe main work programme. They also describe the evaluation and award procedures and other criteria for Horizon Europe funding.

If a topic deviates from the general conditions or includes additional conditions, this is explicitly stated under the specific conditions for the topic.

Applicants are invited to read the call documentation on the topic page of the Funding & Tenders Portal ('Portal') carefully, and particularly these General Annexes, the [Horizon Europe Programme Guide](#), the [EU Funding & Tenders Portal Online Manual](#) and the [EU Grants AGA — Annotated Grant Agreement](#). These documents provide clarifications and answers to questions on preparing the application.

- The General Annexes outline the:
 - admissibility and eligibility conditions, and the criteria for financial and operational capacity and exclusion (Annexes A-C);
 - award criteria, mandatory documents and evaluation procedure (Annexes D-F);
 - legal and financial set-up of the grant agreements (Annex G);
 - specific conditions applying to actions which include pre-commercial procurement or procurement of innovative solutions (Annex H).
- The Programme Guide outlines the:
 - detailed guidance on the structure, budget and political priorities of Horizon Europe.
- The Online Manual outlines the:
 - procedures to register and submit applications online via the EU Funding & Tenders Portal and recommendations on preparing the application.
- The AGA — Annotated Grant Agreement contains:
 - detailed annotations on all the provisions in the grant agreement that must be signed to obtain the grant.

 Please note that calls launched by the European Research Council (ERC), the European Innovation Council (EIC), the European Institute of Innovation and Technology (EIT), the Institutionalised European Partnerships based on Articles 185 and 187 of the Treaty on the Functioning of the European Union (TFEU), calls under the Euratom Research and Training Programme and the activities of the European Commission Joint Research Centre (JRC) are subject to separate work programmes and thus not covered by these General Annexes.

GENERAL CONDITIONS

A — Admissibility

Admissibility

Applications must be submitted before the **call deadline**.

Applications must be submitted **electronically** via the Funding & Tenders Portal electronic submission system (accessible via the topic page in the Search Funding & Tenders section). Paper submissions are NOT possible.

Applications must be submitted using the forms provided *inside* the electronic submission system (not the templates available on the topic page, which are only for information). The structure and presentation must correspond to the instructions given in the forms.

Applications must be **complete** and contain all parts and mandatory Annexes and supporting documents (*see Annex E*).

Applications must be **readable, accessible and printable**.

Applications must include **a plan for the exploitation and dissemination of results including communication activities**, unless provided otherwise in the specific call conditions. The plan is not required for applications at the first stage of two-stage procedures. If the expected exploitation of the results entails developing, creating, manufacturing and marketing a product or process, or in creating and providing a service, the plan must include a strategy for such exploitation. If the plan provides for exploitation of the results primarily in non-associated third countries, the legal entities must explain how that exploitation is still to be considered in the EU's interest.

Applicants submitting a proposal under the blind evaluation pilot (*see Annex F*) must not disclose their identity (e.g. organisation names, acronyms, logos, names of personnel) in Part B of their first-stage application (*see Annex E*).

Page limits

In addition to the above admissibility conditions, page limits will apply to parts of applications. The page limits, and sections subject to limits, will be clearly shown in the application templates in the Funding & Tenders Portal electronic submission system.

Unless provided otherwise in the specific call conditions, **the limit for a full application is 45 pages** (except for 'Coordination and support' actions, where the limit is 30 pages, and for 'Programme co-fund' actions, where the limit is 70 pages).

The limit for a first-stage application is 10 pages.

If an application exceeds the limits, there will be an automatic warning and invitation to re-submit a version that conforms to these limits. After the call deadline, excess pages will be automatically made invisible, and will not be taken into consideration by the evaluators.

B — Eligibility

Entities eligible to participate

Any legal entity, regardless of its place of establishment, including legal entities from non-associated third countries or international organisations (including international European research organisations¹) is eligible to participate (whether it is eligible for funding or not), provided that the conditions laid down in the Horizon Europe Regulation have been met, along with any other conditions laid down in the specific call topic.

A ‘legal entity’ means any natural or legal person created and recognised as such under national law, EU law or international law, which has legal personality and which may, acting in its own name, exercise rights and be subject to obligations, or an entity without legal personality².

Beneficiaries and affiliated entities must register in the [Participant Register](#) before submitting their application, in order to get a participant identification code (PIC) and be validated by the Central Validation Service (REA Validation) before signing the grant agreement. For the validation, they will be asked to upload the necessary documents showing their legal status and origin during the grant preparation stage. A validated PIC is not a prerequisite for submitting an application.

Specific cases:

Affiliated entities — Affiliated entities (i.e. entities linked to a beneficiary³ which participate in the action with similar rights and obligations to the beneficiaries, but which do not sign the grant agreement and therefore do not become beneficiaries themselves) are allowed, if they fulfil the eligibility conditions.

Associated partners — Associated partners (i.e. entities which participate in the action without signing the grant agreement, but without the right to charge costs or claim contributions) are allowed.

Entities without legal personality — Entities which do not have legal personality under their national law may exceptionally participate, provided that their representatives have the capacity to undertake legal obligations on their behalf, and offer guarantees to protect the EU’s financial interests equivalent to those offered by legal persons⁴.

EU bodies — Legal entities created under EU law including decentralised agencies may be part of the consortium, unless provided for otherwise in their basic act.

¹ ‘International European research organisation’ means an international organisation, the majority of whose members are Member States or Associated Countries, and whose principal objective is to promote scientific and technological cooperation in Europe.

² See Article 197(2)(c) EU Financial Regulation [2018/1046](#).

³ See Article 187 EU Financial Regulation [2018/1046](#).

⁴ See Article 197(2)(c) EU Financial Regulation [2018/1046](#).

Joint Research Centre — Where provided for in the specific call conditions, applicants may include in their proposals the possible contribution of the JRC but the JRC will not participate in the preparation and submission of the proposal. Applicants will indicate the contribution that the JRC could bring to the project based on the scope of the topic text. After the evaluation process, the JRC and the consortium selected for funding may come to an agreement on the specific terms of the participation of the JRC. If an agreement is found, the JRC would accede to the grant agreement as beneficiary requesting zero funding and would accede to the consortium as a member.

Associations and interest groupings — Entities composed of members (e.g. European research infrastructure consortia (ERICs)) may participate as ‘sole beneficiaries’ or ‘beneficiaries without legal personality’⁵. However, if the action is in practice implemented by the individual members, those members should also participate (either as beneficiaries or as affiliated entities, otherwise their costs will NOT be eligible).

Restrictions on participation or control — For actions related to EU strategic assets, interests, autonomy or security, the specific topic conditions may limit participation to legal entities established only in EU Member States or in EU Member States and specific associated or non-associated third countries. In addition, for duly justified and exceptional reasons, to guarantee protection of the strategic interests of the EU and its Member States, the specific call conditions may also exclude the participation of legal entities directly or indirectly controlled from non-associated third countries (or make their participation subject to specific conditions). In this case, the eligible countries will be identified in the specific call conditions.

EU restrictive measures — Special rules apply for entities from certain countries (e.g. when entities are subject to EU restrictive measures under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU)⁶). Such entities are not eligible to participate in any capacity, including as beneficiaries, affiliated entities, associated partners, third parties giving in-kind contributions, subcontractors or recipients of financial support to third parties (if any)⁷.

Special rules also apply to entites covered by Commission Guidelines No 2013/C 205/05⁸.

i For more information, see *Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment*.

⁵ See Articles 187(2) and 197(2)(c) EU Financial Regulation 2018/1046.

⁶ Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the EU Sanctions Map.

⁷ 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 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 204 of the Financial Regulation No 2018/1046). Should the illegal annexation of the Autonomous Republic of Crimea and the City of Sevastopol end, this work programme will be revised.

⁸ Commission guidelines No 2013/C 205/05 on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJEU C 205 of 19.07.2013, pp. 9-11).

Entities eligible for funding

To be eligible for funding, applicants must be established in one of the eligible countries, i.e.:

- the Member States of the European Union, including their outermost regions;
- the Overseas Countries and Territories (OCTs) linked to the Member States⁹;
- eligible non-EU countries:
 - countries associated to Horizon Europe¹⁰;

At the date of the publication of the work programme, there are no countries associated to Horizon Europe. Considering the Union's interest to retain, in principle, relations with the countries associated to Horizon 2020, most third countries associated to Horizon 2020 are expected to be associated to Horizon Europe with an intention to secure uninterrupted continuity between Horizon 2020 and Horizon Europe. In addition, other third countries can also become associated to Horizon Europe during the programme. For the purposes of the eligibility conditions, applicants established in Horizon 2020 Associated Countries or in other third countries negotiating association to Horizon Europe will be treated as entities established in an Associated Country, if the Horizon Europe association agreement with the third country concerned applies at the time of signature of the grant agreement.

- low- and middle-income countries¹¹.

Legal entities which are established in countries not listed above will be eligible for funding if provided for in the specific call conditions, or if their participation is considered essential for implementing the action by the granting authority.

Specific cases:

Affiliated entities — Affiliated entities are eligible for funding if they are established in one of the countries listed above.

EU bodies — Legal entities created under EU law may also be eligible to receive funding, unless their basic act states otherwise.

International organisations — International European research organisations are eligible to receive funding. Unless their participation is considered essential for implementing the action by the granting authority, other international organisations are not eligible to receive funding. International organisations with headquarters in a Member State or Associated Country are

⁹ Entities from Overseas Countries and Territories (OCTs) are eligible for funding under the same conditions as entities from the Member States to which the OCT in question is linked. See the [Horizon Europe Programme Guide](#) for a complete list of OCTs.

¹⁰ Please see the [Horizon Europe Programme Guide](#) on the Portal for up-to-date information on the current list and on the position for Associated Countries.

¹¹ See the [Horizon Europe Programme Guide](#) on the Portal for a complete list of these countries.

eligible to receive funding for ‘Training and mobility’ actions and when provided for in the specific call conditions.

Consortium composition

Unless otherwise provided for in the specific call conditions, legal entities forming a consortium are eligible to participate in actions provided that the consortium includes:

- at least one independent legal entity established in a Member State; and
- at least two other independent legal entities, each established in different Member States or Associated Countries.

The JRC, international European research organisations and legal entities created under EU law are deemed to be established in a Member State other than those in which the other legal entities participating in the action are established.

Applications for ‘Training and mobility’ actions and for ‘Programme co-fund’ actions may be submitted by one or more legal entities, provided that one of those legal entities is established in a Member State or an Associated Country.

Applications for ‘Coordination and support’ actions may be submitted by one or more legal entities, which may be established in a Member State, Associated Country or, in exceptional cases and if provided for in the specific call conditions, in another third country.

Applications for ‘Pre-commercial procurement’ actions and ‘Public procurement of innovative solutions’ actions must include as beneficiaries a ‘buyers’ group’. This group must consist of a minimum of two independent legal entities that are public procurers¹², each established in a different Member State or Associated Country and with at least one of them established in a Member State.

Eligible activities

Eligible activities are the ones described in the call conditions.

Projects must focus exclusively on civil applications and must not:

- aim at human cloning for reproductive purposes;
- intend to modify the genetic heritage of human beings which could make such changes heritable (except for research relating to cancer treatment of the gonads, which may be financed);
- intend to create human embryos solely for the purpose of research, or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer.

¹² ‘Public procurers’ are organisations that are contracting authorities or contracting entities as defined in EU public procurement directives 2014/24/EU, 2014/25/EU, and 2009/81/E.

Projects must, moreover, comply with EU policy interests and priorities (environment, social, security, industrial policy, etc.).

The following activities are generally eligible for grants under Horizon Europe:

Research and innovation actions (RIA) — Activities that aim primarily to establish new knowledge or to explore the feasibility of a new or improved technology, product, process, service or solution. This may include basic and applied research, technology development and integration, testing, demonstration and validation of a small-scale prototype in a laboratory or simulated environment.

Innovation actions (IA) — Activities that aim directly to produce plans and arrangements or designs for new, altered or improved products, processes or services. These activities may include prototyping, testing, demonstrating, piloting, large-scale product validation and market replication.

Coordination and support actions (CSA) — Activities that contribute to the objectives of Horizon Europe. This excludes R&I activities, except those carried out under the ‘Widening participation and spreading excellence’ component of the programme (part of ‘Widening participation and strengthening the European Research Area’). Also eligible are bottom-up coordination actions which promote cooperation between legal entities from Member States and Associated Countries to strengthen the European Research Area, and which receive no EU co-funding for research activities.

Programme co-fund actions (CoFund) — A programme of activities established or implemented by legal entities managing or funding R&I programmes, other than EU funding bodies. Such a programme of activities may support: networking and coordination; research; innovation; pilot actions; innovation and market deployment; training and mobility; awareness raising and communication; and dissemination and exploitation. It may also provide any relevant financial support, such as grants, prizes and procurement, as well as Horizon Europe blended finance¹³ or a combination thereof. The actions may be implemented by the beneficiaries directly or by providing financial support to third parties.

Innovation and market deployment actions (IMDA) — Activities that embed an innovation action and other activities necessary to deploy an innovation on the market. This includes the scaling-up of companies and Horizon Europe blended finance.

Training and mobility actions (TMA) — Activities that aim to improve the skills, knowledge and career prospects of researchers, based on mobility between countries and, if relevant, between sectors or disciplines.

Pre-commercial procurement actions (PCP) — Activities that aim to help a transnational buyers’ group to strengthen the public procurement of research, development, validation and, possibly, the first deployment of new solutions that can significantly improve quality and

¹³ ‘Horizon Europe blended finance’ means financial support for innovation and market deployment activities, consisting of a specific combination of a grant or reimbursable advance and an investment in equity or any other repayable form of support.

efficiency in areas of public interest, while opening market opportunities for industry and researchers active in Europe. Eligible activities include the preparation, management and follow-up, under the coordination of a lead procurer, of one joint PCP and additional activities to embed the PCP into a wider set of demand-side activities.

Public procurement of innovative solutions actions (PPI) — Activities that aim to strengthen the ability of a transnational buyers' group to deploy innovative solutions early by overcoming the fragmentation of demand for such solutions and sharing the risks and costs of acting as early adopters, while opening market opportunities for industry. Eligible activities include preparing and implementing, under the coordination of a lead procurer, one joint or several coordinated PPI by the buyers' group and additional activities to embed the PPI into a wider set of demand-side activities.

Technology Readiness Levels

Where the specific call conditions require a Technology Readiness Level (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 a lab
- TRL 5 — Technology validated in a relevant environment (industrially relevant environment in the case of key enabling technologies)
- TRL 6 — Technology demonstrated in a relevant environment (industrially relevant environment in the case of key enabling technologies)
- TRL 7 — System prototype demonstration in an operational environment
- TRL 8 — System complete and qualified
- TRL 9 — Actual system proven in an operational environment (competitive manufacturing in the case of key enabling technologies, or in space)

Ethics

Projects must comply with ethical principles (including the highest standards of research integrity) and applicable EU, international and national law.

Applicants must have completed the ethics self-assessment as part of their application.

 For more information, see [How to complete your ethics self-assessment.](#)

Projects involving ethics issues will have to undergo an ethics review to authorise funding and may be made subject to specific ethics requirements. These requirements become part of the

grant agreement as ethics deliverables, e.g. ethics committee opinions/authorisations required under national or EU law.

Security — EU-classified and sensitive information

Projects involving classified and/or sensitive information will have to go through the security appraisal process to authorise funding and may be made subject to specific security rules (detailed in the Security Section, which is annexed to the grant agreement). Specific provisions for EU-classified information (EUCI) and sensitive information (SEN) will be included in the grant agreement, as necessary and appropriate.

The rules for protecting EU-classified information (governed by Commission Decision (EU, Euratom) [2015/444](#)¹⁴ and/or national rules) provide for instance that:

- projects involving information classified as TRES SECRET UE/EU TOP SECRET (or equivalent) can NOT be funded;
- EU-classified information must be marked in accordance with the applicable security instructions in the Classification Guide appendix of the Security Aspects Letter (SAL), which is contained in the Security Section of the grant agreement;
- generation of, or access to, information with classification levels CONFIDENTIEL UE/EU CONFIDENTIAL or above (and RESTREINT UE/EU RESTRICTED, if required by national rules) may take place only on the premises of entities which have been granted a facility security clearance (FSC) issued by the competent national security authority (NSA);
- handling of information classified CONFIDENTIEL UE/EU CONFIDENTIAL or above (and RESTREINT UE/EU RESTRICTED, if required by national rules) may take place only in a secured area accredited by the competent NSA;
- access to and handling of information classified CONFIDENTIEL UE/EU CONFIDENTIAL or above (and RESTREINT UE/EU RESTRICTED, if required by national rules) may be granted only to individuals with a valid personnel security clearance (PSC) and an established need-to-know, who have been briefed on the applicable security rules;
- access to, and handling of, information classified RESTREINT UE/EU RESTRICTED may be granted only to individuals who have a need-to-know and have been briefed on the applicable security rules;
- at the end of the grant, the classified information must either be returned or continue to be protected according to the applicable rules;
- subcontracting of tasks involving EU-classified information is subject to prior written approval by the European Commission, which is the originator of EU-classified

¹⁴ See Commission Decision 2015/544/EU, Euratom of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53.

information. It is only possible to subcontract these tasks to entities established in an EU Member State or in a non-EU country with a security of information agreement with the EU (or an administrative arrangement with the Commission);

- disclosure of EU-classified information is subject to prior written approval by the European Commission.

Depending on the type of activity, FSCs may have to be provided before the grant is signed. The granting authority will assess this for each case and fix the delivery date during the grant preparation stage. It is not possible to sign any grant agreement before at least one of the beneficiaries in the consortium has a FSC.

In certain cases, the project results might not require classification, but they might be sensitive and require restricted disclosure or limited dissemination for security reasons, according to the applicable instructions in the Security Section. This means that, in principle, third parties should have no access to results subject to this type of restriction. Disclosure of this information is subject to prior written approval by the European Commission.

Further security recommendations may be added to the grant agreement in the form of security deliverables (e.g. establishing a security advisory board, appointing a project security officer, limiting the level of detail, using a fake scenario, etc.).

In addition, beneficiaries must ensure that their projects are not subject to national/third-country security requirements that could affect implementation or put into question the award of the grants (e.g. technology restrictions, national security classification, etc.). Any potential security issues must be notified immediately to the granting authority.

Gender equality plans and gender mainstreaming

To be eligible, legal entities from Member States and Associated Countries that are public bodies, research organisations or higher education establishments (including private research organisations and higher education establishments) must have a gender equality plan, covering the following minimum process-related requirements:

- publication: a formal document published on the institution's website and signed by the top management;
- dedicated resources: commitment of resources and expertise in gender equality to implement the plan;
- data collection and monitoring: sex/gender disaggregated data on personnel (and students, for the establishments concerned) and annual reporting based on indicators;
- training: awareness raising/training on gender equality and unconscious gender biases for staff and decision-makers.

Content-wise, it is recommended that the gender equality plan addresses the following areas, using concrete measures and targets:

- work-life balance and organisational culture;

- gender balance in leadership and decision-making;
- gender equality in recruitment and career progression;
- integration of the gender dimension into research and teaching content;
- measures against gender-based violence, including sexual harassment.

A self-declaration will be requested at proposal stage. If all the above-mentioned mandatory requirements are met through another strategic document, such as a development plan or an inclusion or diversity strategy, it can be considered as an equivalent. This eligibility criterion does not apply to other categories of legal entities, such as private for-profit organisations, including SMEs, non-governmental or civil society organisations.

A transition/grace period will be implemented before full enforcement of this eligibility criterion for calls with deadlines in 2022. Beneficiaries must also take all measures to promote equal opportunities between men and women in implementing the action and, where applicable, in line with their gender equality plan. They must aim to achieve, to the extent possible, a gender balance at all levels of personnel assigned to the action, including at supervisory and managerial level.

Financial support to third parties

Where the specific call conditions allow for financial support to third parties, the applicants must clearly describe the objectives and the expected results, including the elements listed in the application template. The following conditions must also be fulfilled:

- projects must publish their open calls widely and adhere to EU standards of transparency, equal treatment, conflict of interest and confidentiality;
- all calls for third parties and all calls that are implemented by third parties must be published on the Funding & Tenders Portal, and on the beneficiaries' websites;
- the calls must remain open for at least 2 months;
- if submission deadlines are changed, this must immediately be announced and registered applicants must be informed of the change;
- projects must publish the outcome of the calls without delay, including a description of third-party projects, the date of the award, the duration, and the legal name and country;
- the calls must have a clear European dimension.

Further conditions may be stipulated in the specific conditions for the topic.

i For more information, see AGA — *Annotated Model Grant Agreement, articles 6.2.D.1 and 9.4.*

OTHER TYPES OF ACTIONS AND FORMS OF FUNDING

In addition to the eligible activities described in Annex B above, the following types of action and forms of funding are used in Horizon Europe. They are usually placed in the 'Other Actions' section of the work programme parts and are not all subject to calls for proposals.

- **Grants to identified beneficiaries** — Exceptionally, a grant may be awarded to legal entities explicitly named in the work programme without a prior call for proposals. The identified beneficiaries must nevertheless submit a proposal to benefit from funding. This proposal will be evaluated and must exceed the required threshold. The funding rates will correspond to the type of action indicated.
- **Prizes** — *Inducement prizes*: a prize to stimulate investment in a given area, by specifying a goal prior to the work being performed. Contests for inducement prizes must address technological and/or societal challenges. The award criteria will define a goal, but without prescribing how to achieve it. Contests for inducement prizes are split into awards for the contestant that first meets the specific goal defined in the rules of the contest, and awards for the best contestant within a given period. *Recognition prizes*: a prize to reward past achievements and outstanding work after it has been performed. Recognition prizes must help to raise public awareness of EU policies, create role models and support best practice exchange. The rules of the contest of a specific prize describe the eligibility and award criteria, the evaluation procedure, the indicative timetable and the reward. The rules are found on the call topic page on the Funding & Tenders Portal.
- **Framework partnerships and specific grant agreements** — Framework partnerships are formalised long-term cooperation mechanisms involving several or recurring grants. They must be based on jointly agreed action plans and agreements that set out the terms and conditions for receiving grants to implement the actions, framework partnership agreements (FPA) and specific grant agreements (SGA). The FPA will set out the framework conditions governing potential grants to beneficiaries on the basis of an action plan and jointly agreed general objectives. The SGA will set out the specific obligations and conditions to implement the specific action. The FPA will have no budget; the budget and rules on funding will be set out in each SGA and depend on the specific type of action. The establishment of an FPA must take place following a call for proposals. Beneficiaries will be identified from the evaluation of the proposals. In a subsequent step, beneficiaries may be invited to submit their proposals for the SGA. Framework partnerships do not give the partners (i.e. potential beneficiaries) exclusive rights to be awarded the grants covered by the FPAs. SGAs must only be signed if the FPA has been signed, and before the end date of the FPA.
- **Operating grants** — Operating grants provide financial support for the functioning of a body to enable it to carry out specific activities set out in the agreed work programme. Operating grants do not support the implementation of a specific action, but rather the annual operating budget (or part of it) for certain bodies whose statutory activities serve the strategic objectives of EU policies. Operating grants will always be mono-beneficiary grants supporting the work programme of only one organisation. Operating grants must follow the same rules as described in section G, but they do not differentiate between direct and indirect costs. Receiving an operating grant may make beneficiaries ineligible to receive indirect costs in all other EU action grants.
- **Public procurement** — In a public procurement action, the granting authority purchases works, supplies or services, or acquires or rents land, buildings or other immovable property. This is done by entering into a contract with an economic operator chosen by the granting authority. Before the granting authority enters into a procurement contract, a call for tender is published on the Funding & Tenders Portal.
- **Expert contract actions** — Expert contracts are used to appoint independent expert(s) to advise or assist us. Experts are used for evaluating proposals, for evaluating the programme, for ethics screenings and assessments, for advisory bodies, and for expertise related to the objectives of Horizon Europe.
- **Subscription actions** — Subscription actions are used to pay contributions to bodies in which the EU is a member or an observer.
- **Scientific and technical services by the Joint Research Centre** — Scientific and technical services cover research and innovation activities undertaken by the Commission through its Joint Research Centre. These (non-nuclear) activities are direct actions generating high-quality scientific evidence to support efficient and affordable public policies. Horizon Europe's rules for participation do not apply to these actions.
- **Indirectly managed actions** — Indirectly managed actions refer to actions implemented by entities which are entrusted with implementing EU funds or budgetary guarantees through a contribution agreement.

C — Financial and operational capacity and exclusion

Financial capacity

Applicants must have **stable and sufficient resources** to successfully implement the projects and contribute their share. Organisations participating in several projects must have sufficient capacity to implement all these projects.

The financial capacity check will be done on the basis of the documents uploaded in the Participant Register during the grant preparation stage (e.g. profit and loss account and balance sheet, business plan, audit report produced by an approved external auditor, certifying the accounts for the last closed financial year, etc.). The analysis will be based on neutral financial indicators, but will also take into account other aspects, such as dependency on EU funding and deficit and revenue in previous years.

The check will normally be done for the coordinator if the requested grant amount is equal to or greater than EUR 500 000, except for:

- public bodies (entities established as a public body under national law, including local, regional or national authorities) or international organisations; and
- cases where the individual requested grant amount is not more than EUR 60 000 (low-value grant).

If needed, it may also be done for the other applicants, including affiliated entities. If the financial capacity is structurally guaranteed by another legal entity, the financial capacity of that legal entity will be verified.

If the granting authority considers that the financial capacity is not satisfactory, they may require:

- further information;
- an enhanced financial responsibility regime, i.e. joint and several responsibility of affiliated entities (*see Annex G*); and
- prefinancing paid in instalments;

or

- propose no prefinancing;
- request that the applicant concerned is replaced or, if needed, reject the entire proposal.

i For more information, see *Rules on Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment*.

Operational capacity

Applicants must have the **know-how, qualifications** and **resources** to successfully implement their tasks in the project and contribute their share (including, when appropriate, sufficient experience in EU/transnational projects of comparable size).

This assessment of operational capacity will be carried out during the evaluation of the award criterion 'Quality and efficiency of the implementation'. It will be based on the competence and experience of the applicants and their project teams, including their operational resources (human, technical and other) or, exceptionally, the measures proposed to obtain the necessary competence and experience by the time the tasks are implemented.

If the evaluation of this award criterion leads to a score above the applicable threshold, then the applicants are considered to have sufficient operational capacity.

For this assessment, applicants will be required to provide the following information in the application form (Part B):

- general profiles (qualifications and experience) of the staff responsible for managing and implementing the project;
- description of the consortium participants; and
- list of EU-funded actions/projects in the last 4 years.

Additional supporting documents may be requested if they are needed to confirm the operational capacity of any applicant.

Public bodies, Member State organisations and international organisations are exempted from the operational capacity check.

Exclusion

Applicants that are subject to **EU administrative sanctions** (i.e. exclusion)¹⁵ or are in one of the following **exclusion situations**¹⁶ that bar them from receiving EU grants can NOT participate:

- bankruptcy, winding up, affairs administered by the courts, arrangement with creditors, suspended business activities or other similar procedures (including procedures for persons with unlimited liability for the applicant's debts);
- they are in breach of social security or tax obligations (including if done by persons with unlimited liability for the applicant's debts);
- they are guilty of grave professional misconduct (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant);

¹⁵ See Article 136 EU Financial Regulation [2018/1046](#).

¹⁶ See Articles 136 and 141 EU Financial Regulation [2018/1046](#).

- they are guilty of fraud, corruption, having links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant);
- they have shown significant deficiencies in complying with their main obligations under an EU procurement contract, grant agreement, prize, expert contract, or similar (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant);
- they are guilty of irregularities within the meaning of Article 1(2) of Regulation No 2988/95 (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant); or
- they have created under a different jurisdiction an entity with the intent to circumvent fiscal, social or other legal obligations in the country of origin or created another entity with this purpose (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant).

Applicants will also be refused if it turns out that¹⁷:

- during the award procedure they misrepresented information required as a condition for participating or failed to supply that information; or
- they were previously involved in the preparation of the call and this entails a distortion of competition that cannot be remedied otherwise (conflict of interest).

¹⁷ See Article 141 EU Financial Regulation 2018/1046.

D — Award criteria

Award criteria

If admissible and eligible, the proposals will be evaluated and ranked against the following **award criteria**, depending on the type of action:

	Excellence	Impact	Quality and efficiency of the implementation
	(The following aspects will be taken into account, to the extent that the proposed work corresponds to the description in the work programme)		
Research and innovation actions (RIA) Innovation actions (IA)	<ul style="list-style-type: none"> - Clarity and pertinence of the project’s objectives, and the extent to which the proposed work is ambitious and goes beyond the state of the art. - Soundness of the proposed [for the first stage: overall] methodology, including the underlying concepts, models, assumptions, inter-disciplinary approaches, appropriate consideration of the gender dimension in research and innovation content, and the quality of open science practices, including sharing and management of research outputs and engagement of citizens, civil society and end-users where appropriate. 	<ul style="list-style-type: none"> - Credibility of the pathways to achieve the expected outcomes and impacts specified in the work programme, and the likely scale and significance of the contributions from the project. - Suitability and quality of the measures to maximise expected outcomes and impacts, as set out in the dissemination and exploitation plan, including communication activities. 	<ul style="list-style-type: none"> - Quality and effectiveness of the work plan, assessment of risks, and appropriateness of the effort assigned to work packages, and the resources overall. - Capacity and role of each participant, and the extent to which the consortium as a whole brings together the necessary expertise.
Coordination and support	<ul style="list-style-type: none"> - Clarity and pertinence of the 	<ul style="list-style-type: none"> - Credibility of the pathways to achieve 	<ul style="list-style-type: none"> - Quality and effectiveness of the

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<p>actions (CSA)</p>	<p>project’s objectives.</p> <ul style="list-style-type: none"> - Quality of the proposed coordination and/or support measures, including soundness of methodology. 	<p>the expected outcomes and impacts specified in the work programme, and the likely scale and significance of the contributions from the project.</p> <ul style="list-style-type: none"> - Suitability and quality of the measures to maximise expected outcomes and impacts, as set out in the dissemination and exploitation plan, including communication activities. 	<p>work plan, assessment of risks, and appropriateness of the effort assigned to work packages, and the resources overall.</p> <ul style="list-style-type: none"> - Capacity and role of each participant, and the extent to which the consortium as a whole brings together the necessary expertise.
<p>Programme co-fund actions (CoFund)</p>	<ul style="list-style-type: none"> - Clarity and pertinence of the project’s objectives, and the extent to which the proposed work is ambitious, and goes beyond the state of the art. - Soundness of the proposed methodology, including the underlying concepts, models, assumptions, inter-disciplinary approaches, appropriate consideration of the gender dimension in research and innovation content, and the quality of open science practices, including sharing and 	<ul style="list-style-type: none"> - Credibility of the pathways to achieve the expected outcomes and impacts specified in the work programme, and the likely scale and significance of the contributions from the project. - Suitability and quality of the measures to maximise expected outcomes and impacts, as set out in the dissemination and exploitation plan, including communication activities. 	<p>Quality and effectiveness of the work plan, assessment of risks, and appropriateness of the effort assigned to work packages, and the resources overall.</p> <ul style="list-style-type: none"> - Capacity and role of each participant, and the extent to which the consortium as a whole brings together the necessary expertise.

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	management of research outputs and engagement of citizens, civil society and end-users where appropriate.		
Innovation and market deployment actions (IMDA)	<i>See the European Innovation Council Work Programme.</i>		
Training and mobility actions (TMA)	<i>See the Marie Skłodowska-Curie Actions Work Programme part.</i>		
Pre-commercial procurement actions (PCP) Public procurement of innovative solutions (PPI)	<ul style="list-style-type: none"> - Clarity and pertinence of the objectives and the extent to which they are ambitious, and go beyond the state of the art in terms of the degree of innovation that is needed to satisfy the procurement need. - Soundness of the proposed methodology, taking into account the underlying concepts and assumptions. 	<ul style="list-style-type: none"> - Credibility of the pathways to achieve the expected outcomes and impacts specified in the work programme. - Suitability and quality of the measures to maximise expected outcomes and impacts, as set out in the dissemination and exploitation* plan, including communication activities. <p style="font-size: small; margin-top: 10px;">* For PCP actions and PPI actions, the exploitation of results by the beneficiaries means primarily the use that is made of the innovative solutions by the procurers/end-users. The manufacturing and sale of the innovative solutions are performed by the suppliers of the solutions, which are not beneficiaries but subcontractors.</p>	<ul style="list-style-type: none"> - Quality and effectiveness of the work plan, assessment of risks, and appropriateness of the effort assigned to work packages, and the resources overall. - Capacity and role of each participant, and the extent to which the consortium as a whole brings together the necessary expertise.
Framework Partnership Agreements (FPA)	<ul style="list-style-type: none"> - Clarity and pertinence of the project's objectives. 	<ul style="list-style-type: none"> - Credibility of the action plan of the FPA to achieve the expected outcomes and impacts specified in the work programme. 	<ul style="list-style-type: none"> - Capacity and role of each participant, and the extent to which the consortium as a whole brings together the necessary expertise. - Potential for long-term cooperation among participants.

Scores and weighting

Evaluation scores will be awarded for the criteria, and not for the different aspects listed in the table. For full applications, 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.

To determine the ranking for ‘Innovation actions’, the score for ‘Impact’ will be given a weight of 1.5.

Proposals that pass the individual threshold AND the overall threshold will be considered for funding, within the limits of the available call budget. Other proposals will be rejected.

Two-stage calls

For the evaluation of first-stage applications under a two-stage submission procedure, only the ‘Excellence’ and ‘Impact’ criteria will be evaluated. Within these criteria, only the aspects in **bold** will be considered.

The threshold for both individual criteria will be 4. For each indicative budget-split in the call conditions, the overall threshold applying to the sum of the two individual scores will be set at a level that ensures the total requested budget of proposals admitted to stage 2 is as close as possible to three times the available budget, and not less than two and a half times the available budget. The actual level will therefore depend on the volume of proposals received. The threshold is expected normally to be set at 8 or 8.5.

The evaluation procedure is explained further in *Annex F*.

E — Documents

Submission

All proposals must be submitted **electronically** via the Funders & Tenders Portal electronic submission system (accessible via the topic page in the [Search Funding & Tenders](#) section). Paper submissions are NOT possible.

Proposals must be **complete** and contain all parts and mandatory annexes and supporting documents, e.g. plan for the exploitation and dissemination of the results including communication activities, etc.

The application form will have two parts:

- **Part A** (to be filled in directly online) contains administrative information about the applicant organisations (future coordinator and beneficiaries and affiliated entities), the summarised budget for the proposal and call-specific questions;
- **Part B** (to be downloaded from the Portal submission system, completed and then assembled and re-uploaded as a PDF in the system) contains the technical description of the project.

Annexes and supporting documents will be directly available in the submission system and must be uploaded as PDF files (or other formats allowed by the system).

Proposals should be designed to stay as close as possible to the award criteria (*see Annex D*). The application form will help to achieve this.

When submitting the proposal, the coordinator will have to confirm that they have the mandate to act for all applicants. Moreover, they will have to confirm that the information in the application is correct and complete and that all participants comply with the conditions for receiving EU funding (especially eligibility, financial and operational capacity, exclusion, etc.). Before signing the grant, each participant will have to confirm this again by signing a declaration of honour. Proposals not complying with these requirements will be rejected.

For lump sum grants, when the amount of the lump sum is not fixed in advance, the estimated budget must be described in a detailed budget table. This will be used as a basis for fixing the lump sum amount. As the lump sum must be an approximation of the costs actually incurred, the costs included in this detailed budget table must comply with the basic eligibility conditions for EU actual cost grants (*see AGA — Annotated Grant Agreement, article 6*). This is particularly important for purchases and subcontracting, which must ensure best value for money (or, if appropriate, the lowest price) and be free from any conflicts of interest. If the budget table contains ineligible costs, the grants may be reduced (even later on during implementation of the project or after they end).

 Applicants may be asked at a later stage for further documents (for legal entity validation, financial capacity check, bank account validation, etc.).

F — Procedure

Evaluation procedure and ranking

Calls may be subject to either a **single-stage submission procedure** or a **two-stage submission procedure**. The **evaluation procedure** may be organised in one (standard) or several steps.

In the first stage of a two-stage submission, applicants will be requested to submit only an outline application (which will be evaluated against only two award criteria: ‘Excellence’ and ‘Impact’). Successful applicants will be invited to submit a full application for the second stage (which will be evaluated against the full set of award criteria).

Proposals will be checked for formal requirements (admissibility and eligibility) and then evaluated (for each topic separately) by an **evaluation committee** composed of independent external experts for operational capacity and award criteria (*see Annexes C and D*) and then ranked according to their quality score.

Exceptionally, where indicated in the specific call conditions, the evaluation committee may be composed partially or, in the case of ‘Coordination and support actions’, partially or fully of representatives of EU institutions.

For proposals with the same score within a single budget envelope (with the exception of the first stage of two-stage submissions) a method to establish the **priority order** will be determined, taking into consideration the objectives of the specific topic. In the absence of special arrangements in the specific call conditions, the following method will apply:

For each group of proposals with the same score, starting with the group achieving the highest score and continuing in descending order:

- 1) Proposals that address aspects of the call that have not otherwise been covered by more highly ranked proposals will be considered to have the highest priority.
- 2) The proposals identified under 1), if any, will themselves be prioritised according to the scores they have been awarded for ‘Excellence’. When these scores are equal, priority will be based on scores for ‘Impact’. In the case of ‘Innovation actions’, priority will be given to the score for ‘Impact’, followed by that for ‘Excellence’.
- 3) If necessary, the gender balance among the personnel named in the proposal who will be primarily responsible for carrying out the research and/or innovation activities, and who are included in the researchers table in the proposal, will be used as a factor for prioritisation.
- 4) If necessary, any further prioritisation will be based on geographical diversity, defined as the number of Member States or Associated Countries represented in the proposal, not otherwise receiving funds from projects higher up the ranking list (and if equal in number, then by budget).

- 5) If a distinction still cannot be made, the panel may decide to further prioritise by considering other factors related to the objectives of the call, or to Horizon Europe in general. These may include, for example, enhancing the quality of the project portfolio through synergies between projects or, where relevant and feasible, involving SMEs. These factors will be documented in the panel report.
- 6) The method described in 1), 2), 3) and 4) will then be applied to the remaining equally ranked proposals in the group.

At the end of the evaluation, all applicants will be informed of the result (at the same time, in an evaluation result letter). Successful proposals will be invited to the next stage, ‘grant preparation’; the other proposals will be put on the reserve list or rejected.

 No commitment to provide funding — Invitation to the grant preparation stage does NOT constitute a formal commitment to funding. Various legal checks are still needed before the grant can be awarded, such as legal entity validation, financial capacity, exclusion check, etc.

 If indicated in the specific call conditions, proposals which were judged to deserve funding but did not succeed because of budget limits will receive a **Seal of Excellence**¹⁸. With prior authorisation from the applicant, the granting authority may share information concerning the proposal and the evaluation with interested financing authorities, subject to the conclusion of confidentiality agreements.

 Budget flexibility — The budgets set out in the calls and topics are indicative. Unless otherwise stated, final budgets may change following evaluation. The final figures may change by up to 20% compared to the total budget indicated in each individual part of the work programme. Changes within these limits will not be considered substantial within the meaning of Article 110(5) of Regulation (EU, Euratom) No 2018/1046.

 Joint and coordinated calls for proposals — In cases of applications for **joint or coordinated calls** with third countries (including scientific and technological organisations or agencies from third countries), international organisations or non-profit legal entities, the joint selection and evaluation procedures will be indicated in the specific call conditions.

 Blind evaluation pilot – If indicated in the specific call conditions, first-stage proposals of two-stage submissions will be evaluated blindly¹⁹ and applicants may not disclose their identity in Part B of their proposal (*see Annex A*).

Evaluation review procedure

If the consortium believes that the evaluation procedure was flawed, the coordinator can submit a **complaint** (following the deadlines and procedures set out in the evaluation result letter).

¹⁸ https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/seal-excellence_en.

¹⁹ See Horizon Europe Programme Guide for further details.

Only the procedural aspects of an evaluation may be the subject of a request for an evaluation review. The evaluation of the merits of a proposal will not be the subject of an evaluation review.

A request for an evaluation review must relate to a specific proposal and must be submitted within 30 days after the beneficiary accesses the evaluation results. The maximum size limit of the request is 5 000 characters. Notifications of evaluation results which have not been opened in the Funding & Tenders Portal within 10 days after sending are considered to have been accessed and that deadlines will be counted from the date of opening/access (*see also Funding & Tenders Portal Terms and Conditions*).

An evaluation review committee will provide an opinion on the procedural aspects of the evaluation. The evaluation review committee may recommend a re-evaluation of the proposal, to be carried out by evaluators who were not involved in the previous evaluation, or a confirmation of the initial evaluation.

Indicative timetable for evaluation and for signature of the grant agreement

Unless otherwise stated in the specific call conditions, the timing for evaluation and grant preparation is as follows:

- information on the outcome of the evaluation: around 5 months from the deadline for submission;
- indicative date for the signing of grant agreements: around 8 months from the deadline for submission.

For two-stage calls, the timing is a bit different (for the evaluation result: 3 months for the first stage, 5 months for the second stage, and 8 months for signature of the grant agreement in the second stage).

G — Legal and financial set-up of the grant agreements

During the grant preparation stage, the consortium will be asked to prepare the grant agreement, together with the EU project officer.

This grant agreement will set out the framework for the grant and its terms and conditions, particularly concerning deliverables, reporting and payments. The applicable model with the complete text of the provisions is available on the topic page, together with the other call documentation.

Starting date & project duration

The project starting date and duration will be fixed in the grant agreement (Data Sheet, point 1). Normally, the starting date will be after the grant has been signed. A starting date before the date the grant is signed (retroactive) can be granted exceptionally for duly justified reasons.

The project duration is provided in months (extensions will be possible only exceptionally, for duly justified reasons and if the granting authority agrees).

Milestones and deliverables

The milestones and deliverables for each project will be managed through the grant management system in the Portal and are reflected in Annex 1 of the grant agreement.

The standard deliverables will be set out in the specific call conditions.

Form of grant, funding rate and maximum grant amount

The grant parameters (maximum grant amount, funding rate, total eligible costs, etc.) will be fixed in the grant agreement (*Data Sheet, point 3 and article 5*).

The project budget is provided in EUR. The amount of the grant awarded may be lower than the amount requested.

For **actual cost grants**, the grant will be a budget-based, mixed actual cost grant. This means that it will reimburse **ONLY** certain types of costs (eligible costs) and **ONLY** those costs *actually* incurred for the project (NOT the *budgeted* costs).

The costs will be reimbursed at the funding rate fixed in the specific call conditions and in the grant agreement.

Such grants may NOT produce a profit. If there is a profit (i.e. surplus of revenues + EU grant over costs), it will be deducted from the final grant amount.

Moreover, the final grant amount may be reduced in case of non-compliance (e.g. improper implementation, breach of obligations, etc.).

The maximum Horizon Europe funding rates are as follows:

- Research and innovation action: 100%
- Innovation action: 70% (except for non-profit legal entities, where a rate of up to 100% applies)
- Coordination and support action: 100%
- Programme co-fund action: between 30% and 70%
- Innovation and market deployment: 70% (except for non-profit legal entities, where a rate of up to 100% applies)
- Training and mobility action: 100%
- Pre-commercial procurement action: 100%
- Public procurement of innovative solutions action: 50%

Other funding rates may be set out in the specific call conditions.

For **lump sum and unit grants**, the funding rate is already applied as part of the methodology for fixing the amounts and is therefore not shown in the grant agreement.

Budget categories and cost eligibility rules

The budget categories and cost eligibility rules are fixed in the grant agreement (*Data Sheet, point 3 and article 6*).

Budget categories:

- actual costs (i.e. costs which are real and not estimated or budgeted) for:
 - personnel costs (unless declared as a unit cost; see below);
 - subcontracting costs;
 - purchase costs (unless declared as a unit cost; see below); and
 - costs of providing financial support to third parties (if provided for in the specific call conditions);
- units (i.e. an amount per unit) for:
 - personnel costs of SME owners/natural persons not receiving a salary;
 - personnel costs calculated by the beneficiaries according to their usual cost accounting practices (average personnel costs);
 - costs of internally invoiced goods and services calculated by the beneficiaries according to their usual cost accounting practices; and

- specific unit costs (if provided for in the specific call conditions; see also Annex 2a of the grant agreement);
- flat-rate (i.e. costs calculated by applying a percentage fixed in advance to other types of eligible costs) for:
 - indirect costs (25% flat-rate of the total eligible direct costs, excluding eligible direct costs for subcontracting, financial support to third parties and any unit costs or lump sums which include indirect costs);
- lump sum (i.e. a global amount deemed to cover all costs of the action or a specific category of costs, if provided for in the specific call conditions).

Within a grant, different forms of costs can be used.

Costs can also be declared under several EU Synergy grants, if provided for in the specific call conditions and the funding under the grants does not exceed 100% of the costs and contributions declared to them.

Reporting & payment arrangements

The reporting and payment arrangements are fixed in the grant agreement (*Data Sheet, point 4 and articles 21 and 22*).

After the grant has been signed, the consortium will normally receive a float to start working on the project (normally, prefinancing of 100% of the average EU funding per reporting period (i.e. maximum grant amount/number of periods); exceptionally, less or no prefinancing). For actions with only one reporting period, it will be less, since 100% would mean the totality of the grant amount.

At the moment of the prefinancing payment, an amount ranging from 5% to 8% of the maximum grant amount will be deducted from the prefinancing payment and transferred to the mutual insurance mechanism. This mechanism covers the risks associated with non-recovery of sums due from the beneficiaries.

There will be one or several interim payments linked to a periodic report, depending on the duration of the project.

At the end of the project, the consortium will be invited to submit a report on the basis of which the final grant amount will be calculated. If the total of earlier payments is higher than the final grant amount, the beneficiaries concerned (or the coordinator) will be asked to pay back the difference (recovery).

Certificates

Depending on the size of the grant amount and on the type of beneficiaries, beneficiaries may be required to submit a certificate on the financial statements. The thresholds for this certificate are fixed in the grant agreement (*Data Sheet, point 4 and article 24*).

Liability regime for recoveries

The liability regime for recoveries is that of individual financial responsibility. Each beneficiary is liable only for their own debt (and those of its affiliated entities, if any) (*Data Sheet point 4.4 and article 22*).

Provisions concerning project implementation

- Proper implementation of the action (*article 11*).
- Conflict of interest (*article 12*).
- Confidentiality and security (EU-classified information) (*article 13 and Annex 5*).
- Ethics (research integrity) and values (gender mainstreaming) (*article 14 and Annex 5*).
- Data protection (*article 15*).
- Intellectual Property Rights (IPR), background and results, access rights and rights of use (*article 16 and Annex 5*). In addition to the standard provisions, the following specific provisions in the model grant agreement will apply to all grants awarded under this work programme:

If requested by the granting authority, beneficiaries must grant non-exclusive licences to their results – for a limited period of time specified in the request and on fair and reasonable conditions – to legal entities that need the results to address the public emergency. These legal entities must commit to rapidly and broadly exploiting the resulting products and services on fair and reasonable conditions. This provision will apply up to 4 years after the end of the action.

Unless stated otherwise in the specific call conditions, beneficiaries must, up to 4 years after the end of the action, inform the granting authority if the results could reasonably be expected to contribute to European or international standards.

The granting authority may, up to 4 years after the end of the action, object to a transfer of ownership or to the exclusive (for Euratom actions, also non-exclusive) licensing of results.

- Communication, dissemination, open science and visibility (*article 17 and Annex 5*). In addition to the standard provisions, the following specific provisions in the model grant agreement will apply to all grants awarded under this work programme:

Beneficiaries must provide (digital or physical) access to data or other results needed to validate the conclusions of scientific publications, to the extent that their legitimate interests or constraints are safeguarded (and unless they already provided the (open) access at publication).

In case of a public emergency, if requested by the granting authority, beneficiaries must immediately deposit any research output in a repository and provide open access to it under a CC BY licence, a public domain dedication (CC 0) or equivalent.

As an exception, if providing open access would be against the beneficiaries' legitimate interests, the beneficiaries must grant non-exclusive licences, on fair and reasonable conditions, to legal entities that need the research output to address the public emergency. These legal entities must commit to rapidly and broadly exploiting the resulting products and services on fair and reasonable conditions. This exception is limited to 4 years after the end of the action.

- Specific rules for carrying out the action (*article 18 and Annex 5*).

Other provisions may be set out in the specific call conditions.

Non-compliance and breach of contract

The grant agreement (*Chapter 5*) provides for the measures that may be taken in case of breach of contract (and other violations of law).

 For more information, see the [AGA — Annotated Grant Agreement](#).



IMPORTANT

- **Do not wait until the end** — Complete the application sufficiently in advance of the deadline to avoid any last minute **technical problems**. Problems due to last-minute submissions (*e.g. congestion, etc.*) will be entirely at applicants' own risk. Call deadlines can NOT be extended at the request of applicants.
- **Consult** the topic page on the Portal regularly. The granting authority will use it to publish updates and additional information on the call (call updates).
- **Funding & Tenders Portal electronic exchange system** — By submitting the application, all applicants **accept** to use the electronic exchange system in accordance with the [Portal Terms & Conditions](#).
- **Registration** — Before submitting the application, all beneficiaries and affiliated entities must be registered in the [Participant Register](#). The participant identification code (PIC) (one per participant) is mandatory for the application form. Associated partners can register later on (at the latest during the grant preparation stage). For validation, beneficiaries and affiliated entities will be requested to upload the necessary documents showing their legal status and origin during the grant preparation stage.
- **Consortium roles** — When setting up the consortium, applicants should think of organisations that can help them reach objectives and solve problems.

The roles should be attributed according to the degree of participation of each participant in the project. Main participants should participate as beneficiaries or affiliated entities; other entities can participate as associated partners, subcontractors, or third parties giving in-kind contributions. Associated partners and third parties giving in-kind contributions should bear their own costs (they will not become formal recipients of EU funding). Subcontracting should normally constitute a limited part and must be performed by third parties (not by one of the beneficiaries/affiliated entities, *see section G*).

- **Coordinator** — In multi-beneficiary grants, the beneficiaries participate as a consortium (group of beneficiaries). They will have to choose a coordinator, who will manage and coordinate the project and will represent the consortium towards the granting authority. In mono-beneficiary grants, the single beneficiary will automatically be the coordinator.
- **Affiliated entities** — Applicants may participate with affiliated entities. Affiliated entities will get a part of the EU funding and must therefore comply with all the call conditions (just like beneficiaries). But they do not sign the grant agreement and do not count towards the minimum eligibility criteria for consortium composition (if any).
- **Associated partners** — Applicants may participate with associated partners. They participate without funding and without signing the grant agreement and therefore do not need to be validated.
- **Consortium agreement** — For practical and legal reasons, it is recommended to set up internal arrangements that allow the consortium to deal with exceptional or unforeseen circumstances (in all cases, even if not mandatory under the grant agreement). The consortium agreement also gives the possibility to redistribute the EU funding according to internal consortium principles and arrangements (for instance, one beneficiary can reattribute their grant share to another beneficiary). The consortium agreement thus allows the grant to be customised to the needs of the consortium and can also help to protect the members in case of disputes. Consortium agreements are not required for mono-beneficiary projects.
- **Completed/ongoing projects** — Applications for projects that have already been completed will be rejected. Applications for projects that have already started will be assessed on a case-by-case basis (in such cases, no costs can be reimbursed for activities that took place before the application was submitted).

Horizon Europe - Work Programme 2021-2022
General Annexes

- **No-profit rule** — Grants may NOT give a profit (i.e. surplus of revenues + EU grant over costs). This will be checked by the granting authority at the end of the project.
- **No double funding** — There is strict prohibition of double funding from the EU budget. Any given action may receive only ONE grant from the EU budget (except for EU Synergy grants) and costs may under NO circumstances be declared to two different EU actions.
- **Combination with EU operating grants** — Combination with EU operating grants is possible, if the project remains outside the operating grant work programme and the beneficiary makes sure that cost items are clearly separated in its accounting and NOT declared twice (*see AGA — Annotated Model Grant Agreement, article 6.2.E*).
- **Multiple applications** — Applicants may submit more than one application for *different* projects under the same call (and be awarded funding for them).

Organisations may participate in several applications.

BUT: if there are several applications for the *same/very similar* project, only one application will be accepted and evaluated; the applicants will be asked to withdraw one of them (or it will be rejected).

- **Language** — Applicants can submit their application in any official EU language. However, for reasons of efficiency, it is strongly advised to use English. If applicants need the call documentation in another official EU language, they must submit a request within 10 days after publication of the call (for the contact information, *see topic page*).
- **Rejection** — By submitting the application, all applicants accept the general call conditions set out in the General Annexes and the specific call conditions set out in the topics. Applications that do not comply with all the call conditions will be **rejected**. This applies also to applicants: all applicants need to fulfil the criteria; if any one of them does not, they must be replaced or the entire application will be rejected.
- **Cancellation** — There may be circumstances which may require the cancellation of the call. In this case, applicants will be informed via a call update. Cancellations are without entitlement to compensation.
- **Transparency** — In accordance with Article 38 of the EU Financial Regulation, information about EU grants awarded is published each year on the Europa website.

This includes:

- beneficiaries' names;
- beneficiaries' addresses;
- the purpose for which the grant was awarded;
- the maximum amount awarded.

Publication can exceptionally be waived (following a reasoned and duly substantiated request), if there is a risk that disclosure could jeopardise applicants' rights and freedoms under the EU Charter of Fundamental Rights or harm its commercial interests.

- **Data protection** — The submission of an application under this call involves the collection, use and processing of personal data. This data will be processed in accordance with Regulation 2018/1725. It will be processed solely for the purpose of evaluating the application (and subsequent management of the grant and, if needed, programme monitoring, evaluation and communication). Details are explained in the Funding & Tenders Portal privacy statement.

SPECIFIC CONDITIONS FOR ACTIONS WITH PCP/PPI

H — Specific conditions for actions implementing pre-commercial procurement or procurement of innovative solutions

This Annex applies to all types of actions implementing pre-commercial procurement (PCP) and procurement of innovative solutions (PPI). It applies to both PCP/PPI actions and other types of actions which prepare and/or execute a PCP or PPI, for instance through subcontracting activities.

Requirements for all types of actions supporting PCP or PPI

The PCP/PPI must be prepared and executed by one of the following:

- by one or more public procurer(s), plus possibly one or more private and/or NGO procurer(s) that provide similar services of public interest, that is (are) responsible for the acquisition and/or regulatory strategy of the relevant innovative solutions and aim to obtain ambitious quality and efficiency improvements in the area of the PCP/PPI; or
- by entities with a mandate from one or more of these procurers to act on their behalf in the procurement (e.g. central purchasing bodies).

Other entities (e.g. end-users) that do not have a conflict of interest with the PCP/PPI, and whose participation in the action is well justified, may participate in ‘additional activities’ to prepare, manage and follow-up the PCP/PPI and embed it into a wider set of demand-side activities. This includes disseminating results, removing obstacles to introducing the solutions onto the market (e.g. contributing to standardisation, regulation and certification), awareness raising, experience sharing/training, and preparing further cooperation among stakeholders and procurers for future PCP or PPI.

For PCP executed by a group of procurers, the buyers’ group must jointly prepare and implement the pre-commercial procurement so that there is one joint call for tender, one joint evaluation of offers, and a lead procurer²⁰ awarding the research and development (R&D) service contracts in the name and on behalf of the buyers’ group. The PCP must address one concrete procurement need identified as a common challenge²¹, which requires new R&D and is described in the common specifications of the joint PCP call for tender. Each procurer in the buyers’ group must contribute financially 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 the merits of the alternative solutions pursued by these competing providers to address the common challenge.

²⁰ The ‘lead procurer’ is a public procurer and is the beneficiary appointed by the buyers’ group to coordinate and lead the procurement activities. They can be either one of the procurers in the buyers’ group or another beneficiary in the action who is established or designated by the procurers in the buyers’ group to act as lead procurer.

²¹ Addressing the common challenge in different countries may require, beyond the common core functionality, the development and testing of additional local functionality or adaption of solutions by each procurer due to differences in the local context. A PCP that addresses a challenge consisting of several facets (sub-challenges or building blocks) is considered one joint PCP, 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.

For PPI executed by a group of procurers, the lead procurer must coordinate the preparation and implementation of one joint or several coordinated public procurements of innovative solutions, based on common specifications defined jointly by the buyers' group. Each PPI must focus on one concrete need identified as a common challenge that requires the deployment of innovative solutions²².

Projects that aim to implement a PCP/PPI must contain a preparation and execution stage.

Preparation stage

The expected outcomes for the preparation stage, to be included as deliverables/milestones, are:

- a prior information notice for the open market consultation: 5 days before submission for publication to the OJEU, i.e. a minimum of 50 days before the start of the first meeting;
- a report on the result of the open market consultation, prior market analysis and its impact on the tender documents; in addition, for PPI, feedback from activities to verify market readiness before deployment (e.g. conformance testing, certification, quality labelling);
- completed tender documents based on the Horizon Europe PCP/PPI model contract documents, including the contract notice: 30 days before its submission to the OJEU;
- for PCP/PPI executed by a group of procurers: the signed joint procurement agreement confirming the final means of cooperation, including the financial commitment of the buyers' group for the PCP/PPI, and final confirmation of the lead procurer.

Execution stage

The expected outcome of the execution stage is the implementation of the procurement procedure and of the PCP/PPI contracts. For PCP, this includes validating and comparing the performance of the competing PCP solutions to verify if they can be converted into permanent service. For PPI, this includes deploying the innovative solutions and evaluating the results in real-life operating conditions, with a duration that allows for appropriate evaluation of the potential impact of these solutions if converted into permanent service.

Deliverables/milestones to be included in the description of work for the execution stage are:

- a copy of the contract award notice published in TED: 48 days after the award of contracts;
- at the end of the tender evaluation (for PCP, also after the evaluations of each phase):
 - information on the total number of bids received, particularly the data on the winning tenderer(s) and abstracts of the winning tenders for publication and evaluation purposes;
 - final ranking list of the selected projects, final scores and qualitative assessment per criterion for each bid received, along with minutes of the evaluation meeting;
 - for PCP: assessing the results achieved by each tenderer in the previous phase;

²² Addressing the common challenge in different countries may require deployment and, where applicable, conformance testing, of local functionality or adaption of solutions for each procurer due to differences in the local context.

- at the end of the action, give a demonstration to the granting authority:
 - for PCP: of the tested solutions resulting from the PCP;
 - for PPI: of the deployed innovative solution(s).

Where the WTO Government Procurement Agreement (GPA) does not apply, participation in tendering procedures must 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 Horizon Europe Associated Countries. Where the WTO GPA applies, tendering procedures must also be open to bidders from states that have ratified this agreement, under the conditions laid down therein.

If the specific call conditions restrict participation or control for security reasons, participation in the PCP/PPI procedure must also be limited to bidders meeting this restriction. If the specific conditions for the topic impose a place of performance obligation, the place of performance of the contract must comply with this obligation.

Specific requirements for pre-commercial procurement (PCP)

The following requirements apply to ensure that the provisions for PCP in the Horizon Europe rules for participation, the conditions for the R&D services exemption of the EU Directives on public procurement²³, the EU Treaty principles²⁴ and the competition rules²⁵ are fully respected.

Definitions

PCP must comply with the Horizon Europe definition: ‘*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-products²⁶.

‘*Risk-benefit sharing under market conditions*’ refers to the PCP approach in which procurers share with suppliers at market price the risks and benefits related to the intellectual property rights (IPR) resulting from the R&D.

‘*Competitive development in phases*’ refers to buying the R&D from several competing R&D providers in parallel and to comparing and identifying 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 into phases (solution design, prototyping, original

²³ See Article 14 of Directive 2014/24/EU, Article 32 of Directive 2014/25/EU and Article 13(f)(j) of Directive 2009/81/EC.

²⁴ 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 therefrom, such as the principles of non-discrimination, transparency and equal treatment.

²⁵ See, in particular, Article 2.3 of the 2014 R&D&I State aid framework.

²⁶ See the Horizon Europe Regulation and the PCP Communication COM/2007/799 and associated SEC(1668)2007. Note that PCPs can include the purchase of the first end-products that were developed, installed and tested during the PCP, but not the purchase of larger commercial volumes of end-products requiring quantity production beyond delivering the first products for the PCP.

development and validation/testing of the first products), with the number of competing R&D providers being reduced after each phase.

‘Separation from the deployment of commercial volumes of end-products’ refers to the complementarity of PCP, which focuses on the R&D phase before wide commercialisation, and PPI, which does not focus on R&D but on wide commercialisation/diffusion of solutions. Procurers can, but are not obliged, to procure R&D results from a PCP.

Preparation and publication of the open market consultation and call for tender

To prepare the call for tender, an open market consultation²⁷ with potential tenderers and end-users must be held to broach the views of the market on the intended scope of the R&D. The results of this open market consultation must be 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 procuring of R&D²⁸ services.

The PCP contract notice must be published EU-wide²⁹ in at least English. Offers must be accepted and communication with stakeholders must be enabled at all stages in at least English. All offers must be evaluated according to the same objective criteria, regardless of the geographical location, size of organisation or governance structure of the tenderers.

The prior information notice for the open market consultation and the contract notice must be advertised widely, using in particular Horizon Europe internet sites and national contact points. The Commission must be informed at least 5 days before the expected date of publication of the prior information notice for the open market consultation and 30 days before the expected date of publication of the PCP contract notice. The PCP call for tenders must remain open for at least 60 days.

Tender documentation, procurement and implementation of the contract

The PCP contract that will be concluded with each selected tenderer must take the form of one single framework agreement covering all PCP phases, without contract renegotiations after the award. This framework agreement must contain information on the procedures for implementing the different phases (through specific contracts), including the format of the intermediate evaluations (including evaluation criteria and weightings) for each phase.

²⁷ The open market consultation should be organised in a way not to preclude or distort competition. In respect of the Treaty principles, the open market consultation must be announced well in advance and widely - via a prior information notice that is published at least 45 days before the first open market consultation meeting in the Official Journal of the EU - and enable potential tenderers regardless of their 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.

²⁸ In line with WTO GPA 2014 Article XIII(1)(f), 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 to incorporate the results of field testing and 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.

²⁹ Through the Official Journal of the EU, using the TED (Tenders Electronic Daily) web portal.

For PCP executed by a group of procurers, the R&D service contracts are awarded by the lead procurer and all selected tenderers can be paid by the lead procurer, or pro rata by each procurer in the buyers' group according to their share in the total PCP budget.

The PCP contract notice must contain information on the intended number of R&D providers that will be selected (minimum of three providers) to start the PCP, the number of PCP phases and the expected duration and budget for each PCP phase. The PCP must cover the full PCP life cycle of solution design, prototyping, and original development, including installation and testing of a limited volume of test series products/services in the procurer's/end-user's premises. Each of the three PCP phases can be split up into further phases if appropriate.

The following simplified and/or accelerated PCP procedures may be used: for PCP that require fast deployment³⁰, one specific contract may cover both the second and third PCP phase; if fewer than two tenderers are capable of performing the R&D services in the EU Member States or Associated Countries (for security contracts, this may be restricted to the Member States), the phase 1 contracts may be awarded to a minimum of two tenderers.

Procurers must avoid the use of selection criteria based on disproportionate qualification and financial guarantee requirements (e.g. with regard to prior customer references and minimum turnover). Functional/performance-based specifications must be used to formulate the object of the PCP call for tender as a problem to be solved, without prescribing a specific approach to be followed. Evaluation of the tenders must be based on best-value-for-money criteria, not just lowest price.

The PCP process must be organised to avoid any conflicts of interest, including in the use of external experts. Providers cannot be beneficiaries in an action during which the PCP is planned or undertaken.

The PCP process must require selected providers to locate the majority of the R&D activities, including the principal researcher(s) working for the PCP contract in particular, in the Member States or Associated Countries³¹.

The PCP procurers must not reserve the R&D results exclusively for their own use. The providers generating results must own the attached IPR, and the procurers must enjoy at least royalty-free access rights to use the R&D results for their own use. The procurers must also enjoy the right to grant (or to require the granting of) non-exclusive licences to third parties, to exploit the results under fair and reasonable market conditions, without any right to sublicense. A call-back provision must ensure that, in case the providers fail to commercially exploit the results within a given period after the PCP, or use the results to the detriment of the public interest, including security interests, the procurers can require transfer of the ownership of the results.

³⁰ Especially where a budgetary commitment for deployment is already available at the start of the PCP (fast-track PCP).

³¹ For duly justified reasons of public security, this may be limited to the EU Member States.

The procurers must inform tenderers of the right to publish public summaries of the results of the PCP project, including information about key R&D results attained and lessons learnt (e.g. on the feasibility of the solution approaches to meet the requirements and lessons learnt for potential future deployment of solutions). Details that would be contrary to the public interest, would harm legitimate business interests (e.g. regarding IPR-protected specificities of their individual approaches to solutions) or could distort fair competition may not be disclosed.

To enable the 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 PCP call for tender must be carried out in a competitive and transparent way in line with Treaty principles. In addition, the distribution of rights and obligations between procurers and providers (including the allocation of IPR) must be published in the PCP call for tender documents, to obtain a price according to market conditions (and rule out State aid). PCP contracts with providers must contain financial compensation according to market conditions³², compared to the exclusive development price, for assigning IPR to the providers.

Specific requirements for public procurement of innovative solutions (PPI)

Definition

PPI must comply with the relevant Horizon Europe definitions.

'Public procurement of innovative solutions (PPI)' means procurement where contracting authorities act as a launch customer for innovative goods or services which are not yet available on a large-scale commercial basis, and may include conformity testing.

'Launch customers', also called early adopters, refer to the first 20% of customers on the EU's internal market that buy innovative solutions. The solutions have to be new to the procurers in the project, the procurers' market segment or new to the EU's internal market, and relevant to procurers in other Member States and/or Associated Countries.

'Innovative solutions' are new or significantly improved products, services or processes that have already been (partially) demonstrated on a small scale, and may be nearly or already available in small quantities on the market, but which have not been widely adopted yet. Typically, owing to the residual risk of market uncertainty, they have not been produced at a large enough scale to meet mass market price/quality requirements. This also includes existing solutions that are to be utilised in a new and innovative way; PPI does not include the procurement of R&D.

³² The market price should reflect the benefits allocated to the R&D provider (e.g. commercialisation opportunities opened up by the IPR) and the risks assumed by the R&D provider (e.g. the cost of maintaining the IPR and commercialising the products).

Preparation and publication of the open market consultation and call for tender

Unless the PPI is undertaken as a follow-up to an FP7, Horizon 2020 or Horizon Europe PCP³³, or unless the situation is a low-value PPI below national procurement thresholds, the following obligations apply:

- To prepare the call for tenders, an open market consultation with potential tenderers and end-users must be held to inform the market well in advance of the upcoming PPI and broach the views of the market on the PPI's intended scope. Information retrieved from this consultation about the gap between perceived procurement needs and on-going industry developments must be taken into account in the PPI tender specifications, so that the PPI duly focuses on 'early adoption' of 'innovative' solutions.
- The market must be informed well in advance³⁴ of the target date for publishing the PPI call for tenders. Market readiness prior to deployment can be verified through the organisation of e.g. conformity testing, certification or quality labelling of solutions.
- The PPI contract notices must be published EU-wide in at least English, offers must be accepted and communication with stakeholders must be enabled at all stages in at least English. All offers must be evaluated according to the same objective criteria, regardless of the geographical location, size of organisation or governance structure of the tenderers.
- The prior information notices for the open market consultation, early announcements of the expected publication date of the PPI call for tender, and the PPI contract notice must be promoted and advertised widely, using Horizon Europe internet sites and national contact points in particular. The Commission must be informed at least 5 days before the expected date of publication of the PIN for the open market consultation and 30 days before the expected date of publication of the PPI contract notice. The PPI call for tenders must remain open for at least 60 days.

Tender documentation, procurement and implementation of the contract

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 the submission of offers for reasons of urgency must not be used. Framework contracts/agreements with lots can be used.

For PPI implemented by a group of procurers, the specific contracts for procuring specific quantities of goods/services for each procurer can be awarded and the selected tenderers can either all be paid by the lead procurer, or by each procurer in the buyers' group individually, for their quantity of goods/services procured.

³³ In the case of a PPI following a PCP that was implemented according to the conditions described in Annex I, the negotiated procedure without publication foreseen in the EU public procurement directives can then be used (Article 32(3)(a) of Directive 2014/24/EU, Article 50(b) of Directive 2014/25/EU and Article 13(j) of Directive 2009/81/EC). At least three offers must be requested, including from the R&D providers that successfully completed the preceding PCP.

³⁴ By means of a prior information notice in the Official Journal of the EU.

Procurers must avoid the use of selection criteria based on disproportionate qualification and financial guarantee requirements (e.g. with regard to prior customer references and minimum turnover). Functional/performance-based specifications must be used to formulate the object of the PPI call for tenders as a problem to be solved, without prescribing a specific approach to be followed. Evaluation of the tenders must be based on best-value-for-money criteria, not just lowest price.

Procurers must organise their procurement to avoid any conflicts of interest, including in the use of external experts. Potential providers cannot be beneficiaries in an action during which the PPI is planned or undertaken.

To encourage fair and wide exploitation of results, ownership of IPR rights should be assigned to the party generating the IPR, except in duly justified cases (e.g. when that party is not able to exploit them).

The PPI call for tender must be carried out in a competitive and transparent way in line with Treaty principles. The distribution of rights and obligations between procurers and providers (including the allocation of IPR) must be published in the PPI call for tender documents, to obtain a price according to market conditions (and rule out State aid).



Brussels, 12.1.2021
C(2021) 35 final

COMMISSION DECISION

of 12.1.2021

authorising the use of unit costs for travel, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework

COMMISSION DECISION

of 12.1.2021

authorising the use of unit costs for travel, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Treaty establishing the European Atomic Energy Community,

Having regard to Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union¹, and in particular Articles 125 and 181 thereof,

Whereas:

- (1) Unit costs considerably simplify the administrative procedures and reduce the risk of errors, consequently leading to a decrease of the workload for the European Commission services and for the beneficiaries.
- (2) The categories of travel, accommodation and subsistence costs are frequently eligible for reimbursement from the Union budget under an action or work programmes.
- (3) Due to the changed environment brought about by situations such as COVID-19, authorising officers shall promote the use of alternative solutions such as video-conferencing, whenever possible.
- (4) Promoting train travel as an alternative to flights can contribute to the reduction in emissions from the transport sector and a move towards more sustainable modes of transport that is required if the commitments outlined in the European Commission's communication on a European Green Deal of no net emissions of greenhouse gases in 2050 is to be realised. Alternative methods of travel and of carrying out meetings, seminars and workshops should be encouraged, keeping in mind also the environmental impact.
- (5) Notwithstanding this, the reimbursement of travel, accommodation and subsistence costs will continue and, because of their repetitive nature, these eligible costs are suitable for reimbursement through unit costs.
- (6) In order to maximise simplification and the potential to reduce errors, it is important to set a common approach where the responsible authorising officer wishes to reimburse these costs through unit costs.

¹ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p.1).

HAS DECIDED AS FOLLOWS:

Sole Article

The use of eligible costs declared by recipients of Union funds on the basis of unit costs is authorised for accommodation, subsistence and travel costs under an action or work programme based on appropriations under the 2021-2027 Multi-annual financial framework, for the reasons and under the conditions set out in the Annex.

For actions implemented in direct management, the responsible authorising officer shall use the unit costs authorised by this Decision in award procedures involving the use of unit costs within the scope of this Decision and subject to compliance with the principle of equality of treatment.

For actions implemented in indirect management, the entrusted entity may use the unit costs as authorised by this Decision, in accordance with the provisions set out in the relevant contribution agreement.

Done at Brussels, 12.1.2021

For the Commission
Johannes HAHN
Member of the Commission



Brussels, 12.1.2021
C(2021) 35 final

ANNEX

ANNEX

to the

Commission Decision

**authorising the use of unit costs for travel, accommodation and subsistence costs under
an action or work programme under the 2021-2027 multi-annual financial framework**

ANNEX

1. Forms of Union contribution and categories of costs covered

Recipients of Union funds may declare travel, accommodation and subsistence costs on the basis of unit costs for actions or work programmes implemented under direct or indirect management on the basis of appropriations under the post 2020 multi-annual financial framework.

The amounts of the unit costs to be declared by the beneficiaries shall be calculated in accordance with point 3.

The unit costs shall cover all eligible costs related to travel, accommodation and subsistence, as relevant. Where unit costs are used to reimburse expenditure to one or all of these categories of costs, no additional costs related to those categories may be reimbursed.

2. Justification

The reimbursement of travel, accommodation and subsistence costs based on actual costs can be cumbersome because it can require calculations based on multiple supporting documents, adding to administrative burden for both the granting authority and the beneficiaries. The simplification from using unit costs will allow greater focus on quality and impact of the actions and reduce the risk of error.

2.1. Nature of the supported actions

The COVID-19 crisis has changed how actions will be implemented. Travel has been suspended during the implementation of almost all actions in 2020 and it is not yet clear to what extent it will resume in the future. Alternative meeting, seminar and workshop formats have been found with significant more use being made of online platforms and other forms of video conferencing. This can be expected to continue.

However, it is also expected that face-to-face meetings, workshops, seminars or other events will resume to some extent. Therefore, travel, accommodation and subsistence costs will continue to be eligible under most actions funded by the Union budget.

Participants typically travel by air for longer distances or by land for shorter distances. Because the costs involved can be estimated on the basis of distance, it is appropriate to establish unit costs. Accommodation and subsistence costs can also be estimated accurately in advance.

As these costs are reimbursed in a similar way and at a similar level across programmes, it is appropriate to establish one set of unit costs so as to ensure equal treatment for beneficiaries across all actions.

The transport sector should also play its part in realising the European Commission's 'European Green Deal' communication¹, especially the commitment to zero net greenhouse gas emissions in Europe by 2050. The Commission has set out plans for an acceleration in the

¹ https://ec.europa.eu/info/sites/info/files/european-green-deal-communication_en.pdf

shift towards sustainable transport. In particular, the Commission has signalled that there should be a 90% reduction in transport emissions by 2050. Accordingly, actions funded by the Union budget should incentivise the use of more sustainable modes of transport, such as rail, where they offer a viable alternative to air transport.

2.2. Risks of irregularities and fraud and costs of control

The risk of irregularities and fraud is considered low for actions involving these costs as beneficiaries will still be required to keep proof of the travel (see section 3.1 below), which can be checked ex post.

The use of unit costs to reimburse travel, accommodation and subsistence costs also reduces the cost of controls as it facilitates more efficient processing of claims and reduces the risk of error.

2.3. Justification on why an output or result-based approach is not possible or appropriate

As the costs covered by this Decision are usually only an input to a larger action, it is not possible to define in advance an output or result-based unit cost.

3. Method to determine and update the amounts of the unit costs

3.1 Travel costs

Overview of methodology

In accordance with Article 181(4)(c)(i) of the Financial Regulation, the travel unit costs have been determined on the basis of an analysis of market prices for travel within the EU and between other countries and EU Member States².

The analysis was carried out as part of a study commissioned by DG Budget, which started in November 2016 with the collection of a representative sample of market prices for air travel (from a semi-public source, QPX Express) and land travel (from the official websites of national railway companies).

The sample consisted of over 21 000 flight connections between 74 EU airports and 56 non-EU airports, and over 400 land routes within the EU. The list of EU airports covered in the study was compiled by including for each Member State;

- (1) the most important (primary) airports in terms of passengers, and
- (2) at least one secondary airport (i.e. with fewer than one million passengers per year) to capture the cost of transport in more peripheral areas.

As regards land travel, intra-Member State routes were defined by considering for each Member State (except Cyprus, Malta and Luxembourg, due to their limited geographical size) up to seven distances between two points within that Member State, and different types of trains (regional, high speed and other long distance trains) and tickets (e.g. economy and flexible tickets; first and second class tickets).

² <https://op.europa.eu/en/publication-detail/-/publication/64740760-e06e-11e8-b690-01aa75ed71a1/language-en/format-PDF/source-118557403>

The analysis looked at the extent to which prices were influenced by the following variables: distance, transport mode, class of ticket, geographical area, type of connections and booking time. The analysis concluded that, for air travel, distance is the main variable affecting prices (the greater the distance travelled, the higher the reimbursement rate).

For land transport, a distinction was made between intra- and inter-Member State travel, in order to take into account the different types of trains. The analysis demonstrated that geography has a bigger impact than distance on prices, due to big price variations among Member States.

The study assumed (in line with the Commission's approach for its own staff) that land travel is the norm for trips below 400km and air travel for longer trips. Also, the study distinguished between prices for 'experts' (service providers supporting the European Commission services) and those for other 'persons' (working on EU financed projects and travelling to implement their projects). For the purposes of this Decision, only the latter have been taken into account as they are more likely to apply to the actions covered by the scope of this Decision.

For air transport, the study produced two sets of unit costs based on;

- flights of more than 400km between primary destinations, and
- all types of routes (between two primary airports; between two secondary airports; and between a primary and a secondary airport).

For land travel, the study used prices for rail journeys of 50-399 km within or between Member States, as follows:

- for intra-Member State travel, it proposed two options:
 - (1) a price per kilometre of travel for each Member State; and
 - (2) a set amount per journey, based on an estimated average distance; and
- for inter-Member State travel, the proposed options were:
 - (1) an amount per kilometre; and
 - (2) a set amount per journey (differentiated according to the Member States involved).

Options proposed by study

Based on the above approaches, the study proposed three overall strategies covering all forms of travel (air and land)³.

- Option 1 involves reimbursing all journeys of more than 400km using the air travel unit costs for all types of routes. For distances of less than 400km within a Member State, costs would be reimbursed using the fixed unit cost for land travel in that Member State, while for inter-Member State travel the unit costs would be the fixed amount for the combination of the Member States in question. For combined air/land travel (e.g. involving land travel to/from the airport), only the flight is reimbursed. This is because the unit costs for flights are considered to already contain an element

³ See Chapter 5 of the [travel unit costs study](#) for further details on these options.

for land travel because the methodology takes into account locations not served by a primary airport.

- under option 2, travel of more than 400km is covered by the ‘primary-to-primary’ unit cost for air travel, in combination with the (per km) unit costs for land travel. For distances of less than 400km, the land travel unit costs are used in conjunction with the actual distance travelled (measured using Google Maps). The distance is multiplied by the inter- or intra-Member State unit cost as appropriate.
- option 3 is an intermediate approach. It is similar to option 1 except that, for a combined air/land journey, the land transport to a primary airport is reimbursed on the basis of a fixed unit cost per Member State. For land travel, the approach is the same as in option 1.

Preferred option

In assessing these options, there is a balance to be struck between the reliability of the amount (in terms of approximating actual prices) and the simplification that they offer. When the amounts for options 1 and 2 were checked against actual prices (‘reality checks’)⁴, those for option 2 were found in general to be closer. On the other hand, option 2 would not reduce administrative burden to the same extent, as considerable additional information and calculations are needed to determine which unit cost to apply. While option 3 could offer a compromise in terms of the closeness to reality of the amounts, the simplification to be achieved would be less for trips involving land transport and flights.

Option 1 was chosen because it strikes an appropriate balance between the objectives of the exercise (maximum simplification for the beneficiary and the granting authority, while still ensuring compliance with the principle of sound financial management). While option 2 (and to a lesser extent option 3) would give amounts that are closer to real costs, it would not achieve the same level of simplification and would make the unit costs less attractive to beneficiaries.

Rail travel of more than 400km

However, in addition to the options set out in the study, the use of rail travel should be promoted as an alternative to flying for distances of more than 400km. This is considered appropriate and relevant in the context of the Green Deal, in particular the objective of zero net greenhouse gas emissions by 2050.

Accordingly, any train journey between locations that are more than 400km apart will be reimbursed at the same rate as a flight. The amounts are determined on the basis of financing not linked to costs, in accordance with Articles 125 and 181 of the Financial Regulation, and are considered appropriate and justified in light of the objective of incentivising beneficiaries to use rail transport where it can be considered a realistic alternative to flying. This could contribute to the Commission’s target of a 90% reduction in transport emissions and zero net greenhouse emissions by 2050.

Travel unit costs to be applied

⁴ See Chapter 4 of the [travel unit costs study](#) for further details on these reality checks

<p>1. <i>travel <u>only by air</u> ($\geq 400\text{Km}$)</i> <i>OR</i></p> <p>2. <i>travel <u>only by rail</u> ($\geq 400\text{Km}$)</i> <i>OR</i></p> <p>3. <i>travel <u>combining air and rail</u></i></p> <p>Apply 1 unit cost per distance band (point 5.1)</p>	<p>4. <i>travel <u>only by land</u></i> <i>(between 50 and 399km)</i></p> <p>➤ intra-Member State travel</p> <p>Apply 1 unit cost per Member State (point 5.2)</p> <p>➤ inter-Member State travel</p> <p>Apply 1 unit cost between two MS (point 5.3)</p>
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Exceptional Situations

The proposed unit costs were tested extensively against numerous real-life cases and adjusted to ensure the robustness of the methodology. The results of the tests confirmed that the unit costs for flight and land are a reliable proxy of market prices, with a limited number of special travel situations nevertheless requiring a particular solution, as follows:

- air travel:
 - for journeys to/from a number of the EU's outermost regions and overseas countries and territories (OCTs)⁵, specific unit costs should apply (point 5.4)
- land travel:
 - for journeys of less than 400 km not covered by land transport (e.g. Helsinki/Tallinn): the first distance band for air travel (400-600 km) in point 5.1 should apply; and
 - for travel to/from places more than 400 km from a primary airport (e.g. certain regions in Finland): the applicable rates should be increased by 50%

Scope of travel costs

Air travel can be reimbursed for any flights either within or outside the EU depending on the distance travelled. The unit costs will also cover any associated land-based travel (e.g. bus or train trips from neighbouring cities to/from the airport).

Unit costs can also be used to reimburse exclusively land-based travel of between 50 and 400 km either within or between Member States.

Rail journeys of more than 400km within or outside the EU Union can also be reimbursed at the same rate as air travel. The unit costs will cover all train trips (i.e including connections) between the departure and arrival location.

Because of the particular nature of travel to/from EU outermost regions and OCTs, this is covered by specific unit costs.

3.2 Accommodation Costs

The unit costs for accommodation are based on historical data on the actual costs for hotel stays that were reimbursed by the Commission. The data covers all stays in the relevant

⁵ The EU's outermost regions and OCTs mentioned in point 5.4 were included in the scope of the study at the request of the Commission based on experience with the Erasmus programme.

countries over a 3 year period (2017-2019); a total of approximately 150,000 individual stays and 295,000 nights. Given the data coverage, this is considered a reliable proxy of hotel prices in the countries in question and an accurate reflection of accommodation costs in actions financed from the Union budget.

The unit costs, per night and per country, are set out in point 5.5.

Scope of accommodation costs

Accommodation costs are expressed as an amount per night for all Member States, EEA/EFTA States, acceding, candidate and potential candidate countries, the UK and countries covered by European neighbourhood policy⁶. No additional accommodation costs can be reimbursed where these unit costs are used.

Separate accommodation costs are not provided for the EU's outermost regions or OCTs. Instead, the rate for the relevant Member State can be used as a proxy amount.

For Liechtenstein, Syria and Libya, it was not possible to devise unit costs from the data on work trips by Commission officials, because there were not enough reimbursements on which to base an average amount. Instead, the following approach was taken:

- **Liechtenstein:** a market survey was conducted using the *Tripadvisor*⁷ website, of the cheapest available double rooms in hotels for complete months between July 2020 and June 2021. In total, 17 hotels provided prices for at least one month, with up to three doing so for any given month. These were compared against the ceilings for work trips by EU officials (EUR 95 per night). In all but one case, the quoted prices were above this ceiling. A EUR150 cut-off was imposed, and monthly averages were taken of prices below that amount and then averaged over the 12 month period.
- **Libya:** again, a market survey was conducted using *tripadvisor.com*, with the same parameters as above. However, only three hotels returned prices, and only for July-December 2020 (i.e. no prices quoted from January 2021). In one case, the price was above the ceiling but, as only three hotels were listed, it was decided to use all three to calculate average prices over the 6 month period. The resulting average is below the ceiling for EU officials' work trips' and
- **Syria:** a market survey was not possible due to unavailability of quoted prices. With no other data or prices available, an average of prices in the other nine southern neighbourhood states⁸ was used as a proxy.

3.3. Subsistence Costs

The amounts for subsistence costs are based on Commission Delegated Regulation (EU) 2016/1611⁹ (for EU Member States) and Commission Decision C(2002)98 (for non-EU countries).

⁶ See full list of countries in point 5.5

⁷ www.tripadvisor.com, which collects data on prices from several well known hotel booking websites.

⁸ Morocco, Algeria, Tunisia, Libya, Egypt, Palestine, Israel, Jordan, Lebanon.

⁹ Commission Delegated Regulation (EU) 2016/1611 of 7 July 2016 on reviewing the scale for missions by officials and other servants of the European Union in the Member States

These Decisions set out amounts, which differ according to destination country, to cover the costs of meals and other incidental expenses (such as local travel) incurred by EU officials on work trips outside their place of employment. It is therefore appropriate to use them as a basis for reimbursing individuals involved in implementing actions funded by the Union budget

Scope of subsistence costs

Subsistence costs are provided as an amount per 24-hour period for all Member States, EEA/EFTA countries, acceding, candidate and potential candidate countries, the UK and countries covered by European neighbourhood policy¹⁰. The unit costs can be used whenever subsistence costs are an eligible cost of the action and, when used, no additional subsistence costs can be reimbursed.

Separate subsistence costs are not provided for the EU's outermost regions or OCTs. Instead, the rate for the relevant Member State can be used as a proxy.

3.4 Update of unit costs

The rates for travel are based on a market survey that was undertaken prior to the COVID-19 pandemic. In view of the severe impact that crisis is having on the travel industry, the Commission will undertake a review of the travel costs set out in this Decision as soon as it is considered appropriate in light of the evolving situation. In principle, this should be by 2022 unless the prevailing market situation is not yet conducive to such a review.

The Commission will continue to regularly assess the price situation and an additional review will be triggered subsequently should travel prices in the EU rise or fall by more than 2% over a two year period, as measured by the harmonised index of consumer prices published by Eurostat.

The subsistence unit costs will be automatically updated in line with any future changes to the rates in Delegated Regulation (EU) 2016/1611 or Decision C(2002)98, and will apply to subsequent Calls.

The Commission will regularly review accommodation costs on the basis of actual hotel costs reimbursed from the Union budget.

4. Sound financial management, co-financing principle and double financing

In line with the principle of sound financial management, a large sample of representative market prices was collected, cleaned, analysed and many tests were performed to ensure that the unit costs are a reasonable proxy for real costs. The use of market prices reinforces the fairness, robustness and credibility of the methodology.

Reality checks were performed by testing the travel unit costs against actual prices. The analysis confirmed a maximum discrepancy of +/-25% in 60-90% of cases. The accommodation unit costs are based on a large bank of data on actually incurred costs, while for subsistence, the unit costs are based on existing unit costs used by the Commission for its own staff.

Sound financial management is ensured for the amounts proposed on the basis of financing not linked to costs for train travel of more than 400km, because the amount cannot exceed the

¹⁰ See full list of countries in point 5.5

amount that would be reimbursed for air travel. Therefore the amounts are considered justified in light of the outcome to be incentivised, i.e. the use of rail instead of air travel, which will contribute to the Green Deal targets of a 90% reduction in transport emissions and zero net greenhouse gas emissions by 2050.

Co-financing has not been taken into account in this Decision. However, when used for actions, the unit costs will be subject to the normal co-financing rules of the relevant programme so co-financing will be taken into account at the time of payment.

Avoidance of double financing is ensured because the categories of costs covered are clearly defined (i.e. travel, accommodation and subsistence costs).

5. Unit Cost amounts

5.1 Amounts for return air, rail and combined air/rail journey.

Distance Band (in km) ¹¹	Amount in EUR per return trip
400-600	196
601-800	209
801-1200	221
1201-1600	230
1601-2000	295
2001-2500	343
2501-3500	433
3501-4500	527
4501-6000	637
6001-7500	720
7501-10000	961
10001-Max	1.101

All distances to be measured using either the rail or flight calculator at the following website: https://ec.europa.eu/info/calculate-unit-costs-eligible-travel-costs_en

¹¹ This is the one way distance between the departure and arrival point, corresponding to the amount for the return journey.

5.2 Amounts for intra-Member State return journeys by land between 50 and 400 km

Country	Amount in EUR per return trip
AT	60
BE	46
BG	12
CZ	20
DE	64
DK	76
EE	16
EL	36
ES	52
FI	36
FR	64
HR	36
HU	28
IE	36
IT	52
LT	20
LV	16
NL	49
PL	20
PT	40
RO	16
SE	56
SI	27
SK	20



5.3 Amounts for Inter-Member States return journeys between 50 and 400 km (EUR)

MS	AT	BE	BG	CZ	DE	DK	EE	EL	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	NL	PL	PT	RO	SE	SI	SK
AT	58			58	65						64	58	58		58					58				58	58
BE		82			82						82	36	26				50		82						
BG			37									36	26												
CZ	58			65	65					64	64	36	26							20				37	21
DE	65	82		65	76					82	82	65			65		82		65	65				65	
DK					76														76				76		
EE																22		22							
EL			37																						
ES											82											54			
FI									82														55		
FR	64	82		64	82				82				36		82		82		82						
HR	58			36	65							36	36		50									37	
HU	58			26	26							36			50					26				37	26
IE																									
IT	58				65							50													50
LT							21.5											19			20				
LU		50			82					82									82						
LV							21.5									19				20					
NL	58	82			65	76				82							82								21
PL				20	65								26					20							
PT									53																
RO	58		17									36	26												21
SE						76				54.7											20				21
SI	58			37	65							37	37		50										37
SK	58			21									26							21					37

5.4 Amounts for return journeys to outermost regions and OCTs

Region/OCT	EUR
Aruba	1 343
Bonaire	1 344
Curaçao	1 302
French Polynesia	2 204
Greenland	1 118
Guadeloupe	801
French Guiana	905
Martinique	958
Mayotte	1 170
New Caledonia	2 065
Réunion	1 040
Saba	1 286
Saint Helena	2 395
Saint Martin	939
Saint Pierre and Miquelon	1 832
Wallis and Fotuna	2 398

5.5 Amounts for accommodation and subsistence costs

Country	Accommodation - Amount in EUR per night	Subsistence - Daily Rate in EUR
Albania	101	50
Algeria	157	85
Armenia	115	70
Austria	126	102
Azerbaijan	136	70
Belarus	108	90
Belgium	137	102
Bosnia and Herzegovina	90	65
Bulgaria	110	57
Croatia	104	75
Cyprus	120	88
Czechia	107	70
Denmark	158	124
Egypt	152	65
Estonia	107	80
Finland	146	113
France	166	102
Germany	119	97
Georgia	134	80
Greece	107	82
Hungary	105	64
Iceland	190	85
Ireland	139	108
Israel	187	105
Italy	114	98
Jordan	140	60

Kosovo ¹²	92	60
Latvia	95	73
Lebanon	154	70
Libya	146	50
Liechtenstein	135	80
Lithuania	94	69
Luxembourg	163	98
Malta	141	88
Moldova	133	80
Montenegro	98	60
Morocco	129	75
Netherlands	133	103
North Macedonia	95	50
Norway	145	80
Palestine ¹³	140	60
Poland	103	67
Portugal	109	83
Romania	109	62
Serbia	105	60
Slovakia	98	74
Slovenia	113	84
Spain	117	88
Sweden	158	117
Switzerland	178	80
Syria	145	80
Tunisia	99	60
Turkey	116	55
Ukraine	122	80
United Kingdom	151	125

¹² This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

¹³ This designation does not entail any recognition of Palestine as a state and is without prejudice to positions on the recognition of Palestine as a state.