



Rules for participation Legal & Financial issues

Horizon 2020 Secure Societies Information Day

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Conditions for Participation*

Minimum conditions

✓ Standard collaborative actions:

- At least three legal entities each established in a different Member State or an Associated Country independent from each other (art.9 of RfP)
- Participation open for all legal entities established in third countries and for international organisations. Restrictions only possible if introduced in the work programme (art.7 of RfP)
- European interest organisations, created under EU law (i.e. JRC) are deemed to be established in a different Member State as per the purpose of point one

✓ Derogation:

One legal entity established in a Member State or in an Associated Country in case of:

- Justified cases provided for in the work programme or work plan
- Coordination and support actions
- SME instrument

Eligibility for funding*

Who is eligible for funding?

- Any legal entity established in a Member States or associated country or created under Union law;
- Any international European interest organizations;
- Any legal entity established in a third country identified in the Work Programme

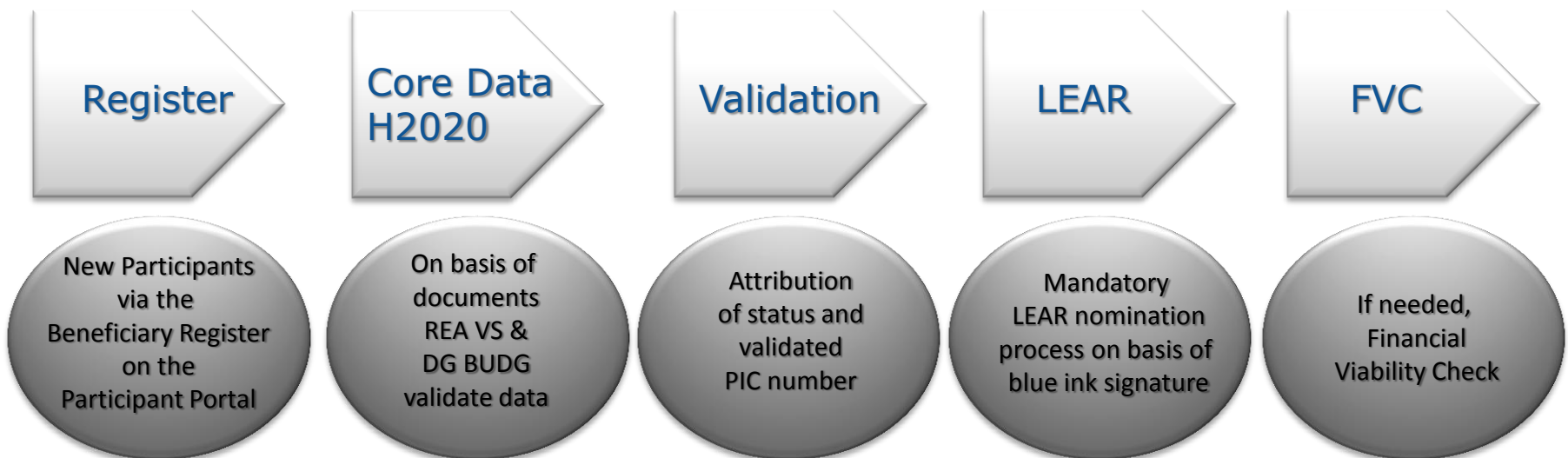
Normally, legal entities established in third countries or international organisations can participate but are not eligible for funding. A derogation is possible provided that at least one of the following conditions is fulfilled:

- participation deemed essential in the action by the Commission or
- when provided under a bilateral scientific and technological agreement

*(cf. art.10 of RfP)

Validation of legal entities in Horizon 2020

Process overview



Validation

Validation of legal entities in Horizon 2020

- The validation of a participant is unique and valid throughout the entire H2020 programmes
- 40.000 FP7 validated entities are migrated into H2020
- During the validation of a legal entity, the REA Validation Service (VS) verifies:
 - (i) legal existence
 - (ii) H2020 status of an applicant
 - (iii) the financial viability (when required)
- Updates of validated data are handled as a priority
- Validation is performed on the basis of supporting documents
- Exception: (1) Research organisations - based on self-declaration and
(2) SME - based on SME questionnaire

LEAR

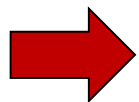
Legal Entity Appointed Representative (LEAR)

- Under H2020 the LEAR nomination is mandatory
- LEAR is the only actor approved by the EC
- LEAR's mandate has been extended:
 - (i) Nominates persons who act as legal representatives and signatory for the organisation
 - (ii) Notifies the EU of changes in legal data / status
 - (iii) Submits FVC documents if required
 - (iv) Nominates persons who sign financial statements

FVC

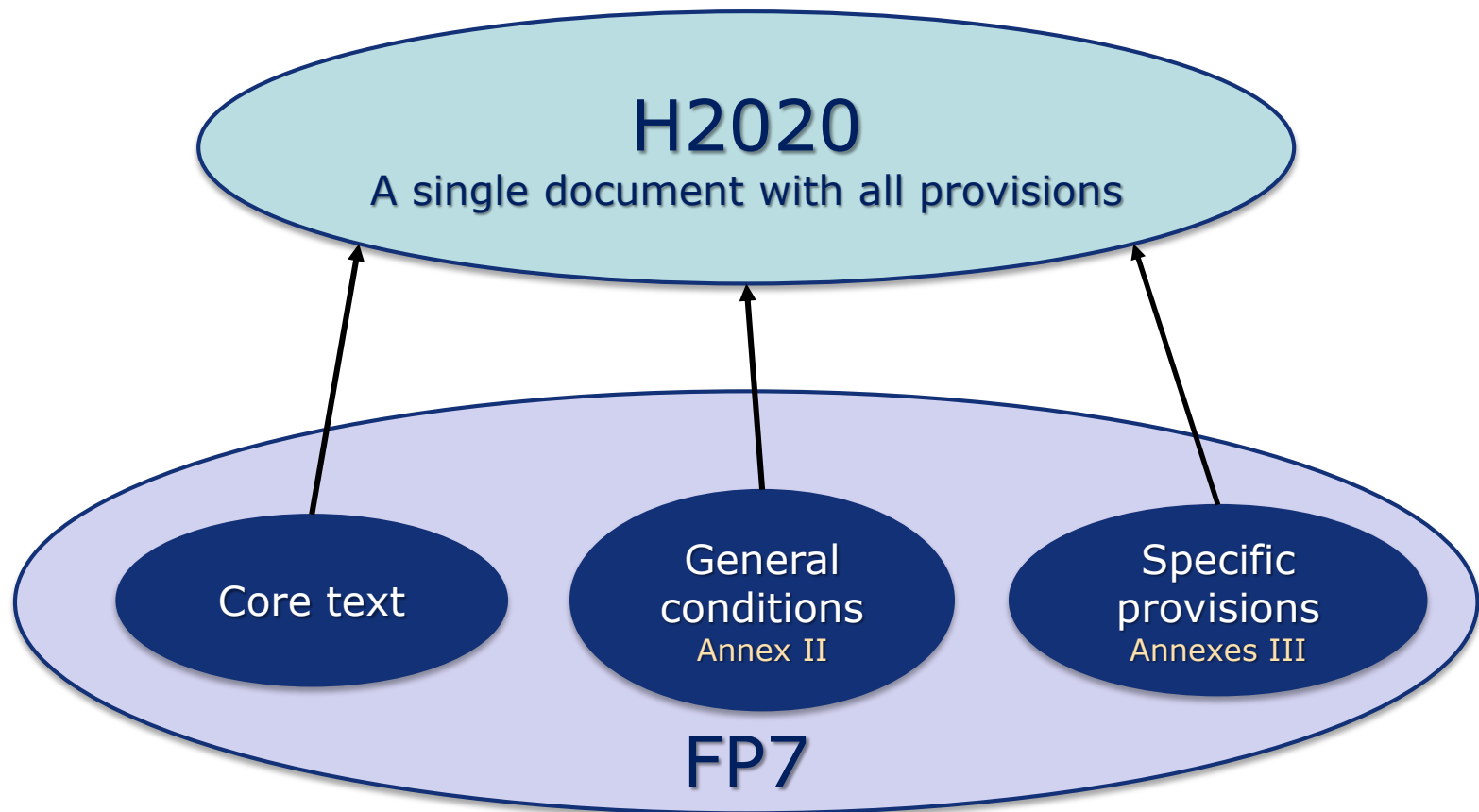
Financial Viability Check

- FVC takes place after legal validation is completed via the PP (PIC related data)
- The financial capacity is checked if:
 - ✓ The beneficiary is a (non-public) coordinator
 - ✓ The requested maximum grant amount for the action is ≥ 500.000 €



FVC could be required at any time for any applicant if the EC considers it necessary

Horizon 2020 model Grant Agreement* (1/4)



* http://ec.europa.eu/research/participants/data/ref/h2020/mga/gga/h2020-mga-gga-multi_en.pdf

Horizon 2020 model Grant Agreement (2/4)

Novelty & Simplification: Full Electronic Communication

Electronic signature via roles assigned in the Participant Portal by the LEAR of:

- Grant Agreement (GA) - PLSIGN
- Amendments to the GA - PLSIGN
- Financial Statements and Technical reports - FSIGN

Communication between the Commission and the beneficiaries:

- Via the Participant Portal (CoCo, PaCo)
- Single electronic-only submission of reporting

Horizon 2020 model Grant Agreement (3/4)

Chapter 1: General

- Single article: subject of the agreement

Chapter 2: Action

- Action, duration and budget

Chapter 3: Grant

- Amount, reimbursement rates, eligible costs

Chapter 4: Rights and obligations

- To implement the action: resources, in-kind contributions, subcontracts
- Grant administration: reporting, payments, audits
- Background and results: access rights, protection of results, exploitation, dissemination
- Others: gender equality, ethics, confidentiality

Chapter 5: Division of roles

- Roles and responsibilities, internal arrangements

Chapter 6: Rejection, reduction, penalties, termination, etc

- Rejection, reduction, recovery and penalties
- Suspension and termination of the action

Chapter 7: Final provisions

- Accession, entry into force, amendments, applicable law

Horizon 2020 model Grant Agreement (4/4)

Annexes to the Grant Agreement

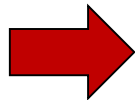
- Annex 1: Description of the action (DoA)
- Annex 2: Estimated budget of the action
- Annex 2a: If unit costs are used
- Annex 3: Accession Forms, 3a & 3b (JRC)
- Annex 4: Financial statements
- Annex 5: Certificate on the financial statements
- Annex 6: Certificate on the methodology

Grant Agreement data sheet

1. List of beneficiaries and linked third parties
2. Duration and start date
3. Reporting periods
4. Reimbursement rates
5. Estimated eligible costs
6. Maximum amount of the grant
7. Pre-financing
8. Guarantee fund retention
9. Bank account
10. Other information: granting authority, if consortium agreement is required, obligation to keep records
11. Applicable options

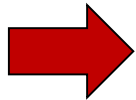
Third parties

Linked third parties



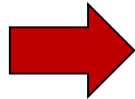
Equivalent to FP7 Special Clause 10 –
Art. 14 GA: legal link not ad-hoc for the
project. PIC validated and budget in
Annex 2

Subcontractors



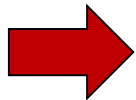
Art. 13 GA: Task in the DoA, limited, best
value for money, no conflict of interest

Contractors



Art. 10 GA: For the purchase of goods,
works or services ("Other costs"). Best
value for money and avoid any conflict of
interests

Contributions
in kind



Art. 11 & 12 GA: Free of charge or
against payment. Must also be set out in
Annex I. Specify if work performed in
premises of the beneficiary or the third
party

Shortening Time To Grant (1/2)

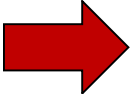
Maximum TTG of 8 months (No-negotiation approach - GAP)

max 5 months
for informing all applicants
on scientific evaluation

Starting from call deadline

Starting from date of
informing applicants of the
outcome of the evaluation

max 3 months*
for signature of GA

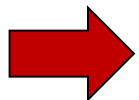
 This is an important legal obligation resulting from the FR 2012 !
(for both parties: EC & consortium)

* Special delay may apply following the results of the security scrutiny procedure !

Shortening Time To Grant (2/2)

How to speed up the process compared to FP7 ?

- ✓ No more negotiations but preparation of the Grant Agreement (GAP) – legal and financial compliance of the proposal including ethics and security recommendations
- ✓ Proposal format ready for quick grant preparation
- ✓ Legal entity validated in parallel to grant preparation
- ✓ Limited FVC (only coordinator grant amount \geq 500,000 €)
- ✓ No more paper: e-communication & e-signature of grants



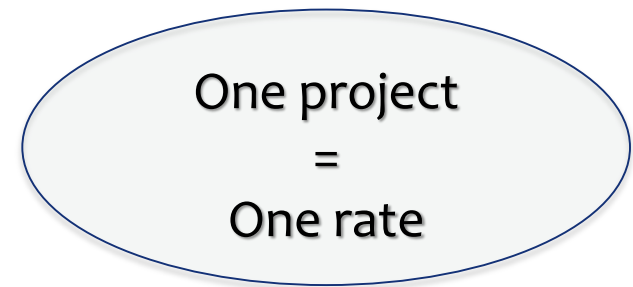
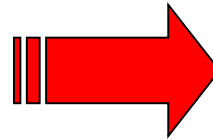
This remains an important challenge for all involved parties !



Funding rate H2020 vs. FP7



Maximum reimbursement rates	Research and technological development activities (*)	Demonstration activities	Other activities
Network of excellence	50% 75% (**)		100%
Collaborative project (****)	50% 75% (**)	50%	100%
Coordination and support action			100% (***)



- For all beneficiaries and activities in the grant
- Defined in the Work Programme:
- Up to 100 % of the eligible costs for research innovation actions (RIA);
- Up to 70 % for innovation actions (IA) (exception for non-profit organisations – up to 100%)

(*) Research and technological development includes scientific coordination.

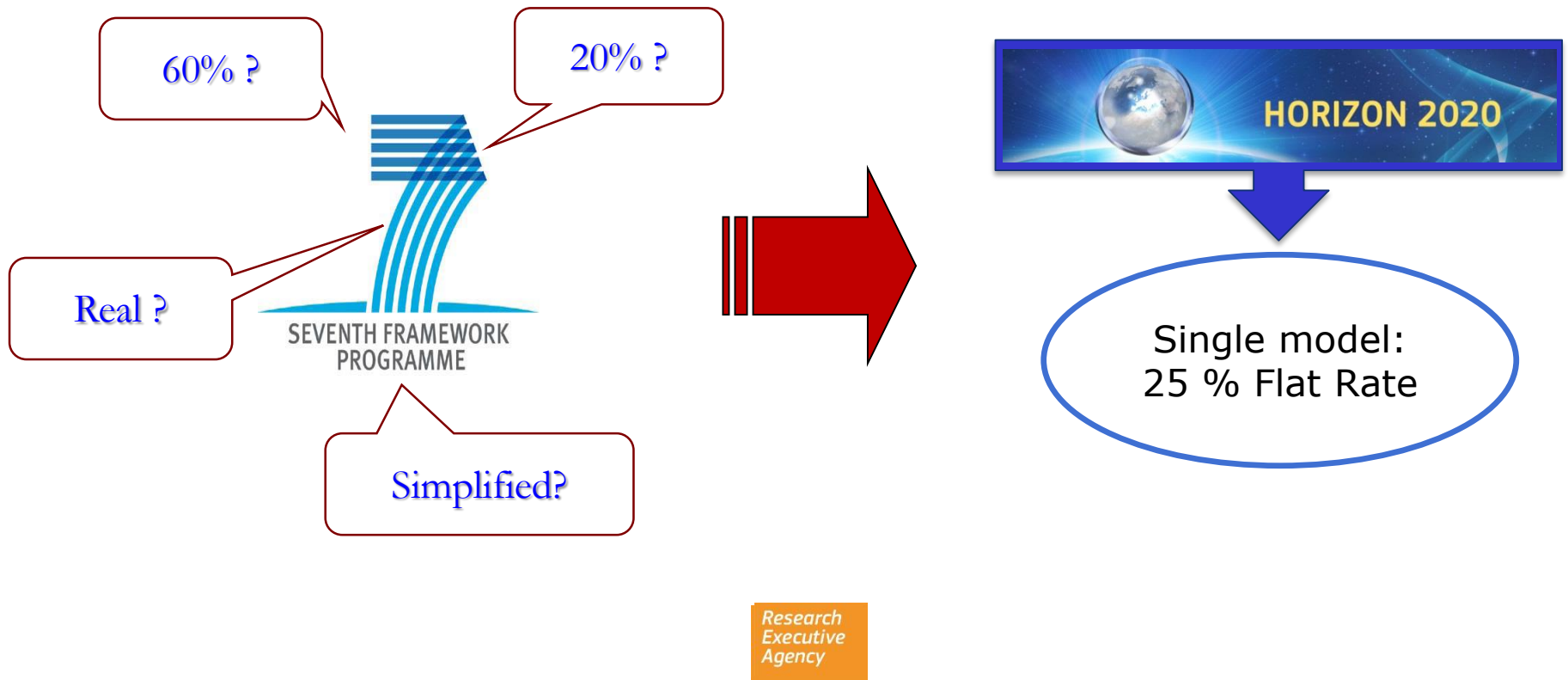
(**) For *beneficiaries* that are *non-profit public bodies*, secondary and higher education establishments, *research organisations* and *SMEs*

(***) The reimbursement of indirect eligible costs, in the case of coordination and support actions, may reach a maximum 7% of the direct eligible costs, excluding the direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the *beneficiary*.

(****) Including research for the benefit of specific groups (in particular SMEs)



Single indirect costs rate

Simplifying project management



Impact on the EU contribution

Typical example

	Direct costs	Indirect costs (60%)	Total costs	% EU contribution	EU contribution
75 / 60 Funding	100	60	160	75%	€ 120
	Direct costs	Indirect costs (25%)	Total costs	% EU contribution	EU contribution
100 / 25 Funding	100	25	125	100%	€ 125

NB: In FP7, most Universities and more than a half of the Research Organisations applied the 60% flat-rate for indirect costs

Forms of costs and Budget categories

FORMS OF COSTS	BUDGET CATEGORIES					
	DIRECT COSTS				INDIRECT COSTS	SPECIFIC CATEGORIES OF COSTS
	Personnel	Subcontracting	Financial support to 3rd parties	Other		
Actual costs	✓	✓	✓	✓	x	✓
Unit costs	Yes for - Average personnel costs - SME owners & natural persons without a salary	x	x	x	x	Yes if foreseen by Comm. Decision
Flat-rate costs	x	x	x	x	✓	x
Lump sum costs	x	x	x	x	x	Yes if foreseen by Comm. Decision

*Subcontracting (limited, for a task in the DoA) vs Contracting (services in Other costs)

* Financial support to third parties (cascading grants or prizes) not applicable to our call

Personnel costs

Novelties

- Less requirements for time records
Example: No time records for researchers working exclusively on the project
- Salaries + social security charges + other costs included in the remuneration arising from national law/employment contract
- Wider acceptance of average personnel costs (unit costs can be used if the conditions are fulfilled)
- Acceptance of additional remuneration:
 - ✓ Limited to non-profit legal entities
 - ✓ Up to 8000 € / year / person working full-time exclusively in the action
 - ✓ Subject to specific conditions

Payments

Time-to-Pay

From

One Pre-financing

30 days

The latest between
starting date and
entry into force

- Retention 5% of maximum grant amount for the Guarantee Fund
- Based on real needs i.e. 100% of average grant amount per period and not 160% as in FP7

Interim Payments*

90 days

From reception of
periodic report

- Based on financial statements
- Limit = 90% of the maximum grant amount (Retention 10%)

Payment of the Balance*

90 days

From reception of
final reports

* NB: Submission of reporting via single, electronic submission (i.e. in one batch)

Guarantee Fund

- Continuity of the system applied in FP7: GF for H2020 is called "Participant Guarantee Fund" and takes over the FP7 GF
- Considered as sufficient guarantee under the Financial Regulation 2012
- No additional guarantee or security may be accepted from participants or imposed on them
- 5% contribution of the maximum grant amount is retained from the initial prefinancing
- This contribution is released to the participants at the end of the action

Controls and audits

- Audit certificates
 - ✓ Only for final payments when the maximum grant amount claimed on the basis of actual costs + average personnel costs is exceeding 325,000 € and only at the end of the action!
- Certificates on the methodology
- Optional certificates on average personnel costs
- Ex-post audits
 - ✓ Audits limited to 2 years after payment of the balance

ADDITIONAL INFO



Participant Portal

<http://ec.europa.eu/research/participants/portal/desktop/en/home.html>



Horizon 2020 Documents

http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference_docs.html



Multi-beneficiary annotated General GA (cf. financial issues)

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



Horizon 2020 On-line Manual

<http://ec.europa.eu/research/participants/portal/desktop/en/funding/guide.html#>



Questions? Research Enquiry Service

<http://ec.europa.eu/research/enquiries>

Thank you for your attention!





... and good luck !