

Fuel cells and hydrogen

Joint undertaking

FCH 2 JU Grant Agreement



Nicolas.brahy@fch.europa.eu

Why should I care about the GA at this stage ?

- Time to Grant reduced

- 5 months for evaluation
- **3 months for signature**

⇒ no time for real negotiation

⇒ no possibility to reshuffle the organisation of the consortium and to recalculate the costs and funding



⇒ legal/ financial / Intellectual property aspects must be correct and stable already in the proposal

The FCH 2 JU GA

1. Structure of the grant agreement

2. How to budget your costs?

- a) Forms of costs
- b) Personnel costs
- c) Infrastructure
- d) Indirect costs

3. Third parties and their costs

- a) Affiliated and linked entities
- b) Subcontracting
- c) In kind contributions
- d) Contracts (Purchase of equipment)

4. FCH JU funding and payments

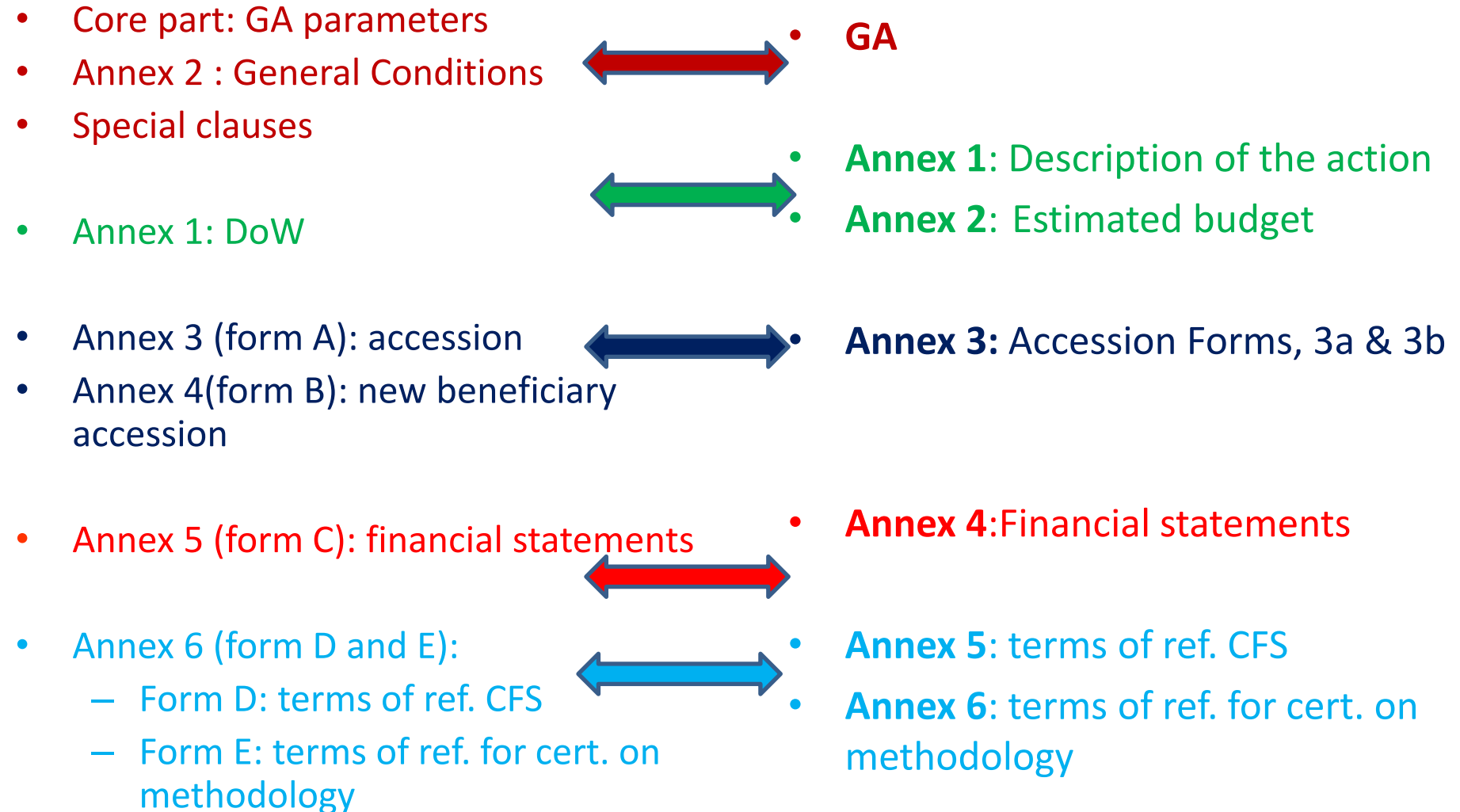
- a) Funding rates
- b) Payments
- c) Receipts

5. IPR & dissemination

1. Structure of the GA

FCH 1 GA

FCH 2 GA



2.a Forms of costs

Actual costs

- Costs actually incurred, identifiable and verifiable, recorded in the accounts, etc.



NEW: non-deductible VAT paid is also eligible

Unit costs

- A fixed amount per unit determined by the Commission.
Example: SME owners' unit cost
- For average personnel cost (based on the usual accounting practices)

Flat rate

- A percentage to be calculated on the eligible costs
Example: Indirect costs = 25 % Direct costs

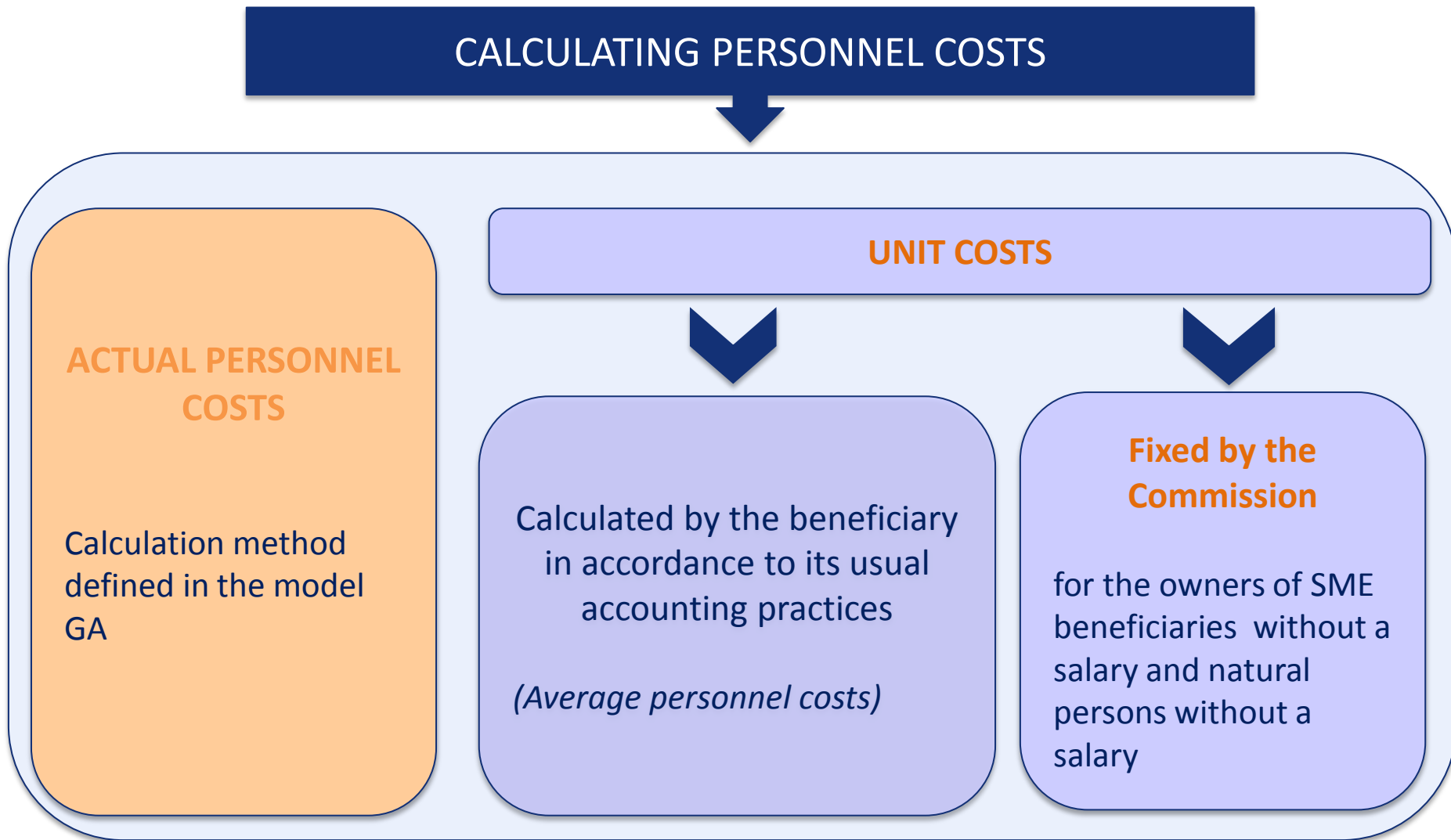
Lump sum

- A global amount to cover one or several cost categories
Example: Phase 1 of the SME instrument

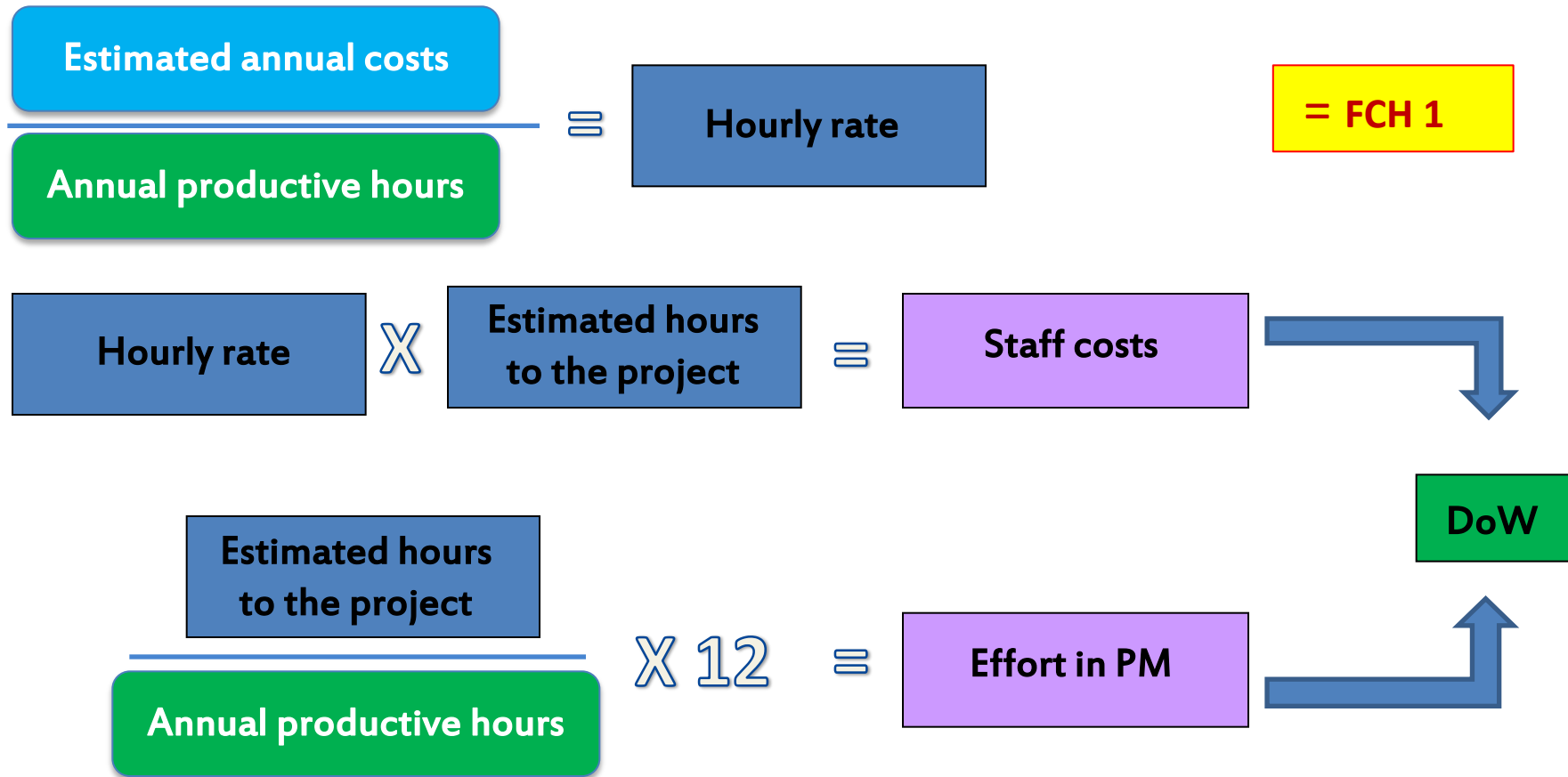
2.a Forms of costs and Budget categories

Form of costs	Direct costs			Indirect costs
	Personnnel costs	Subcontracting	Other direct costs	
Actual costs				
Unit of costs	Yes for -SME owner and natural person without salary -average personnel costs			
Flat rate				25% of DC
Lump sum				

2.B. Personnel costs: overview



2.B. how to budget personnel costs



- **Estimated hours:** as realistic as possible
- **Number of productive hours** = see following slides

2.B. Actual personnel costs: annual productive hours

Annual productive hours

1720 hours

≠ FCH 1

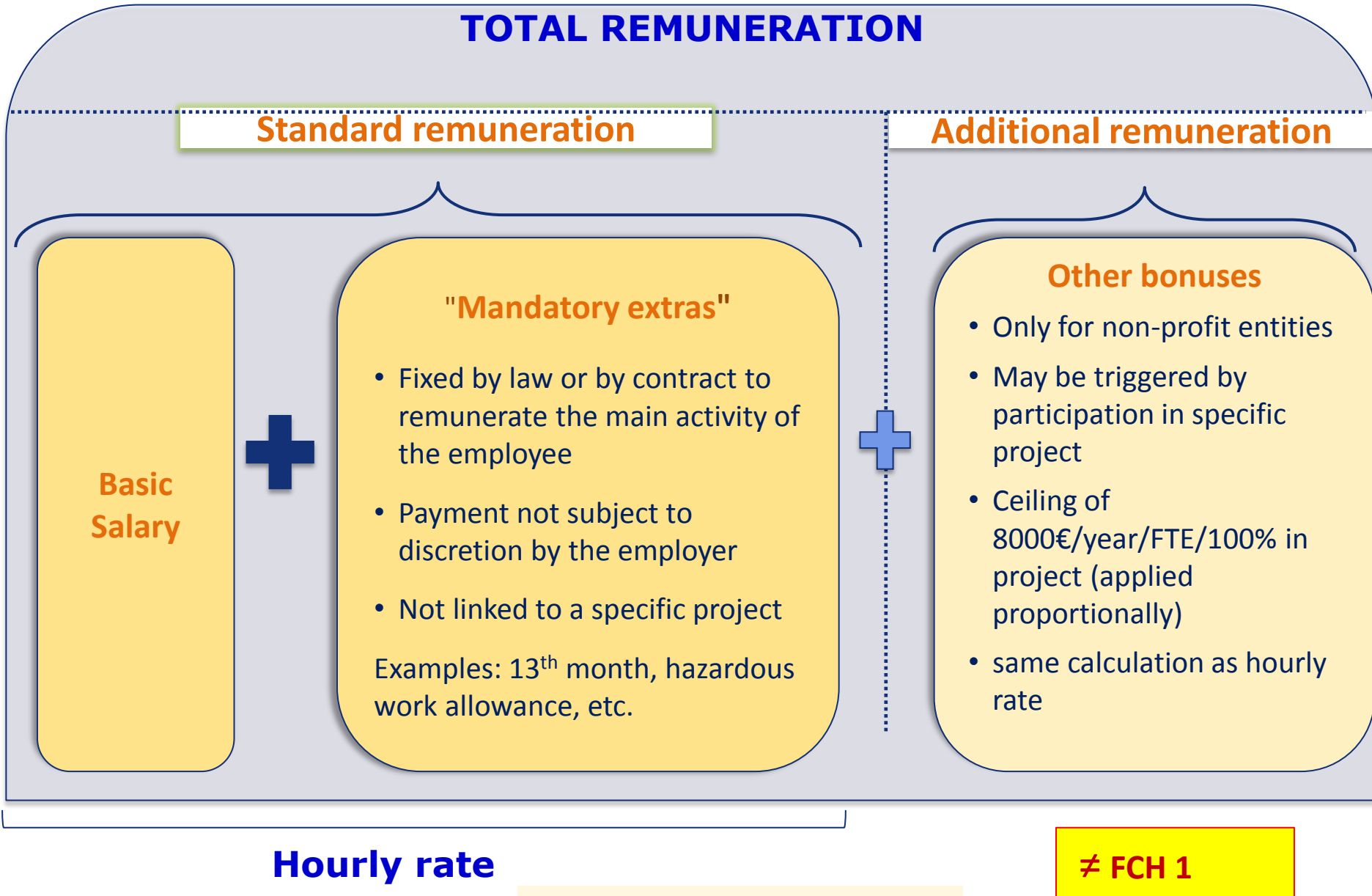
Individual annual productive hours

- Formula: annual workable hours + overtime - absences

Standard annual productive hours

- According to the beneficiary's usual accounting practices; Minimum threshold: annual productive hours \geq 90 % of the standard workable hours

2.B. personnel costs: special case 1



2.B. personnel costs: special case 2

For SME owner or a person without salary

= unit of cost

taking into account
experience and country
coefficient

= FCH 1

= 1720

≠ FCH 1

Estimated annual costs

Annual productive hours

=

Hourly rate

Hourly rate

X

Estimated hours
to the project

=

Staff costs

Estimated hours
to the project

Annual productive hours

X 12

=

Effort in PM

DoW

2.C costs of large research infrastructures

The capitalised & operating costs of LRI directly used for the action if:

- *Research Infrastructure according to FP art. 2(6)*
- *20M€ (large)*
- *75% (research as the core business)*
- *Ex-ante positive assessment (legal certainty) by Commission*

Guidelines have been adopted

2.D indirect costs: a single flat rate

- Identification of ID : a single model (25% flat rate)

- Important simplification
- Reduces error and needs of control

≠ FCH 1

- The funding rate applies also to indirect costs

1. Direct Costs *1,25 * 100%

- All beneficiaries in research actions (RIA)
- Non profit beneficiaries in innovation actions (IA)

≠ FCH 1


2. Direct costs *1,25 * 70%

- For profit beneficiaries in Innovation actions (IA)

3. Third parties & other sensitive relations

- Same principles as FCH 1
- But
 1. Change of vocabulary
 2. Small evolutions of the rules

3.a Third Parties carrying out work: affiliates and third parties with legal link

- Who ?
 - EEIG, Joint research unit, affiliates and groupings carrying out part of the work.
 - = Special clause 11 in FCH 1
- In what conditions
 - tasks to be indicated in Grant agreement
 - Beneficiary retains sole responsibility
 -  – **NEW**: FCH JU may request them to accept joint and several liability for their EU contribution
 - Financially, third party treated as a beneficiary

Article 14 MGA

3.b Third Parties carrying out work: sub-contractors

- Who ?

- Works under business conditions with profit purpose
- Not subordinated to nor under supervision of beneficiary
- Not another beneficiary
- Not an affiliate
 - **NEW** : unless framework contract or affiliate is usual provider + priced at market conditions.

- What?

- A limited and non core part of the project (except if PCP or PPI)
 - Not the coordinator's tasks
 - **NEW**: May cover some limited R&D
 - **NEW**: May be core tasks if PCP or PPI
 - **NEW**: Some elements no longer sub-contract but contracts: CFS, works, catering, ...

- In What Conditions ?

- Tasks and amount indicated and justified in GA
 - **NEW**: if not FCH JU may still approve them but beneficiary bears the risk of rejection
- Best value for money, transparency and equal treatment
 - ⇒ Several bids (or public procurement) OR pre-existing framework agreement

3.c Third Parties: contributions in kind

- Terminology



- In FCH 1 (and FP7) were called « *Third parties making available resources* »
- **Do not confuse** with in kind contribution for matching purpose
 - ≠ In kind in projects
 - ≠ In kind additional activities

- Who ?

- Typical example : a third party giving access to its lab and lab staff.
- Provided either free of charge or against reimbursement

- In what conditions can it be charged to the FCH JU ?

Articles 11 & 12 GA

1. Indicated in grant agreement

- **NEW:** if not, FCH JU may still approve but beneficiary bears the risk of rejection

- 2.A If reimbursement by beneficiary

⇒ recorded in the accounts of the beneficiary

- 2.B If no reimbursement

⇒ costs are recorded in the accounts of the 3rd party and auditable,
⇒ costs also declared as receipt

3.d Third Parties:

Contracts necessary for the implementation

- Notion

- = FCH1 purchase of equipment
- **NEW**: includes now works (building) and services (audit certificates, catering, etc)

- In what conditions

- Best value for money, transparency and equal treatment
⇒ Several bids (or public procurement) OR pre-existing framework agreement

- How to declare the costs ?

- Costs to be declared by beneficiary as « other direct costs »
- Costs must reflect percentage of use in the project
- **Costs must reflect depreciation**

3.d Third Parties:

Contracts necessary for the implementation



WARNING FOR DEMO PROJECT (IA)

– Do not assume that fch ju reimbursement = CAPEX * FUNDING RATE

– **Option A: equipment is built by a beneficiary**

- favored option
- Reimbursement based on costs

– **Option B: equipment purchased from a third party (contract)**

- Reimbursement based on depreciation
- Three scenarios
 1. Depreciation longer than the project duration
 2. Depreciation = duration of the project
 3. Immediate depreciation (extreme case)

depending on
accounting practices
and national rules

– Big impact on your funding => to be anticipated in proposal

4 FCH JU funding and payments

4.b Payments

	Time-to-Pay	From
One Pre-financing	30 days	The latest between starting date and entry into force
→ Retention 5 % of maximum grant for the Guarantee Fund		≠ FCH 1
Interim Payments	90 days	From reception of periodic report
→ Based on financial statements (EU contribution= eligible costs approved * reimbursement rate)		
→ Limit = 90 % of the maximum grant (Retention 10%)		≠ FCH 1
Payment of the Balance	90 days	From reception of final reports

4.c Receipts

NOTION

= FCH 1

Income generated by the action
(except for action's results)

Income generated from the sale
of assets purchased in the GA

Receipts

In-kind contributions:
-specifically for the action
-received free of charge

Financial contributions
specifically assigned by
the donors to finance
the eligible costs

IMPACT

- No-profit rule : project costs \geq FCH JU contribution + Receipts
- **NEW:** applied at project level, not per beneficiary!

5. IPRs, exploitation and dissemination

- Same principles
- But
 1. Evolution of vocabulary
 - Background
 - **Results** (instead of foreground)
 - Access rights
 - **Exploitation** (instead of use)
 - Dissemination
 2. Some novelties

Novelties

1. Open access to publications

- Obligation to provide open access to scientific publication through the deposit in a registry
- GA Article 29.2.

2. Plan for exploitation and dissemination

- possibility to demand additional dissemination obligations
- GA Article 29.1
- Must be foreseen in the AWP and detailed in Annex 1 of the GA.
- The AWP requires that proposals include a draft plan for exploitation and dissemination (Article 13 RfP)

Novelties

3. Access rights of affiliates

- For exploitation by affiliate of the results of « its beneficiary »
- Can be suppressed by consortium

4. Access right of the EU institutions

- for developing or implementing policies/programmes
- Free, non exclusive and for non commercial purpose

5. Access right of third parties

- For **complementary grant**
- If foreseen in AWP : **NOT IN THIS CALL**
- Possibility to request a « coordinating agreement »

Questions ?

Nicolas.brahy@fch.europa.eu
Or fch-projects@fch.europa.eu