

MODEL GRANT AGREEMENT (MGA): legal and financial issues





e-GRANT

- The Horizon Europe grant agreement and its management are **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

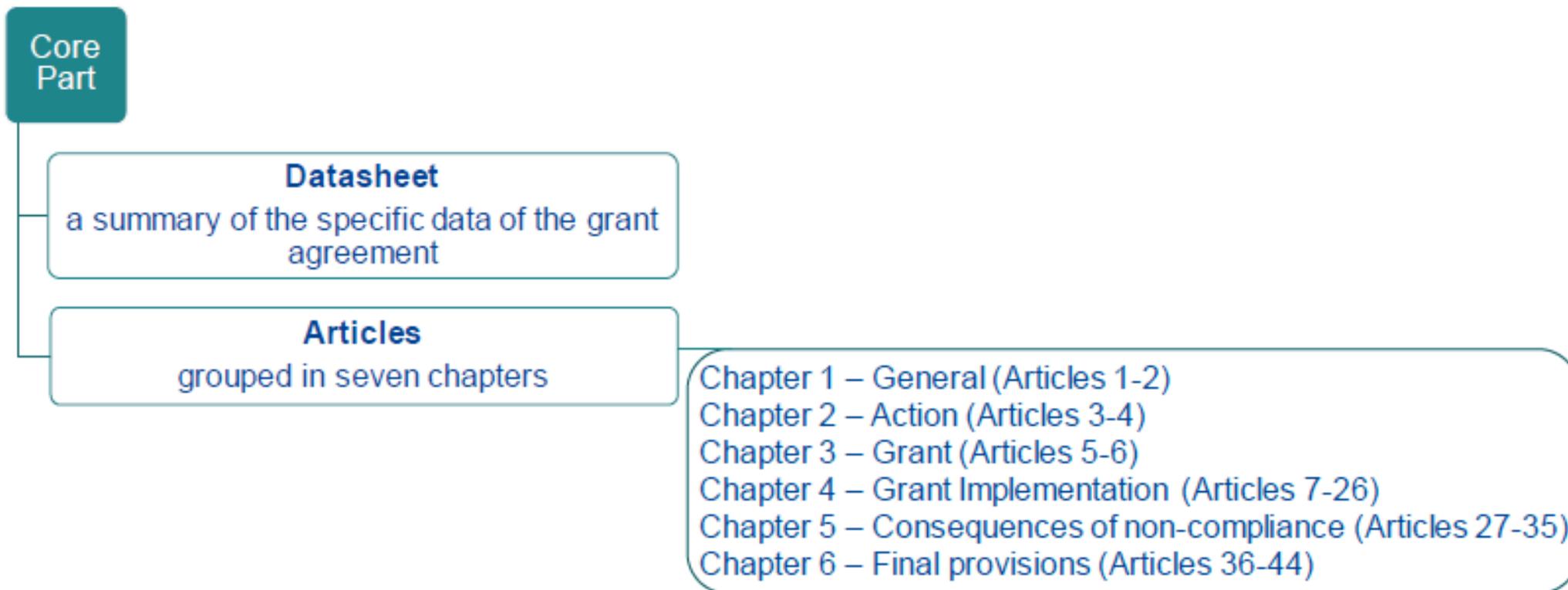
- The Horizon Europe grant agreement is based on a **Commission-wide model** (so-called '**Corporate Model Grant Agreement**')

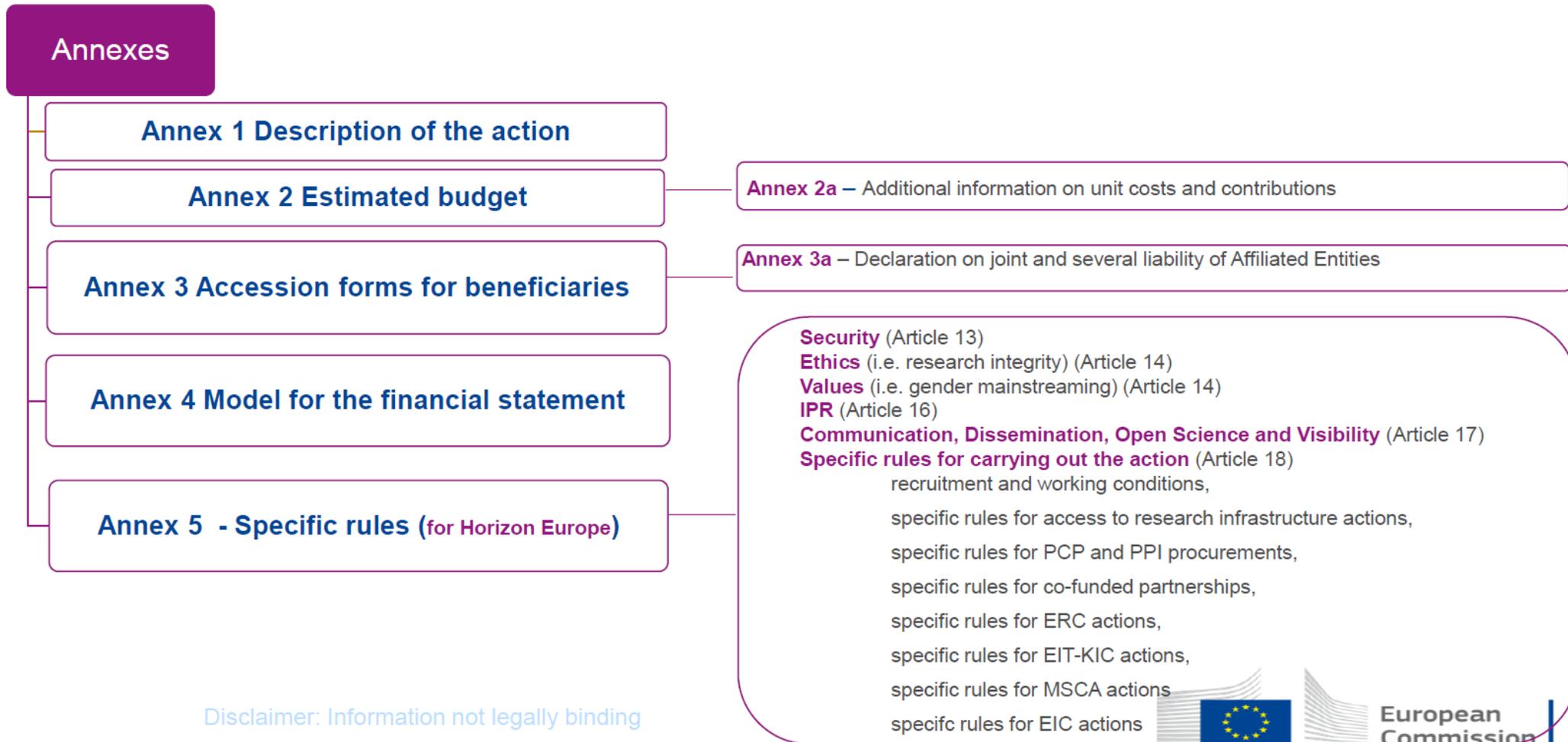


SPECIFIC ANNEX 5

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**





ANNEX 5 - STRUCTURE

Annex 5 Special Rules

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

Disclaimer: Information not legally binding

HOW CAN I PARTICIPATE IN THE GRANT AGREEMENT?

Beneficiary

- Signs the project
- Has all rights and obligations

Associated partner

- Does work but can NOT declare costs

Subcontractor

- Does work and invoices the beneficiary
- The beneficiary may declare the invoice

Affiliated entity

- With a legal or capital link with the beneficiary
- Does work and may declare costs

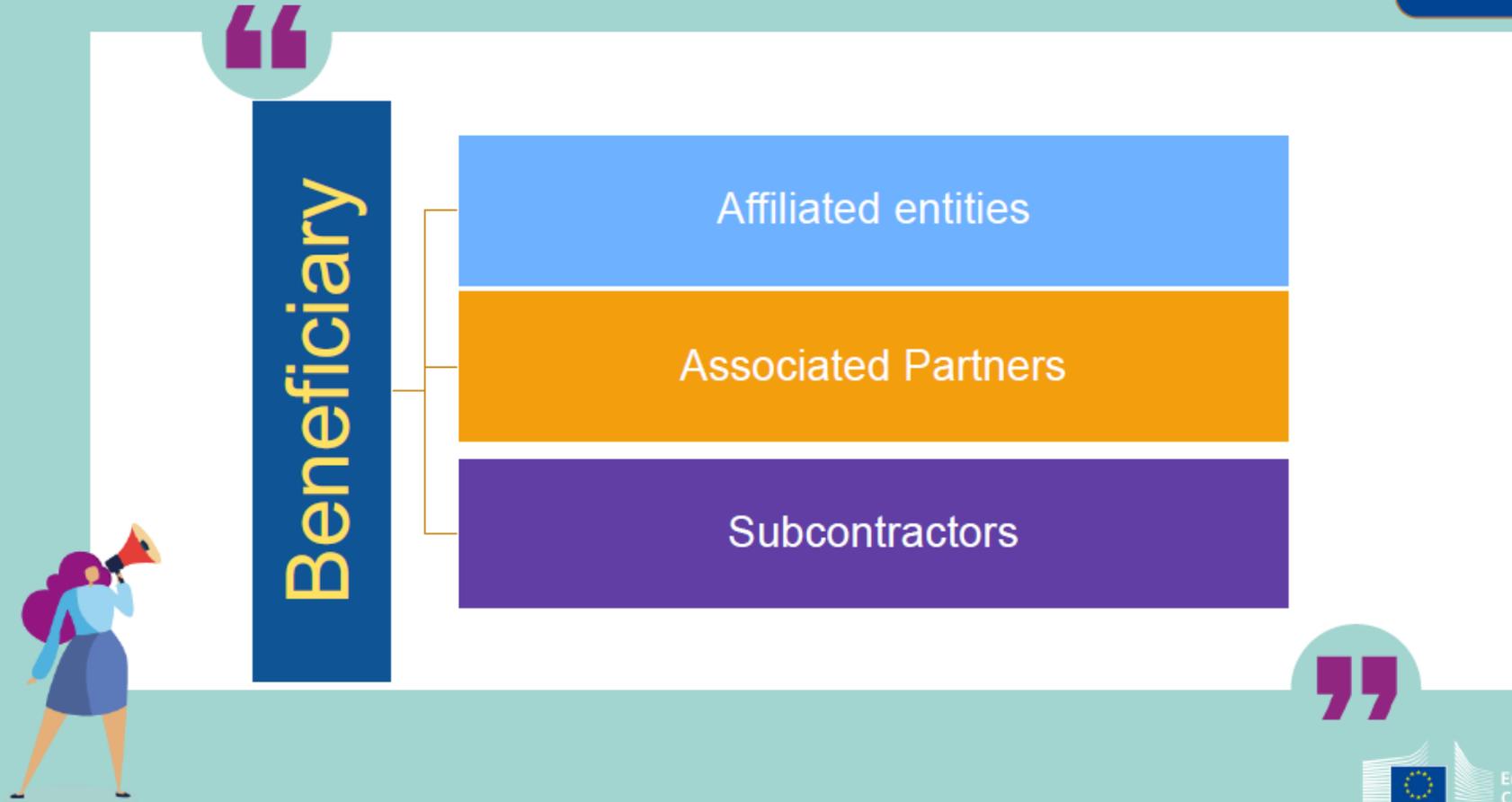
Third party providing contributions

- Does NOT do work just give in-kind contributions
- The beneficiary may declare the costs of the contributions

THIRD PARTIES

Third parties carrying out work in the action

Participants in
the project



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Third parties. Affiliated entities

**Affiliated entities in Horizon Europe = Linked third parties in Horizon 2020
(alignment of definition in corporate context)**

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

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

MUST BE:

1. Identified in Sygma, in article 8 of the GA
2. Tasks must be mentioned in Annex 1 (and detailed costs in section 3.1, of Part B, same as a beneficiary)
3. Their (separate) budget must be in Annex 2

De facto treated as beneficiaries (same costs eligibility criteria apply as well as eligibility in terms of participation.)

Article 8 of the MGA

Third parties. Associated partner

**Associated partner in Horizon Europe = International partner in Horizon 2020
(alignment of definition in corporate context)**

1. The tasks must be set out in Annex 1 (performs action tasks directly); and total costs must be included under “Other sources of financing” heading of the budget - this is for information purposes only.
2. They may not charge costs or contributions to the action (costs not eligible) = participates at own costs
3. Can be linked either to the whole consortium or to a particular beneficiary
4. The consortium is responsible:
 - a. for the action tasks performed by associated partners
 - b. to ensure that the relevant provision of the MGA also apply to the associated partner (e.g. via the consortium agreement)

Listed under article 9 “Other participants involved in the action”, sub-article 9.1

Third parties. Subcontracting

Article 6.2.B. Subcontracting costs &

Article 9.3

1. Must be awarded based [on best value for money](#) (or lowest price) and absence of conflict of interest)
2. Estimated costs and exact tasks to be subcontracted must be identified [in section 3.1 of Part B](#) , Annex 1 and [in Annex 2](#)
3. Subcontracting between beneficiaries is **not** allowed. As a rule, neither is subcontracting to affiliates. Coordinator may not subcontract tasks [in article 7](#).
4. The beneficiaries bear the responsibility of tasks carried out by subcontractors
5. General rule: *Subcontracting may cover only a limited part of the action*
6. Regard implementation of a [part of the project, i.e. action tasks](#). If a contract covers only individual equipment or consumables, this will be considered as a purchase
7. The amount charged as eligible cost must correspond to the amount invoiced by the subcontractor.

Other third parties

Participants in
the project

“
Beneficiary
”

Purchase costs

In-kind contributions
(free of charge)

- May cover:
 - Travel, accommodation and subsistence (Article 6.2.C.1)
 - Equipment (Article 6.2.C.2)
 - Other goods, works or services, if necessary to implement the action (Article 6.2.C.3).

E.g.: CFS, consumables and supplies, promotion, dissemination, protection of results, translations, publications, etc

- must be declared as actual costs
- Ensure best value for money (or lowest price) and avoid any conflict of interests



In-kind contributions – both still eligible under HE

Participants in
the project



FORMER H2020 CONCEPT 'IN-KIND CONTRIBUTIONS AGAINST PAYMENT'

- **No more special Article** (corporate approach)
- But **they can still be declared** as:
 - **Seconded persons** under **Personnel costs** provisions
 - **Or as renting costs for equipment** (if the in-kind contribution relates to an equipment provided by a third party against payment)
 - **Other types** as purchase of goods, works or services
- Indirect costs calculated on top via the 25% flat-rate

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IN-KIND CONTRIBUTIONS FREE OF CHARGE

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

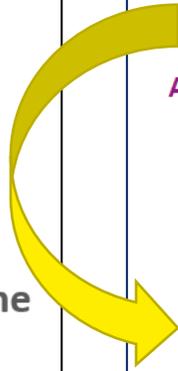




**Horizon Europe (HORIZON)
Euratom Research and Training Programme
(EURATOM)**

[Description of the action (DoA)]
[for FPAs: Action plan]

Part A
Part B



Annex 2 – General Horizon Europe MGA cost categories

				
<p>A. PERSONNEL COSTS</p> <ul style="list-style-type: none"> A.1 Employees A.2 Natural persons under direct contract A.3 Seconded persons A.4 SME owners and natural person beneficiaries 	<p>B. SUBCONTRACTING COSTS</p>	<p>C. PURCHASE COSTS</p> <ul style="list-style-type: none"> C.1 Travel and subsistence C.2 Equipment C.3 Other goods, works and services 	<p>D. OTHER COST CATEGORIES</p> <ul style="list-style-type: none"> D.2 Internally invoiced goods and services 	<p>E. INDIRECT COSTS</p>

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OTHER OBLIGATIONS

1. Signature of a **Consortium Agreement**:
 - ❖ Needed before signature of the grant agreement
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 licence 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.
5. **For Members**: the DoA must include the estimated contributions for **IKOP**. The contributions shall need to be reported during the implementation of the action in the Portal Continuous Reporting tool.

OTHER OBLIGATIONS

6. For 5 topics:

An **additional information obligation** has been introduced for **standardisation** activities: *‘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’.*

Additional information obligation for topics including standardisation activities
<i>HORIZON-JTI-CLEANH2-2022 -02-09</i>
<i>HORIZON-JTI-CLEANH2-2022 -03-04</i>
<i>HORIZON-JTI-CLEANH2-2022 -05-02</i>
<i>HORIZON-JTI-CLEANH2-2022 -05-03</i>
<i>HORIZON-JTI-CLEANH2-2022 -05-04</i>

7. For some topics: application of optional article on **Full Capitalised costs**

Annex 2 – General Horizon Europe MGA cost categories



A. PERSONNEL COSTS

- A.1 Employees
- A.2 Natural persons under direct contract
- A.3 Seconded persons
- A.4 SME owners and natural person beneficiaries



B. SUBCONTRACTING COSTS



C. PURCHASE COSTS

- C.1 Travel and subsistence
- C.2 Equipment
- C.3 Other goods works and services



D. OTHER COST CATEGORIES

- D.2 Internally invoiced goods and services



E. INDIRECT COSTS

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A. Personnel Costs

1. Costs for **employees**
2. Costs for **natural persons with direct contract**
3. Costs for **seconded persons by third party against payment**
4. Costs for **SME owners and natural persons not receiving salary**

1-2-3 = ACTUAL

NEW: hourly rate (H2020) → daily rate (HE)

Personnel costs
=
daily rate x days worked for the project

Calculation of the daily rate:

actual annual gross-gross costs

215

Gross-Gross-Salaries

- ✓ Salaries
- ✓ Social security contributions
- ✓ Taxes
- ✓ Other obligatory costs

4 = SME Unit Cost (daily rate)

*Unit Cost = EUR 5 080 /18 days [i.e. 282,22]
Multiplied by
{country-specific correction coefficient of the
country where the beneficiary is established as
per Marie Skłodowska-Curie actions}*

C. Purchase costs

- **Travel and subsistence (e.g. tickets, accommodation)**
 - **Equipment (durable equipment, infrastructure, other assets)**
 - Depreciation costs*
 - or
 - Leasing / renting*
 - or
 - Capitalised full costs (for hydrogen production plant, distribution and storage infrastructure, and hydrogen end-uses)*
- 'Capitalised costs' means:** 
- costs incurred in the purchase or for the development of the equipment, infrastructure or other assets and
 - which are recorded under a fixed asset account
- **Other goods, works and services (consumables, promotion, dissemination, protection, translations, certificates, etc)**

D. Internally invoiced goods and services

- **Examples:**

- self-produced consumables (e.g. electronic wafers, chemicals)
- use of specific devices or facilities needed for the action (e.g. clean room, wind tunnel, supercomputer facilities, electronic microscope, animal house, greenhouse, aquarium)
- standardised testing or research and development processes (e.g. genomic test, mass spectrometry analysis)
- hosting services for visiting project team members participating in the action (e.g. housing, canteen).

- **Unit costs**

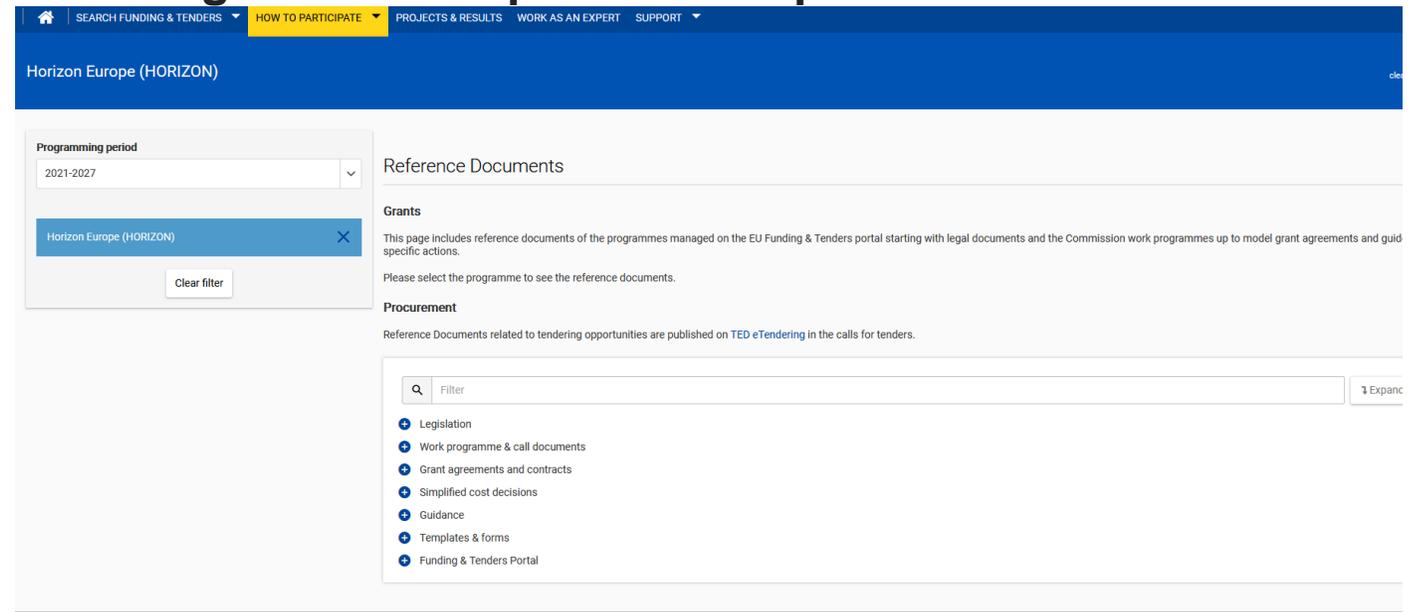
- **NEW:** no 25% flat rate for indirect costs but actual indirect costs may be attributed to the unit costs

Find more info at:

1. Funding and Tenders Opportunities Portal, under section “[Reference Documents](#)”: see in particular the **MGA**, the **AGA** and the **Grant Agreement Preparation templates**:

2. More on the legal aspects:
“**Legal and Financial Aspects**”
presentation

<https://ec.europa.eu/research/participants/docs/h2020-funding-guide/other/event220615.htm>



The screenshot shows the Horizon Europe (HORIZON) portal interface. The top navigation bar includes links for SEARCH FUNDING & TENDERS, HOW TO PARTICIPATE, PROJECTS & RESULTS, WORK AS AN EXPERT, and SUPPORT. The main content area is titled "Reference Documents" and is divided into two sections: "Grants" and "Procurement".

Grants
This page includes reference documents of the programmes managed on the EU Funding & Tenders portal starting with legal documents and the Commission work programmes up to model grant agreements and guidance specific actions.
Please select the programme to see the reference documents.

Procurement
Reference Documents related to tendering opportunities are published on TED eTendering in the calls for tenders.

The interface also features a "Programming period" dropdown menu set to "2021-2027", a "Horizon Europe (HORIZON)" filter button, and a "Clear filter" button. A search bar with a "Filter" input and a "1 Expand" button is visible at the bottom of the content area. A list of categories is shown below the search bar, including Legislation, Work programme & call documents, Grant agreements and contracts, Simplified cost decisions, Guidance, Templates & forms, and Funding & Tenders Portal.

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/>

