

# MODEL GRANT AGREEMENT (MGA): legal and financial issues



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HORIZON EUROPE

# The Model Grant Agreement



# STRUCTURE OF THE GRANT



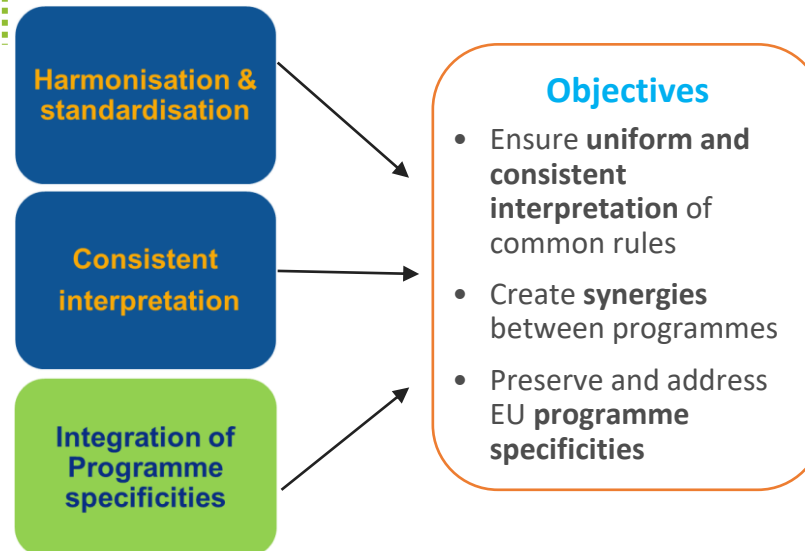
## e-GRANT

- **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**')



## SPECIFIC ANNEX 5

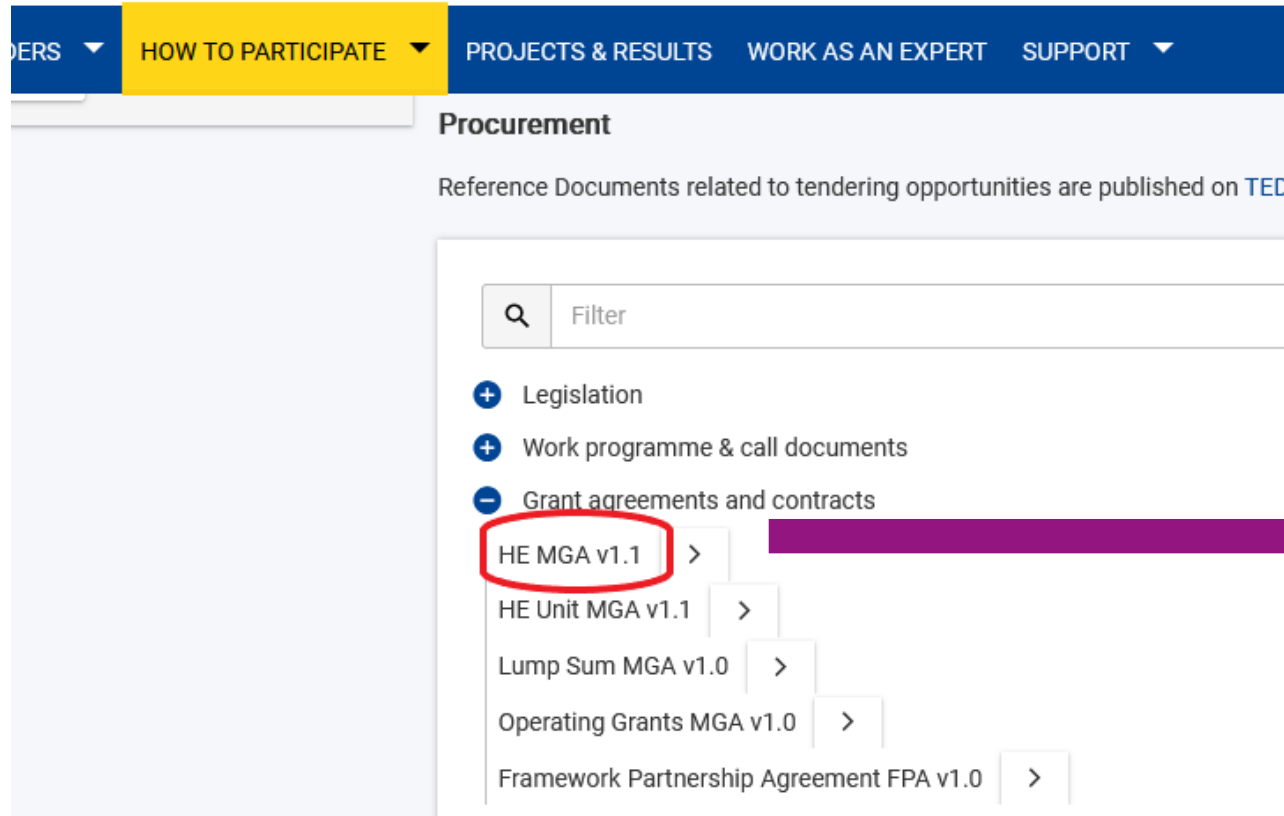
Some important Horizon Europe specific rights and obligations are part of this annex 5, like:

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

# WHERE TO FIND THE MODEL GRANT AGREEMENT

## Funding & tender opportunities

Single Electronic Data Interchange Area (SEDIA)



The screenshot shows the top navigation bar of the SEDIA website. The 'HOW TO PARTICIPATE' menu item is highlighted in yellow. Below it, the 'Procurement' section is visible, with a sub-header 'Reference Documents related to tendering opportunities are published on TEC'. A search bar with the placeholder 'Filter' is present. A list of categories is shown, with 'Grant agreements and contracts' expanded. The 'HE MGA v1.1' item is circled in red, and a purple arrow points from it to the right.

- HOW TO PARTICIPATE
- PROJECTS & RESULTS
- WORK AS AN EXPERT
- SUPPORT

Procurement

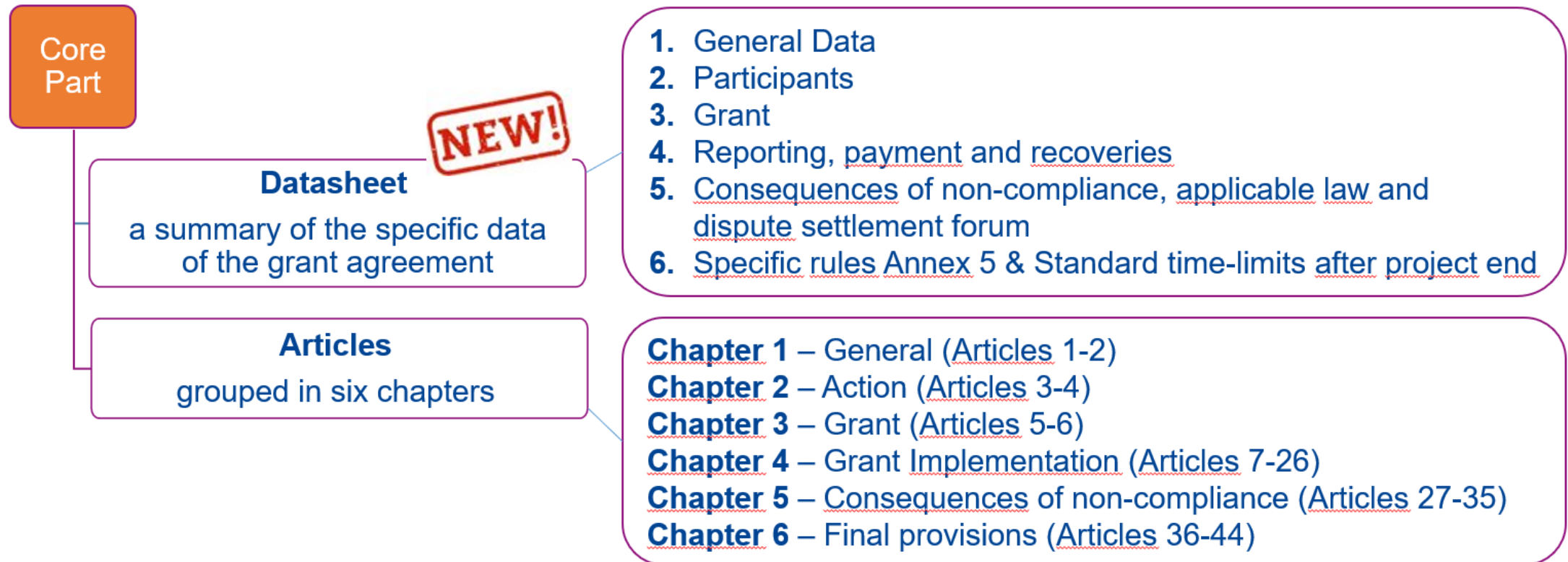
Reference Documents related to tendering opportunities are published on TEC

Filter

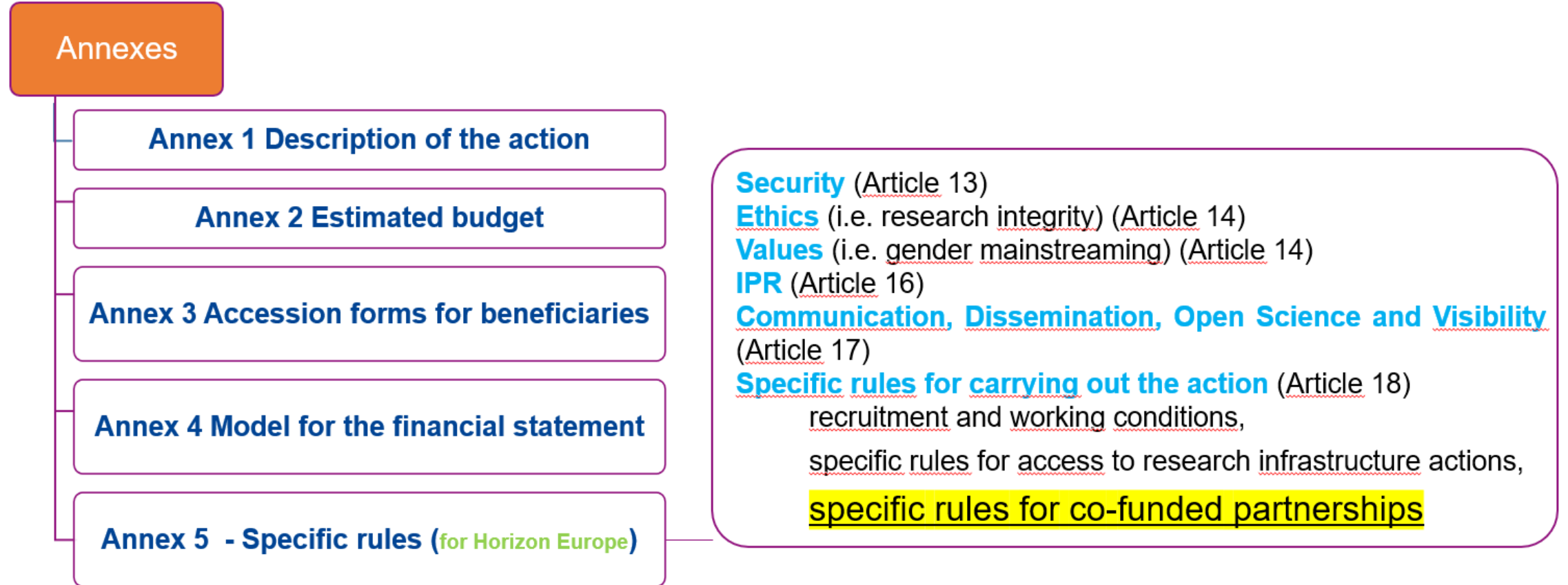
- Legislation
- Work programme & call documents
- Grant agreements and contracts
  - HE MGA v1.1
  - HE Unit MGA v1.1
  - Lump Sum MGA v1.0
  - Operating Grants MGA v1.0
  - Framework Partnership Agreement FPA v1.0

The grant is grant based on actual costs incurred, but may also include optional articles on other forms of funding, such as unit costs or flat-rate costs

# STRUCTURE – CORE PART OF THE GRANT



# STRUCTURE – ANNEXES TO THE GRANT



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HORIZON EUROPE

# Participants in the action





# 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



# COORDINATORS

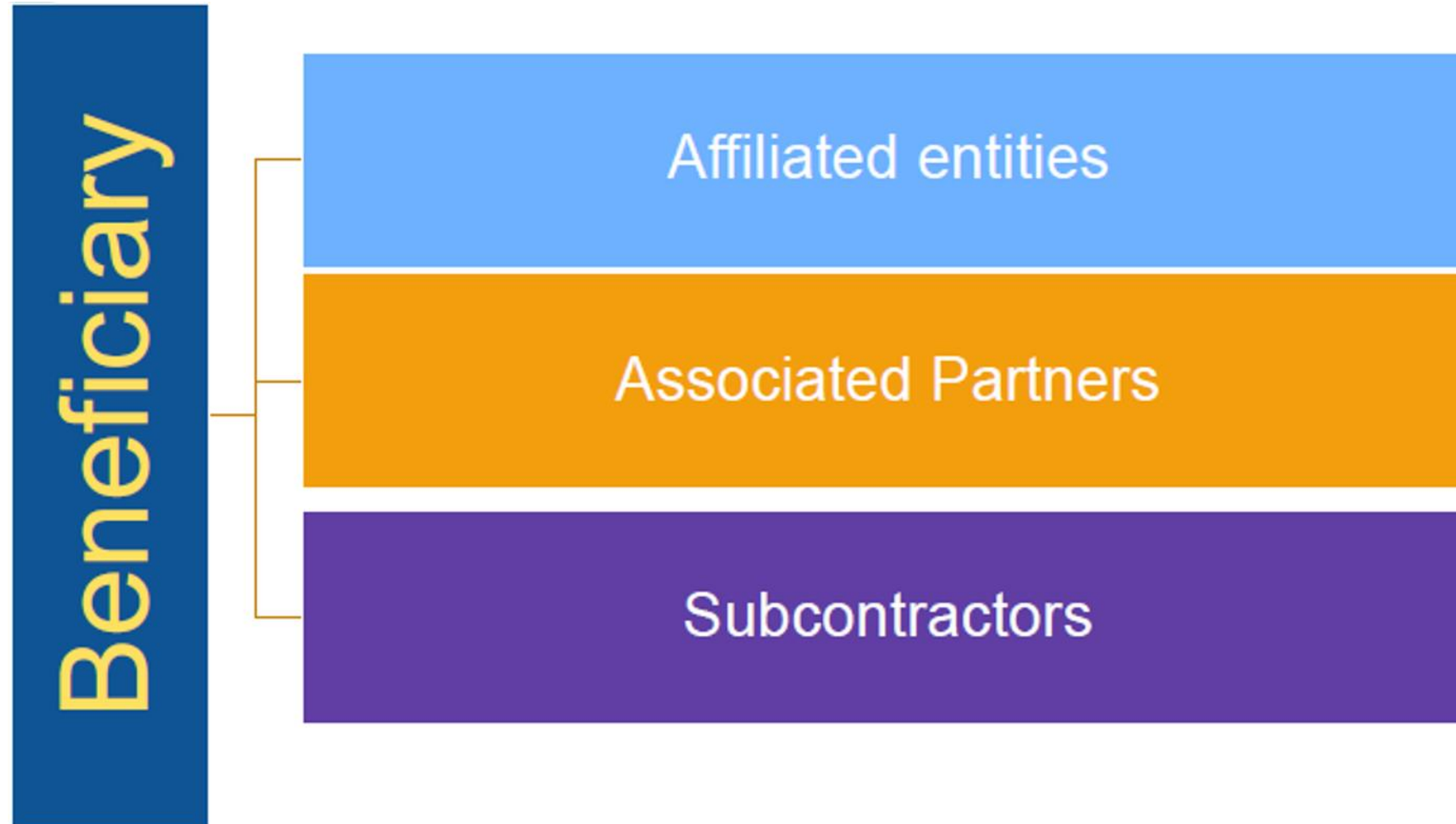
- Directly sign the Grant Agreement
- Central contact point for the granting authority
- Represents the consortium (towards the granting authority)
- Obligations
  - ❖ monitor that the action is implemented properly
  - ❖ act as **intermediary** for all communications:
    - submit the prefinancing guarantees
    - 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** COO 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



# Third parties. 1. Affiliated entities

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

- permanent legal structures
- contractual cooperation not limited to the action
- capital link:
  - i. direct or indirect control of the beneficiary
  - ii. under the same control as the beneficiary
  - iii. controlling the beneficiary

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.**

Article 8 HE MGA

In the GAP, they MUST BE:

**1. Identified in Sygma ( PIC number)**

**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 Sygma + Annex 2**

De facto treated as beneficiaries (same costs eligibility criteria apply as well as eligibility in terms of participation) but *do not sign the Grant Agreement!*

# 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.C. 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 eligible cost is the price charged to the beneficiary - invoice from the subcontractor that may be charged by the beneficiaries, under the conditions set out in Article 6 HE MGA.
6. General rule: *Subcontracting may cover only a limited part of the action*
7. Do work = 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

# 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

TYPE	Works on 'action tasks'?	What is eligible for the beneficiary/ affiliated entity?	Must be indicated in Annex 1 GA?	Conditions for participation	GA article
Beneficiaries	YES	Costs	YES	Must be eligible	art 7
Affiliated entities	YES	Costs	YES	Must have a capital or legal link with a beneficiary and fulfil the same eligibility conditions	art 8
Associated partners	YES	n/a	YES	No specific conditions (APs do not receive funding).	art 9.1
Third parties contributing to the project	Participate in the action as contributors	n/a <i>(except HE: Costs)</i>	YES		art 9.2
Subcontractors	YES	Invoiced price	<b>NO (only subcontracted tasks must be indicated)</b>	Must be best value for money or lowest price and no conflict of interest	art 9.3

# 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.

# OTHER OBLIGATIONS

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’.*

Additional information obligation for topics including standardisation activities
<i>HORIZON-JTI-CLEANH2-2023-02-02</i>
<i>HORIZON-JTI-CLEANH2-2023-05-03</i>

# 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).

This applies for [specifically listed equipment](#) for the following topics:

Exceptional declaration of full capitalised costs
<i>HORIZON-JTI-CLEANH2-2023-01-05</i>
<i>HORIZON-JTI-CLEANH2-2023-01-06</i>
<i>HORIZON-JTI-CLEANH2-2023-01-07</i>
<i>HORIZON-JTI-CLEANH2-2023-02-01</i>
<i>HORIZON-JTI-CLEANH2-2023-02-04</i>
<i>HORIZON-JTI-CLEANH2-2023-02-05</i>
<i>HORIZON-JTI-CLEANH2-2023-03-01</i>
<i>HORIZON-JTI-CLEANH2-2023-04-03</i>
<i>HORIZON-JTI-CLEANH2-2023-04-04</i>
<i>HORIZON-JTI-CLEANH2-2023-06-01</i>
<i>HORIZON-JTI-CLEANH2-2023-06-02</i>

# SURVIVING/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)
2. **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.

## Financial Issues

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## Type of Costs



### PERSONNEL COSTS

- ❖ Cost of **the time worked for the project** by:
  - **A.1** Employees
  - **A.2** Natural person under direct contract
  - **A.3** Seconded person
  - **A.4** SME owners and natural person beneficiaries



### SUBCONTRACTING COSTS

- ❖ You **contract another entity to do part of the work allocated to you** in the description of the action



### PURCHASE COSTS

- ❖ **Travel and subsistence costs** for trips necessary for the project
- ❖ **Equipment** used for the project. In most cases, only depreciation costs are eligible (but exceptions exist)
- ❖ **Other goods, works and services**



### OTHER COST CATEGORIES

*e.g.*

- ❖ **Financial support to third parties**
- ❖ **Internal invoices**  
Cost charged internally from one department to another of the same beneficiary; but only if you have a defined cost accounting method



### INDIRECT COSTS

- ❖ **25% flat rate** applied on most of the other budget categories. When reporting, the IT system will calculate this automatically!

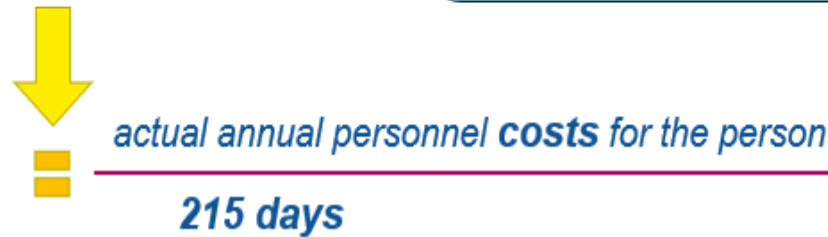
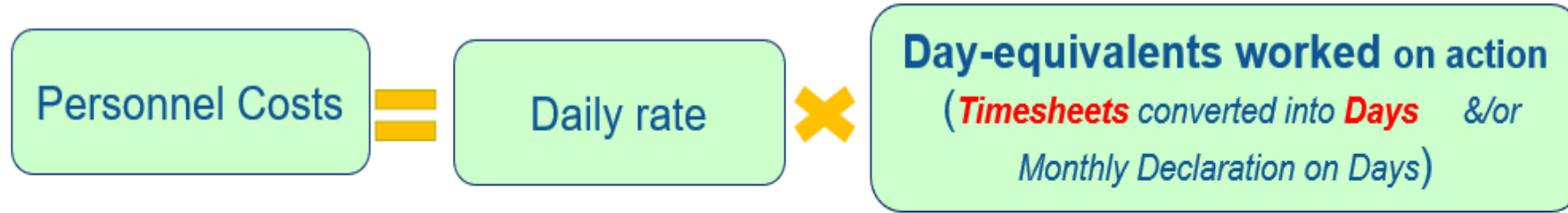




# Clean Hydrogen Partnership

## 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



**215** = Maximum number of working days per year  
 Part-time work => pro rata

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


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

- **Part B, Table 3.1g: Subcontracting costs items**
- **Best value for money**
- **Absence of Conflict of Interests**
- **Describe tasks and rationale**
- **NEW: Subcontracting Work performed only in EU member states + Associated countries**
- **FYI, subcontracting does not generate 25% flat rate for indirect cost**

### Example:

	Cost (€)	Description of tasks and justification
Subcontracting	120 000	Environmental impact assessment study and report required for permitting
	16 000	Monitoring data analyses to support required reporting to permitting authorities
	20 000	Supporting research (reports) for socio-econ-envirom assessment

*“All beneficiaries comply with the best value for money and absence of conflict-of-interest principles when selecting suppliers.”*

- **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
  - costs 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

- **Definition:** costs for goods and services which:
  - are produced or provided within the beneficiary's organisation directly for the action and
  - are determined on the basis of its usual cost accounting practices.
- **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**:

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

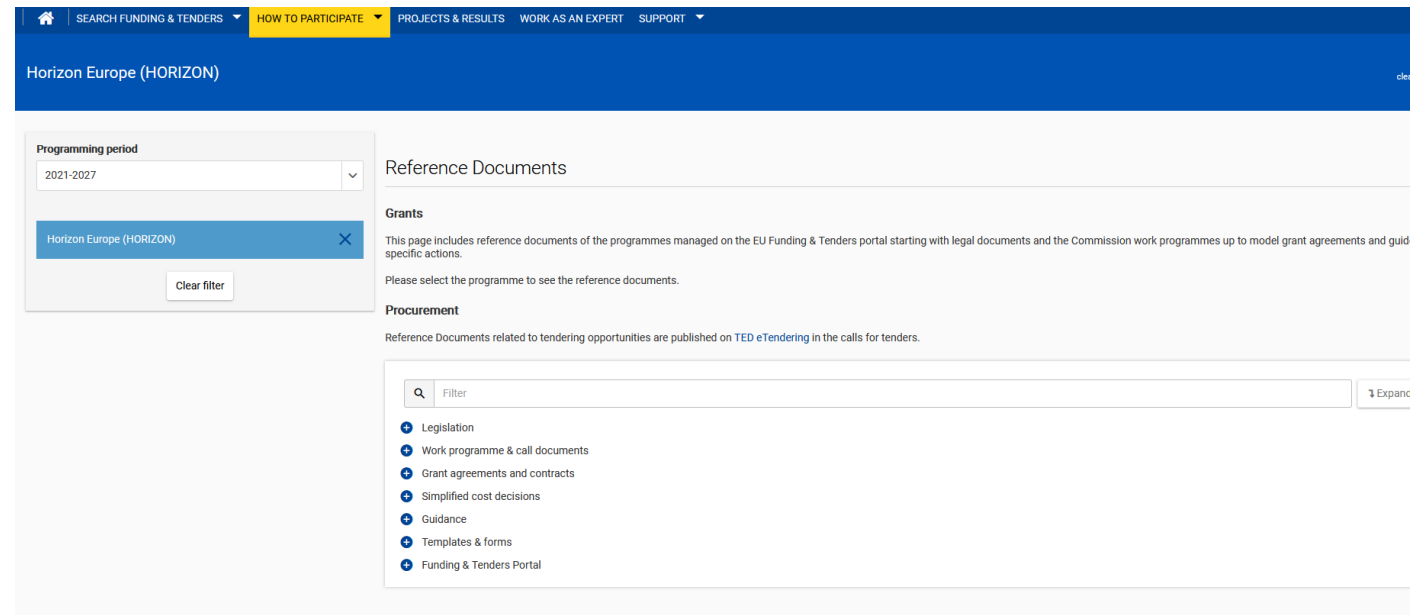
<https://ec.europa.eu/research/participants/docs/h2020-funding-guide/other/event230202.htm>

## ❖ 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](https://research-and-innovation.ec.europa.eu/contact-us/research-enquiry-service_en)



The screenshot shows the Horizon Europe (HORIZON) portal interface. The top navigation bar includes links for SEARCH FUNDING & TENDERS, HOW TO PARTICIPATE (highlighted in yellow), PROJECTS & RESULTS, WORK AS AN EXPERT, and SUPPORT. The main content area is titled "Horizon Europe (HORIZON)" and features a "Reference Documents" section. On the left, there is a filter panel for "Programming period" set to "2021-2027" and a "Horizon Europe (HORIZON)" filter. The "Reference Documents" section includes a "Grants" subsection with a description and a "Procurement" subsection. A search filter is visible at the bottom of the page, with a list of categories: Legislation, Work programme & call documents, Grant agreements and contracts, Simplified cost decisions, Guidance, Templates & forms, and Funding & Tenders Portal.

# Thank you

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