MODEL GRANT AGREEMENT (MGA): legal and financial issues
STRUCTURE OF THE GRANT

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’)

<table>
<thead>
<tr>
<th>Harmonisation &amp; standardisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consistent interpretation</td>
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<tr>
<td>Integration of Programme specificities</td>
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</tbody>
</table>

**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
STRUCTURE – CORE PART OF THE GRANT

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

- 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)
STRUCTURE – ANNEXES TO THE GRANT

- 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?

**Beneficiary**
- Signs the project
- Has all rights and obligations

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

**Associated partner**
- Does work but can NOT declare costs

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

**Subcontractor**
- Does work and invoices the beneficiary
- The beneficiary may declare the invoice
COORDINATORS

- 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:
    - submit the prefinancing guarantees
    - 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

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

- **Signatories** → 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: financial statements, technical reports, deliverables
- inform the granting authority (and beneficiaries) of any events likely to affect or delay the action
- submit via the Portal data and information related to the participation of their affiliated entities
THIRD PARTIES CARRYING OUT WORK IN THE ACTION

- Affiliated entities
- Associated Partners
- Subcontractors
Third parties. 1. 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) but does not sign the Grant Agreement!

Article 8 of the MGA
Third parties. 2. Associated partners

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) = participate at own costs
3. Can be linked either to the whole consortium or to a particular beneficiary
4. Must be identified in Article 9.1 “Other participants involved in the action”, their tasks must be mentioned in Annex 1 BUT → do not sign the grant agreement
5. The consortium is responsible:
   a. for the action tasks performed by associated partners
   b. to ensure that the relevant provisions of the MGA also apply to the associated partner (e.g. via the consortium agreement) (i.e. Articles 11 (proper implementation), 12 (conflict of interests), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) including the relevant conditions in the call or Annex 5
Third parties. 3. 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 and the risk of rejection of costs.

5. The amount charged as eligible cost must correspond to the amount invoiced by the subcontractor.

6. General rule: Subcontracting may cover only a limited part of the action.

7. 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.

8. Subcontracting between beneficiaries is not allowed. Subcontracting to affiliates is generally not allowed either.
Other Third parties

- 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
Third parties giving in-kind contributions

✓ In-kind contributions against payment and in-kind contributions free of charge are both still eligible under Horizon Europe
✓ However, under HE, in-kind contributions refers only to in-kind contributions free of charge

IN-KIND CONTRIBUTIONS AGAINST PAYMENT

• No more specific Article
• Instead, they can still be declared as:
  • Personnel costs for seconded persons (Art. 6.2.A.3)
  • Costs of renting equipment (Art. 6.2.C.2)
  • Purchase costs for other goods, works or services (Art. 6.2.C.3)
• Indirect costs calculated on top via the 25% flat-rate

IN-KIND CONTRIBUTIONS FREE OF CHARGE

• Specific provisions (Article 6.1 and 9.2 HE MGA) (stemming from Horizon Europe specific legal base)
• They must be declared by the beneficiary which use them under the relevant cost category (i.e. as if they were costs incurred by the beneficiary).
• Only direct costs must be reported
• No more reference to in-kind contributions not used in the beneficiary’s premises
• Indirect costs calculated on top via the 25% flat-rate (with exceptions, like for internal invoicing)
## OVERVIEW OF PARTICIPANTS ROLES - AGA

<table>
<thead>
<tr>
<th>TYPE</th>
<th>Works on ‘action tasks’?</th>
<th>What is eligible for the beneficiary/ affiliated entity?</th>
<th>Must be indicated in Annex 1 GA?</th>
<th>Conditions for participation</th>
<th>GA article</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries</td>
<td>YES</td>
<td>Costs</td>
<td>YES</td>
<td>Must be eligible</td>
<td>art 7</td>
</tr>
<tr>
<td>Affiliated entities</td>
<td>YES</td>
<td>Costs</td>
<td>YES</td>
<td>Must have a capital or legal link with a beneficiary and fulfill the same eligibility conditions</td>
<td>art 8</td>
</tr>
<tr>
<td>Associated partners</td>
<td>YES</td>
<td>n/a</td>
<td>YES</td>
<td>No specific conditions (APs do not receive funding).</td>
<td>art 9.1</td>
</tr>
<tr>
<td>Third parties contributing to the project</td>
<td>Participate in the action as contributors</td>
<td>n/a</td>
<td>YES</td>
<td>Must be best value for money or lowest price and no conflict of interest</td>
<td>art 9.2</td>
</tr>
<tr>
<td>Subcontractors</td>
<td>YES</td>
<td>Invoiced price</td>
<td>NO (only subcontracted tasks must be indicated)</td>
<td></td>
<td>art 9.3</td>
</tr>
<tr>
<td>Third parties receiving financial support²</td>
<td>Participate in the action as recipients.</td>
<td>Amount of support given</td>
<td>YES</td>
<td>According to the conditions in Annex 1 GA</td>
<td>art 9.4</td>
</tr>
</tbody>
</table>

²: Financial support includes both grants and loans.
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 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.

5. For Members: the DoA must include the estimated contributions for IKOP. The contributions shall be reported during the implementation of the action in the Portal Continuous Reporting tool. - N/A, **under development**.
6. 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’.

<table>
<thead>
<tr>
<th>Additional information obligation for topics including standardisation activities</th>
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</thead>
<tbody>
<tr>
<td>HORIZON-JTI-CLEANH2-2022 -02-09</td>
</tr>
<tr>
<td>HORIZON-JTI-CLEANH2-2022 -03-04</td>
</tr>
<tr>
<td>HORIZON-JTI-CLEANH2-2022 -05-02</td>
</tr>
<tr>
<td>HORIZON-JTI-CLEANH2-2022 -05-03</td>
</tr>
<tr>
<td>HORIZON-JTI-CLEANH2-2022 -05-04</td>
</tr>
</tbody>
</table>
OTHER OBLIGATIONS

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

See the exceptions that apply for specifically listed equipment for each topic:

<table>
<thead>
<tr>
<th>Reference</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>HORIZON-JTI-CLEANH2-2022 -01-07</td>
<td></td>
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<td>HORIZON-JTI-CLEANH2-2022 -01-08</td>
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<tr>
<td>HORIZON-JTI-CLEANH2-2022 -01-10</td>
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</tr>
<tr>
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<td>HORIZON-JTI-CLEANH2-2022 -06-01</td>
<td></td>
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<tr>
<td>HORIZON-JTI-CLEANH2-2022 -06-02</td>
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</tbody>
</table>
SURVIVING/POST-GRANT OBLIGATIONS

Some obligations enshrined in the grant agreement will ‘survive’ after the action has been implemented, please take care of aspects that will imply activities beyond the life of the grant such as:

1. Dissemination and Exploitation obligations (Art. 17)
2. IPR access rights (Art. 16)
3. Data reporting and research output management (Art. 17 and common call elements)

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

Take note of other common elements applicable to the topics in the call that will require due consideration when planning your project’s activities, refer to the relevant chapters in section 2.2.3.2 of the Clean Hydrogen JU AWP 2022

1. EU competitiveness and industrial leadership
2. Opportunities for synergies
3. Contribution to the monitoring framework of the Clean Hydrogen JU
4. Guarantees of origin of hydrogen
5. Safety
6. Contribution to Regulation, Codes and Standards
7. Contribution to sustainability and circularity
8. Activities developing test protocols
9. International Collaboration
Horizon Europe (HORIZON)
Euratom Research and Training Programme
(EURATOM)

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

Part A
Part B
A. Personnel Costs

1. Costs for employees
2. Costs for natural persons with direct contract
3. Costs for seconded person by third party against payment

Actual costs

Personnel Costs = Daily rate × Budgeted working Days (Timesheets converted into Days)

Daily rate = actual annual personnel costs for the person

215 days

4. Costs for SME owners and natural persons not receiving salary

Unit cost = (EUR 5 080 / 18 days) × Country correction coefficient of the country
B. Subcontracting

- Part B, Table 3.1g: Subcontracting costs items
- Contract for goods, works or services
- ..........that are defined as “action tasks” versus auxiliary tasks.
- Best closest market price estimate
- No 25% flat rate for indirect cost

<table>
<thead>
<tr>
<th>Participant Number/Short Name</th>
<th>Cost (€)</th>
<th>Description of tasks and justification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subcontracting</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
C. Purchase costs

- **Travel and subsistence** (e.g. tickets, accommodation)

- **Equipment** (durable equipment, infrastructure, other assets)
  - *Depreciation costs*
  - *Leasing / renting*
  - *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, the Grant Agreement Preparation templates and the Guidance:

https://ec.europa.eu/research/participants/docs/h2020-funding-guide/other/event230202.htm

❖ 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
Thank you

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