Clean Hydrogen Partnership

Key legal and financial considerations for Lump Sum Actions

Georgiana Buznosu
Legal Officer

Clean Hydrogen Partnership

THE GRANT AGREEMENT

(a contractual document signed at the end of GAP, with the “granting authority”, that defines your rights, your obligations and your maximum grant amount)

e-GRANT

- **Fully electronic -** This is from the signature of the grant until its end
- All actions and communications will flow via the **Funding & Tenders Portal (‘the Portal’)**

CORPORATE STRUCTURE

- Based on a **Commission-wide model** *(so-called ‘**Corporate** Model Grant Agreement’)*

Harmonisation & standardisation

Consistent interpretation

Integration of Programme specificities

Objectives

- Ensure uniform and **consistent interpretation** of common rules
- Create **synergies** between programmes
- Preserve and address EU **programme specificities**

SPECIFIC ANNEX 5

Some important Horizon Europe specific rights and obligations are part of this Annex 5, like:

- **Security**
- **Ethics**
- **Values (i.e. gender mainstreaming)**
- **IPR**
- **Communication & Dissemination**
- **Open Science**
- **Visibility etc**

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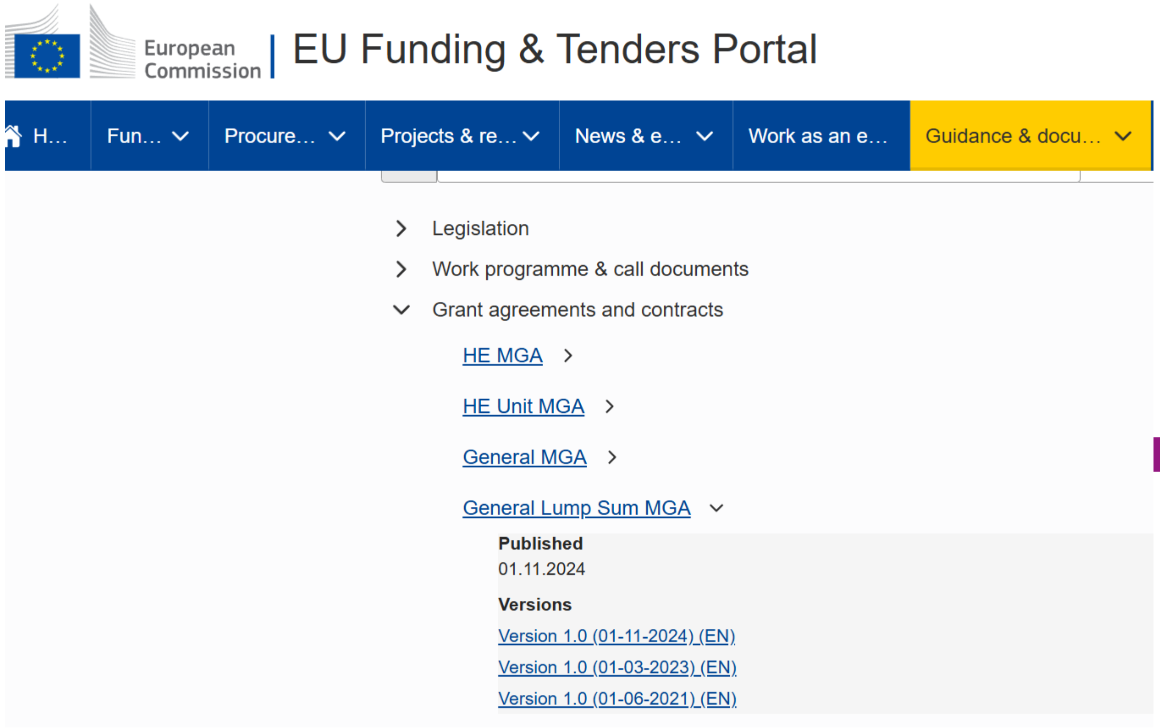
WHERE TO FIND THE NEW MODEL GRANT AGREEMENT



The grant is an *action grant*

(=an EU grant to finance "an action intended to help achieve a Union policy objective")

which takes the form of a **lump sum grant for the completion of work packages.**

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SAME GRANT STRUCTURE

Core Part

NEW!

Datasheet

a summary of the specific data of the grant agreement

1. General Data
2. Participants
3. Grant
4. Reporting, payment and recoveries
5. Consequences of non-compliance, applicable law and dispute settlement forum
6. Specific rules Annex 5 & Standard time-limits after project end

Articles

grouped in six chapters

Chapter 1 – General (Articles 1-2)
Chapter 2 – Action (Articles 3-4)
Chapter 3 – Grant (Articles 5-6)
Chapter 4 – Grant Implementation (Articles 7-26)
Chapter 5 – Consequences of non-compliance (Articles 27-35)
Chapter 6 – Final provisions (Articles 36-44)

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STRUCTURE – ANNEXES TO THE GRANT

Annexes

- Annex 1 Description of the action
- Annex 2 Estimated budget
- Annex 3 Accession forms for beneficiaries
- Annex 4 Model for the financial statement
- Annex 5 - Specific rules (for Horizon Europe)

Security (Article 13)
Ethics (i.e. research integrity) (Article 14)
Values (i.e. gender mainstreaming) (Article 14)
IPR (Article 16)
Communication, Dissemination, Open Science and Visibility (Article 17)
Specific rules for carrying out the action (Article 18)

- recruitment and working conditions,
- specific rules for access to research infrastructure actions,
- specific rules for co-funded partnerships

HOW CAN I PARTICIPATE IN THE GRANT AGREEMENT?

TYPES OF PARTICIPATION:

1. COORDINATOR
2. BENEFICIARY
3. AFFILIATED ENTITY
4. SUBCONTRACTOR
5. ASSOCIATED PARTNER
6. THIRD PARTY PROVIDING CONTRIBUTIONS

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COORDINATORS

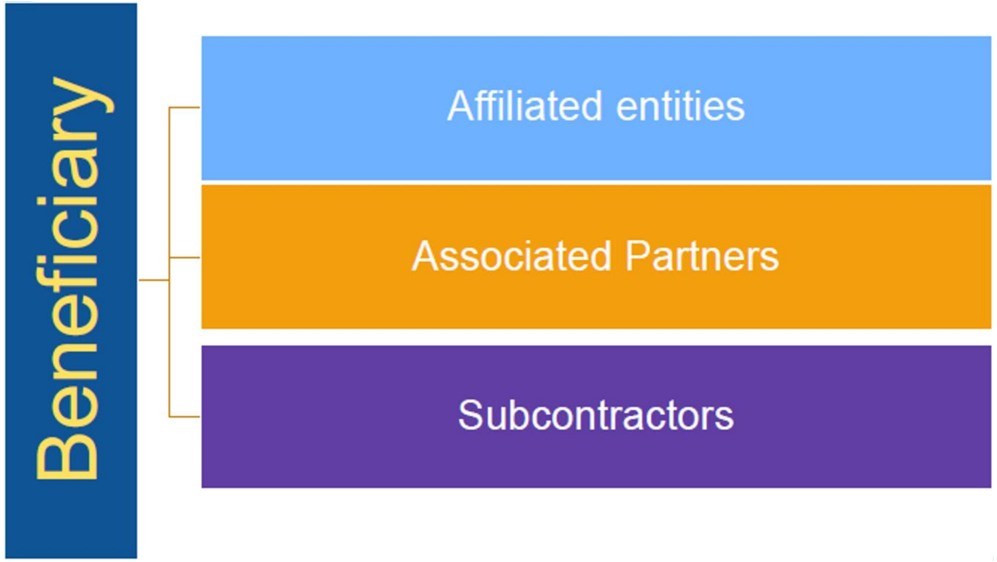
MAY NOT **delegate or subcontract** key tasks **EXCEPT>** COO who are public bodies entities with **authorisation to administer**

- Directly sign the Grant Agreement
- Central contact point for the granting authority
- Represents the consortium (towards the granting authority)
- Obligations
  - monitor that the action is implemented properly
  - act as intermediary for all communications:
    - request and review any documents before passing them to the granting authority
    - submit the deliverables and reports to the granting authority
    - inform the granting authority about the payments made to the other beneficiaries
  - distribute the payments received from the GA to the other beneficiaries without unjustified delay
  - Report any insolvency issues asap

BENEFICIARIES

- Signatories to the grant agreement → Accession form
- Fully responsible towards the granting authority for implementing the action and complying with all its obligation
- Jointly responsible for the technical implementation
- Must have the appropriate resources
- Must remain eligible under HE for the entire duration
- Obligations:
  - submit to the coordinator in good time: technical reports (periodic + final), deliverables
    - Note: under Lump sum actions, the periodic reports contain a **consolidated financial statement** for the consortium on the lump sum contributions, for those WP that were completed during the reporting period)
  - inform the granting authority (and beneficiaries) of any events likely to affect or delay the action(including financial events such as insolvency, bankruptcies etc)
  - The beneficiaries must keep — at all times, during the action or afterwards — their information stored in the **Portal Participant Register up to date,** in particular, their name, address, legal representatives, legal form and organisation type. (article 19.2)

THIRD PARTIES CARRYING OUT WORK IN THE ACTION



1. Affiliated entities: same conditions for participation and funding as beneficiaries; declare costs for implementing action tasks;

2. Associated Partners: implement action tasks but their costs are not reimbursed under the action ; as budget is not in Annex 2, **please insert budget costs of AP under Part B** (Annex 1 – Description of Action), next to subcontracting

3. Subcontractors: implement tasks (parts of the action); estimation of costs and task must be included in Annex1 (Part B) and under the budget that will become Annex 2

OTHER OBLIGATIONS

1. Signature of a Consortium Agreement (between consortium partners)
2. For the entire duration of the project: you must ensure that eligibility criteria is complied with at all times, including the Specific Conditions of your topic
3. No negotiation during the GAP
4. For all topics : Clean Hydrogen JU shall have the right to object to transfers of ownership of results, or to grants of an exclusive license regarding results, if: *the beneficiaries have received funding; it is to an entity established outside the EU; the transfer is not in line with EU interests.*

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OTHER OBLIGATIONS

Purchase costs

5. For some topics, the optional article on *Full Capitalised Costs* applies (meaning costs incurred in the purchase or development of equipment, recorded under a fixed asset account of the beneficiary, in compliance with international accounting standards and the beneficiary's usual cost accounting practices).

This applies for specifically listed equipment for the following topics:

Exceptional declaration of full capitalised costs
HORIZON-JU-CLEANH2-2026-03-03
HORIZON-JU-CLEANH2-2026-04-02
HORIZON-JU-CLEANH2-2026-06-01
HORIZON-JU-CLEANH2-2026-06-02

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OTHER OBLIGATIONS

Subcontracting

6. For all topics: an additional obligation regarding subcontracting has been introduced, namely that subcontracted work may only be performed in target countries set out in the call conditions.

The beneficiaries must ensure that the subcontracted work is performed in the countries set out in the call conditions.

The **target countries are all Member States of the European Union and all Associated Countries.**

The Call Conditions shall be available along the lifetime of the grant in the AWP 2026

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OTHER OBLIGATIONS

Common elements applicable to all topics

1. All topics included in the Call for proposals 2025 are expected to contribute to EU competitiveness and EU industrial leadership by supporting a European value chain for hydrogen and fuel cell systems components, cells and stacks as well as hydrogen related infrastructure.

2. Contribution to the monitoring framework of the Clean Hydrogen JU:

For the purpose of monitoring technology progress against state-of-art, but also to identify how each of the projects contributes to the Clean Hydrogen JU targets, objectives and indicators described in the SRIA, supported projects will be required to report on an annual basis in a secure online data collection platform.

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Intellectual property rights

Reference: Article 16 + Annex 5 of the MGA setting Specific Rules

Ownership of results

Results are owned by the beneficiaries that generate them. (joint ownership is provided for also if two or more beneficiaries own results jointly which cannot be separated).

Protection of results

Beneficiaries which have received funding under the grant must adequately protect their results — for an appropriate period and with appropriate territorial coverage — if protection is possible and justified.

Exploitation of results

Beneficiaries which have received funding under the grant must — up to four years after the end of the action (see Data Sheet, Point 1) — use their best efforts to exploit their results directly or to have them exploited indirectly by another entity

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Intellectual property rights

Access rights to results and background

1. For implementing the action:

Exploitation of results Beneficiaries which have received funding under the grant must — up to four years after the end of the action (see Data Sheet, Point 1) — use their best efforts to exploit their results directly or to have them exploited indirectly by another entity

2. For exploiting the results:

The beneficiaries must grant each other access — under fair and reasonable conditions — to results needed for exploiting their results

3. For the granting authority, EU institutions, bodies, offices for policy purposes:

In Horizon Europe actions, the beneficiaries which have received funding under the grant must grant access to their results — on a royalty-free basis — to the granting authority, EU institutions, bodies, offices or agencies for developing, implementing and monitoring EU policies or programmes. Such access rights do not extend to beneficiaries' background. Such access rights are limited to non-commercial and non-competitive use

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Intellectual property rights

Intellectual Property Rights pertaining to this parties

- the beneficiaries must ensure that they comply with their obligations under this Agreement , in particular, by obtaining the necessary licences and authorisations from the rights holders concerned.

General obligation to comply with the applicable body of law, including copyright, patents and any other intellectual property rights:

Article 11.1 Obligation to properly implement the action

The beneficiaries must implement the action as described in Annex 1 and in compliance with the provisions of the Agreement, the call conditions and all legal obligations under applicable EU, international and national law.

OPEN SCIENCE IN HORIZON EUROPE

- From open access to open science
- Open science evaluated under excellence (not impact)
- MUST maintain enough IPR to meet open access requirements to publications
- Immediate open access (=no embargo)
- Only publication fees in full open access venues are reimbursable (=no hybrids)
- Research data management (including data management plans) mandatory for all projects generating and/or reusing data
- Technical requirements for open access (in metadata and licenses)
- Requirement for validation of publications and validation/reuse of data

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POST-GRANT PROVISIONS

1. **Dissemination & Exploitation of results:** up to 4 years after the end of the action (The last version of the plan before the end of the project must include the dissemination and exploitation activities that the beneficiaries plan to implement in a period up to 4 years after the end the project)

Annex 5: "Unless excluded by the call conditions, the beneficiaries must provide and regularly update a plan for the exploitation and dissemination of results including communication activities."

1. **Access rights to results:** requests for access must be made —unless agreed otherwise in writing —up to one year after the end of the action

Ensure allocation of resources! Cover for staff effort, costs, etc.

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FINANCIAL ASPECTS

- Financial Capacity Assessment of coordinators
- Monitoring of insolvency proceedings
- Audits

Legal Entities subject to Financial Capacity Assessment (FCA)

- FCA of Coordinators: if requested contribution is more or equal to EUR 500,000.00 unless **coordinator** is:
  - * public body or
  - * higher or secondary education establishment or
  - * member state organisation or international organisation.
- FCA if there are grounds to doubt the financial capacity of one applicant.
- If the FCA must be checked, the entity will be contacted by the Central Validation Service.

Results from Financial Capacity Assessment

- If the result is **positive** (Good or Acceptable) => Entity can be the Coordinator

- If the result is **negative** (Weak or Insufficient) **and** poses a risk for the project =>

  Possible measures:
  - Lower the prefinancing
  - Replacement of proposed Coordinator
  - Request joint and several liability of affiliated entities

In case the result is weak or insufficient, the FO and PO will address this issue.

- *Fyi:* You can check your financial capacity at any time: https://ec.europa.eu/research/participants/lfv/lfvSimulation.do

PAYMENTS

- **Pre-financing:**
  - To be distributed by COO without unjustified delay (as per GA terms) unless agreed on & specified otherwise in the Consortium Agreement (CA).
  - Amount: default visible in the Portal

- **Interim payments**: per reporting period = **for completed work packages (WP) only**

- **Final payment -** for completed WPs + partial payments for partially completed & JU-accepted WPs.

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Bankruptcy/ Insolvency/Administration

- Article 17 – General obligation to inform: all beneficiaries must keep their data updated on the Portal and inform the coordinator on any events likely to result in changes of the legal and financial, organizational or ownership situation. the COO has the obligation to inform the JU on the following possible situations:
    - a beneficiary is declared bankrupt, being wound up, having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, or is subject to any other similar proceedings or procedures under national law;

NOTE: The JU is responsible to protect the EU financial interests, and will:

- register any bankruptcy and other insolvency situations in EDES
- register debts owed to the JU with Liquidators/ Administrators **within the legal deadlines.**
- also responsible to **prepare the request for MIM Intervention to any ongoing project** for MIM to compensate the project for debt of ex-bankrupt partner => allow project completion

Mutual Insurance Mechanism

- ✓For programmes with MIM, the contribution to the Mutual Insurance Mechanism will be automatically deducted from the initial pre-financing payment and transferred to the MIM

- ✓ The MIM may intervene if:
  - ✓ a beneficiary leaves the project, and
  - ✓ fails to repay amounts that were unduly received

  Possible case of intervention:
  - ✓ at beneficiary termination, the beneficiary concerned must pay back any undue amounts to the consortium; the granting authority will inform them about this obligation and, if the beneficiary doesn't pay, the granting authority may call on the MIM to intervene and then start a recovery procedure against the beneficiary for the account of the MIM (if needed, by enforcing the recovery under article 22.4)

- ✓ For further details see Article 22 of the Annotated Grant Agreement

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AUDITS

- **Lump Sum Projects:**
  Not subject to financial audits.

✓ However, beneficiaries may be audited by JU, ECA, OLAF & EPPO for:

- **technical reviews**
- **assessment of the proper implementation** and
- **compliance with non-financial obligations** (e.g. IPR, visibility of JU funding, ethics)

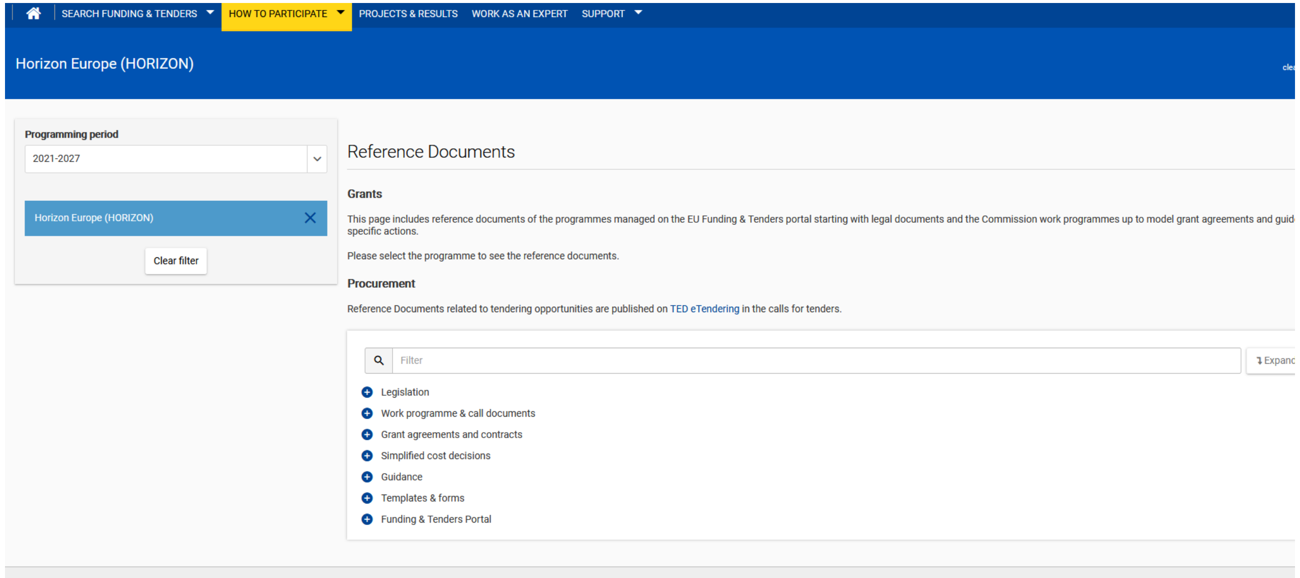
(MGA Article 25 - Checks, reviews, audits and investigations, including extensions of findings)

✓ Possible consequences if improper implementation or non-compliance:

- For open projects: grant reduction
- For closed projects: recovery of funds.

Find more info at:

Funding and Tenders Opportunities Portal, under section "Reference Documents": see in particular the Lump Sum **MGA,** the **AGA, the Grant Agreement Preparation templates and the Guidance**:



National Contact Points

https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/support/ncp

Research Enquiry Service

https://research-and-innovation.ec.europa.eu/contact-us/research-enquiry-service_en

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Thank you

Georgiana BUZNOSU

Legal Officer,
Finance and Administration Unit
Georgiana.buznosu@clean-hydrogen.europa.eu

For further information
https://www.clean-hydrogen.europa.eu/

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