



FUEL CELLS AND HYDROGEN
JOINT UNDERTAKING

FCH 2 JU GRANT AGREEMENT

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LEGAL FRAMEWORK OF A H2020 PROJECT



EU Financial Regulation

1. H2020 Rules for Participation

Applicable Work Plan

2. Grant Agreement (GA)

Governs the relation between the funding body and the beneficiaries

3. Consortium Agreement (CA)

Governs the relation between beneficiaries - Mandatory



GRANT AGREEMENT ANNEXES



Annex 1: Description of the Action

Annex 2: Estimated Budget

Annex 3: Accession Forms, 3a, 3b (*)

Annex 4: Financial Statements

Annex 5: Certificate on the Financial Statements

Annex 6: Certificate on the Methodology



BUDGET CATEGORIES – WORKFORCE COSTS



A. Direct personnel costs		B. Direct costs of subcontracting	C. Direct costs of fin. support]	D. Other direct costs	E. Indi
ees (or equivalent)	A.4 SME owners without salary			D.1 Travel	
persons under contract	A.5 Beneficiaries that are natural persons without salary			D.2 Equipment	
ed persons				D.3 Other goods and services	
nel for providing research [re]				[D.4 Costs of large research infrastructure]	
Unit 7	Unit 8	Actual	Actual	Actual	Fla

Workforce costs



TYPES OF THIRD PARTIES IN A PROJECT - OVERVIEW



Types of third parties	CHARACTERISTICS						
	Does work of the action	Provides resources or services	What is eligible?	Must be indicated in Annex 1	Indirect costs	Selecting the third party	Articles
Linked third party	YES	NO	Costs	YES	YES	Must be affiliated or have a legal link	Article 14
Subcontractors	YES	NO	Price	YES	NO	Best value for money, avoid conflict of interest	Article 13
International partners	YES	NO	No EU funding	YES	No EU funding	Partner to one beneficiary	Article 14a
In-kind contributions by third parties	NO	YES	Costs	YES	YES	Not used to circumvent the rules	Articles 11 and 12
Contractors	NO	YES	Price	NO	YES	Best value for money, avoid conflict of interest	Article 10



A. LINKED THIRD PARTIES



MAIN CHARACTERISTICS:

- Registration needed - PIC number required
- Same participation and same cost eligibility criteria as beneficiaries
- FCH 2 JU may request joint and several liability for their EU contribution
- **Budget must be added during the grant agreement preparation** (was not needed at proposal stage)

Where to add information:

- Section 4.2 (“Third parties involved in the project”) of **Part B**, DoA
- breakdown of budget required in Sygma /**Annex 2** + Part B, AoA



B. SUBCONTRACTS



MAIN CHARACTERISTICS

- Eligibility criterion: ensure **best value for money** and avoid any conflict of interests
- Include the estimated **costs and tasks** in Annex 1 & Annex 2
- Excluded from the calculation of indirect costs

Not Allowed:

- Subcontracting between beneficiaries or to affiliates.
- Coordination tasks of COO

Where to add information:

- **Section 4.2** (“Third parties involved in the project”) of Part B, DoA
- separate budget required in Sygma /Annex 2



C. CONTRACTS - PURCHASE OF GOODS, WORKS OR SERVICES



MAIN CHARACTERISTICS

- For the purchase of goods, works or services : limited in costs and scope
- Ensure best value for money and avoid any conflict of interests
- Equipment (assets): depreciation and percentage of use

Not allowed:

- General rule: contracts between beneficiaries (the beneficiary who provides the goods/ services should charge the costs of providing, not the price)
- Contracts with affiliates: only if BVFM
- Generate 25% indirect costs

Where to add information:

- Section 3.4 of [Annex 1, Part B](#)
- budget required in [Sygma /Annex 2](#) - «Other Direct Costs» category



C. PURCHASE OF EQUIPMENT



MAIN CHARACTERISTICS

- Default: Only depreciation costs

“D.2 by default: The depreciation costs of equipment, infrastructure or other assets (new or second-hand) as recorded in the beneficiary’s accounts are eligible, if they were purchased in accordance with Article 10.1.1 and written off in accordance with international accounting standards and the beneficiary’s usual accounting practices. (...)”

(Article 10 and 6.2.D.2 of the Grant Agreement)

- the depreciable amount (purchase price) must be allocated over its useful life
- Include only the amount over the use in the project
- depreciated equipment costs can NOT exceed the equipment’s purchase price

⇒ Only the depreciation can be budgeted (as only depreciation is eligible)

⇒ Please verify in your budgeted costs

⇒ More details: see “Further Instructions for filling in Annex 1”.



BEST VALUE FOR MONEY – ELIGIBILITY CRITERION



You must demonstrate “best value for money” both in SUBCONTRACTS and in PURCHASE CONTRACTS

1. Competitive selection possible, but not mandatory:

The best value for money principle does NOT in all cases require competitive selection procedures.

However, if a beneficiary did not request several offers, it must demonstrate how best value for money was ensured.

May also use: e.g. open tender; three offers; market research to compare and select, other methods according to your accounting practices etc

1. Naming the supplier in the grant does not mean that you do not have to demonstrate best value

2. We will normally accept your standard practices when properly used

But... Your accounting practices are not panacea!



D. IN KIND CONTRIBUTORS



MAIN CHARACTERISTICS

- 2 types:
 - free of charge or
 - against payment
- Only the actual eligible costs of the third party may be charged
- Forms:
 - seconded persons, contributed equipment, infrastructure or other assets
 - other contributed goods and services
- Separate estimated costs and type of in kind contribution must be identified in Annex 1



Where to add information:

- Section 4.2 of [Part B, Annex 1](#)
- Budget to be added to the budget of beneficiary per costs category in [Sygma / Annex 2](#)



E. INTERNATIONAL PARTNERS



MAIN CHARACTERISTICS

- Participate in the grant by performing tasks – PIC required
- No EU funding
- Do not sign the grant
- Do not report financially
- Only **report technically**
- Do not need to have a legal link to the beneficiary

But:

- Cannot be task leader or WP leader



MORE INFORMATION



Instructions for filling in Annex I Part A and Part B

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DURATION AND START DATE



1. Duration:

- Established in months – Art.3 of the grant

2. Start date:

- Art.3 – usually the first day of the month
- ***By default:*** the month following the entry into force (signature)
- ***Only if justified:*** fixed date
 - General rule: later than entry into force
 - Exceptionally: between the date of submission of your proposal and the date of entry into force



REPORTING PERIODS



- The action is divided into reporting periods (Article 20.2)
- As a general rule, reporting periods last **12** months and **max.18 months**.
- The number of reporting periods depends on the action duration

EXAMPLE:

DURATION	NUMBER OF REPORTING PERIOD
1 to 12	1
13 to 24	2
25 to 42	3



FUNDING RATES



DIRECT COSTS:

The same for all beneficiaries and activities in the grant

Defined in Part D of the General Annexes to the Horizon 2020 Work Programme 2018–2020

- RIA: up to 100%
- CSA: up to 100%
- IA: up to 70%

Exception: non-profit legal entities – up to 100%

Note: funding may be capped by max. grant amount

INDIRECT COSTS:

- single model: 25% flat rate



TYPES OF COSTS THAT CAN BE REPORTED



ACTUAL COSTS

- costs actually incurred, identifiable and verifiable, recorded in the accounts etc
- art 6.1 of the grant)

UNIT COSTS

- A fixed amount per unit determined by the Commission(e.g. SME owner's unit costs)
- For average personnel costs (based on your usual accounting practices)
- Art 6.1 b)

FLATE RATE

- A PERCENTAGE CALCULATED BASED ON THE ELIGIBLE COSTS
- Indirect costs = 25% x Direct costs



TYPES OF COSTS



FORMS OF COSTS	BUDGET CATEGORIES			
	DIRECT COSTS			INDIRECT COSTS
	Personnel	Subcontracting	Other	
Actual costs	✓	✓	✓	✗
Unit costs	Yes for - Average personnel costs - SME owners & natural persons without a salary	✗	✗	✗
Flat-rate costs	✗	✗	✗	✓



RECEIPTS



WHERE?

Article 5.3 of the grant

WHY?

The grant must not produce a profit

the total accepted **EU contribution** + **receipts** are capped at the **total accepted costs**

WHAT?



- (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 or to a linked third party **specifically** to be used for the action, and
- (c) in-kind** contributions provided by third parties **free of charge and specifically** to be used for the action, if they have been declared as eligible costs.



REPORTING AND PAYMENT

PERIODIC REPORTS – ART. 20



PERIODIC TECHNICAL REPORT

- Explanation of work and progress overview
- Summary for publication
- Questionnaire

PERIODIC FINANCIAL REPORT

- Explanation on the use of resources + subcontracting + in kind contributions
- Individual financial statements
- Periodic summary financial statement



REPORTING AND PAYMENT

FINAL REPORTS – ART. 20



FINAL TECHNICAL REPORT

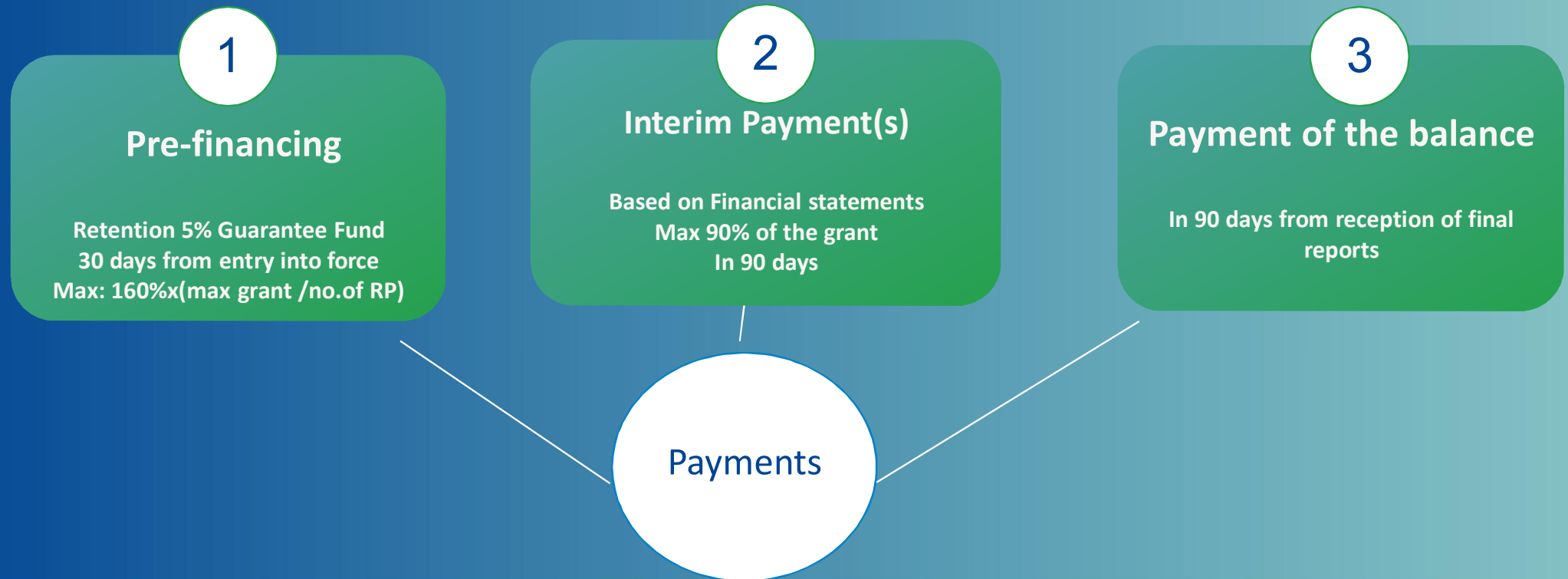
- Summary for publication:
 - overview
 - Conclusions
 - Socio-economic impact

FINAL FINANCIAL REPORT

- Final summary financial statement (automatic)
- Certificate on the financial statements (>325.000 €)



PAYMENTS



OPEN ACCESS TO PUBLICATIONS

Art 29.2 of the grant agreement



- **Obligation to provide open access** to scientific publications through the deposit in a repository;
- The obligation extends to the bibliographic metadata;
- Any costs related to the implementation of these provisions are **eligible**



Support: www.openaire.eu



OPEN ACCESS TO RESEARCH DATA



RESEARCH DATA - OPEN BY DEFAULT

Data management costs are fully eligible for funding

No repository imposed: deposit data where you want

An illustration on a blue background shows a white piggy bank on the left with three gold Euro coins floating above it. To the right, a green and white globe is shown with a dashed white line and an arrow pointing towards it, symbolizing data deposition or open access.

HOW TO?

A template & other information is available on the Participant Portal: http://ec.europa.eu/research/participants/docs/h2020-funding-guide/cross-cutting-issues/open-access-dissemination_en.htm

OpenAire offers guidance as well:

- How to create a DMPlan: <https://www.openaire.eu/opendatapilot-dmp>
- What to deposit, when to deposit, where to deposit: <https://www.openaire.eu/h2020-oa-data-pilot>

DMP is a deliverable to be submitted within the first 6 months



ADDITIONAL ACTIVITIES OF NON-MEMBERS



What?

- additional investment in FCH technologies and related activities that are not included in the project activities, but undertaken outside its work plan, which are not funded by the JU.

By whom?

- non-members of Hydrogen Europe or Hydrogen Europe Research

Why?

- to capture the full picture of FCH developments and assess the investment from all legal entities that contribute to the objectives of FCH 2 JU

Where?

- In section 2.2.a) Plan for dissemination and exploitation of results – Annex 1, Part B

See the separate “Instructions” which have been provided



CONSORTIUM AGREEMENT



Mandatory: article 41.3

“The beneficiaries must have internal arrangements regarding their operation and coordination to ensure that the action is implemented properly.

These internal arrangements must be set out in a written ‘consortium agreement’ between the beneficiaries, which may cover:

- *internal organisation of the consortium*
- *management of access to the electronic exchange system;*
- *distribution of EU funding: – distribution of payments, termination mechanisms (and budget consequences)*
- *additional rules on rights and obligations related to **background and results** (including whether access rights remain or not, if a beneficiary is in breach of its obligations);*
- *settlement of internal disputes;*
- *liability, indemnification and confidentiality arrangements between the beneficiaries.*



The consortium agreement must not contain any provision contrary to the Agreement.”

ADDITIONAL INFORMATION



Horizon 2020 Annotated Grant agreement:

https://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf

Horizon 2020 On-line Manual

https://ec.europa.eu/research/participants/docs/h2020-funding-guide/index_en.htm

Horizon 2020 Indicative Audit Programme

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

For amendments:

Legal basis: https://ec.europa.eu/research/participants/data/ref/h2020/other/events/2019-04-11/2_amendements-legal-basis_en.pdf

The business process and IT tool:

https://ec.europa.eu/research/participants/data/ref/h2020/other/events/2019-04-11/3_amendments-bp-it_en.pdf





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